

## “Arguments, Definitions, Questions”

### Abstract

Lionel Robbins’s seminal “Essay on the Nature and Significance of Economic Science” is about half right and half wrong. It is right in its insistence that economists question their assumptions, and its modest suggestion that “*by itself* Economics affords no solution to any of the important problems in life.” It is wrong in its attempt to divide neatly positive versus normative inquiry neatly—and in doing so, confine economics to the former. As Hume reminded us nearly 200 years before Robbins, the demarcation between “is” and “ought” is not so clear. Indeed, a central problem in social science has been our inability to develop a method to go neatly from descriptive science to prescriptive policy. As a consequence, we inevitably muddle the two. Still today, as Coase warns, “problems of welfare economics must ultimately dissolve into a study of aesthetics and morals.”

To the extent that Robbins’s great ambition is to define an “Economic Science” that spews out objective truth, his elegant definition is left wanting. Discussions of the differences between “material welfare” and “scarcity” are arguably simplistic. Treatment of objective rankings of welfare and interpersonal comparisons of utility could have been further developed. Early repudiation of what later emerged as behavioral economics, not to mention well a broader skepticism toward empirical analysis, might not survive the passage of time.

To the extent that any of these criticisms of Robbins’s monumental work are convincing, they are unlikely to matter. Whether Robbins’s arguments are right or wrong, or his definitions are convincing or not, is of precious little importance. The book’s enduring appeal lies in the issues it so presciently raised. Visionaries don’t always need to be right or come up with robust definitions. They need to make us think and question. Judged by this standard, “Essay” is a resounding success.

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