

Re-reading Robbins's *Essay* 18 years after 1989: How the Great Transition Changed Economics

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The most salient legacy of Robbins's *Essay* is the focus on economics as the science of scarcity-conditioned human behaviour. The first, most obvious, finding of this paper is that "The Great Transition" from command economies to market systems in Central and Eastern Europe – "the most important economic event since industrialisation" – demonstrates this focus is not simply the felicitous formulation of a gifted author, but expressed far deeper insight. The collapse of the USSR essentially ended the debate on market and plan: we examine the lasting influence of Robbins's 1930s' approach on this great debate.

Rejection of the "Soviet experiment" meant more for economics. The paper explores three other avenues of impact, using empirical evidence (including metrics), necessarily considering other contemporaneous influences on the profession to assist in judging likely causality. A "Rip van Winkle" heuristic is exploited to explore the degree the profession had changed by 2007, in comparison with the 1981 of Robbins's acclaimed Ely Lecture *coda* to the *Essay*.

First considered is the rise of Economics of Institutions. We critically assess the argument of a number of economists that "lessons learnt" during this Transition pre-eminently include incorporation of the new institutional analysis into the mainstream.

Secondly we assess changes in macroeconomics, summarising these, drawing the lessons for economics of the 1990s high inflation in Russia and related developments. We consider the degree to which Robbins's essay is a guide to modern macroeconomics and to the nature of the micro-macro divide.

Lastly we assess the recent strong tendency to follow Robbins in widening the scope of economics to consider all ends in well-being, not narrowly material wealth, and the degree this may be attributable to the impact of events, including the startling reversals in mortality in the Russian case.

In the Robbins' tradition, we go beyond the Anglo-American literature.