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Lionel Robbins's *Essay on the Nature and Significance of Economic Science*

Article: Attractive Polarities, Narrow Boundaries

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INTRODUCTION

It is difficult to overestimate the importance of Lionel Robbins's *Essay on the Nature and Significance of Economic Science* (*Essay*). This exceptionally well-written text on economic methodology has been variously described as a “classic tract” (Caldwell, 1982, p. 99), “the locus classicus from which all discussion [of economic methodology] begins” (Blaug, 1978, p. 725), and “the ‘official’ statement of the general ontology and epistemology of the discipline.” (Ross, 2005, p. 87). One commentator even notes that *Essay*, “together with the Pareto-Hicks-Samuelson approach—has most greatly influenced the epistemology of microeconomics in the twentieth century.” (Bruni, 2005, p. 225). Put simply, Robbins “was expounding the foundations of the neoclassical microeconomics that would dominate for the rest of the century.” (Kirzner 2000, p. 19). But how did Robbins make his seminal arguments? And, notwithstanding *Essay*'s extraordinary success, are these arguments sound?

This Article attempts to address these questions in three Parts. Part I attempts to understand Robbins' rhetorical appeal. It argues that the persuasiveness and attraction of his arguments derive largely from an extraordinarily subtle, yet masterful, exposition of a series of beautifully-crafted polarities, each building from the next: material welfare versus scarcity, society versus individual, empiricism versus apriorism, normativity versus positivism, interpersonal comparisons versus ordinal rankings, political economy versus economic science. In each case, Robbins exposes a seeming divergence, then

takes sides. He then uses this position as an anchor to make taking a position on the next polarity and seemingly natural and effortless exercise. Put simply, his scarcity-based definition of economics leads him to espouse an individualistic, aprioristic and positivist perspective on economics. This stance then naturally leads to a rejection of interpersonal comparisons of utility. Without the ability to engage in such comparisons, the scope for economic science diminishes considerably. Convenient to the status quo, welfare and social institutions are no longer within the science's purview.

Part II addresses the potential objection that Part I is too crude a depiction of Robbins' position. It argues that, notwithstanding some nuances notably related to Robbins's possible ambivalence around empirical studies, the sequence is essentially accurate.

Finally, Part III proceeds to show that the attractive polarities Robbins has created are flimsy. Moreover, Robbins' too often facile arguments have the ultimate effect of unnecessarily narrowing the boundaries of economics, leading unfortunately to a diminished role for the discipline in public policy. Notwithstanding these criticisms, though, *Essay's* enduring appeal lies in the issues it so presciently raised.

I. ATTRACTIVE POLARITIES

Essay, while unusually lucid, does not follow a linear path from polarity to polarity. As a consequence, deconstructing its arguments is often complex. The exercise is nonetheless rewarding since it reveals the essence of Robbins' extraordinary rhetorical skill.

The first polarity, material welfare versus scarcity, begins with Robbins' striking definition of economics. In a bold departure, he rejects the definition of economics

espoused by such luminaries as Cannan and Marshall; namely, “the study of the causes of material welfare.” (Robbins, 1935, p. 4; see also Howson, 2004, p. 416). Simply contending that “[w]hatever Economics is concerned with, it is *not* concerned with the causes of material welfare as such” (Robbins, 1935, p. 9; see also Alkire, 2002, p. 114), Robbins declares that economics “is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.” (Robbins, 1935, p. 16; see also Ross, 2005, p. 157). Robbins’ source for such a conceptualization appears to lie with his belief in the inevitability of limited time and resources in life (Robbins, 1935, pp. 13-15), as well as with the traditions of the Austrian School—notably, he cites Menger, Mises, Strigl, and Mayer to support his definition (Robbins, 1935, p. 16 n.1). Notwithstanding these respectable continental roots (Seligman, 1962, p. 521), Robbins introduced a radically new definition to the Anglo-Saxon world. He thus sets up a definitional polarity, and declares himself squarely on one side of it. To this day, “Robbins’s book is perhaps best remembered for his articulation of the ‘scarcity’ over the ‘materialist’ definition of the subject area of economics.” (Caldwell, 2004, p. 187).

If scarcity is the coin of the realm, then this conjures up a rather Darwinistic image of individuals competing for life and lucre—rather than a more complex and nuanced analysis of social institutions and history that a study of welfare might encompass. This is precisely what Robbins seems to intend. *Essay* is largely concerned with the canonical Robinson Crusoe problem, “the behavior of an isolated man disposing of a single scarce commodity.” (Robbins, 1935, p. 34). Indeed, Robbins contends that “the phenomena of the exchange economy itself can only be explained by *going behind*

such relationships and invoking the operation of those laws of choice which are best seen when contemplating the behavior of the isolated individual.” (Robbins, 1935, p. 20).

Perhaps most importantly for our purposes here, the focus on individual rather than society flows effortlessly from Robbins’ definition of his field:

it is only when contemplating the conditions of isolated man that the importance of the condition that the scarce means must have alternative uses if there is to be economic activity, which was emphasized above, leaps clearly to the eye. In a social economy of any kind, the mere multiplicity of economic subjects leads one to overlook any possibility of the existence of scarce goods with no alternative uses.

(Robbins, 1935, p. 20 n. 2). The first polarity thus neatly feeds the second.

By contrast, there is less concern for social or institutional behavior (Robbins, 1935, p. 17), as the Institutionalists are squarely criticized. (Robbins, 1935, p. 124). It is thus unsurprising that James Buchanan would put Robbins in a group of economists who “would say that ‘society,’ as such, must always be conceived of its individual members.” (Buchanan, 1964, p. 215; see also Bruni, 2005, p. 225). Talcott Parsons is more critical, noting that Robbins does not “have any clear conception of the relation of institutions to economic activities, nor any systematic place for a theory of institutions in their scheme of the social sciences.” (Parsons, 1934, p. 533).

Relatedly, Robbins is not too interested in history (Robbins, 1935, p. 39), arguing for example that “historical induction, unaided by the analytical judgment, is the worst possible basis of prophecy.” (Robbins, 1935, p. 74; see also Hodgson, 2001, pp. xvi, 195). Much like he slights the Institutionalists, Robbins too diminishes the Historical School (Robbins, 1935, p. 80; see also Catlin, 1933, p. 463), even noting somewhat amusingly that “[i]f it is historico-relative, then a term is needed to describe what we know as historico-relative studies” (Robbins, 1935, p. 82) or that “[t]he only difference

between Institutionalism and *Historicism* is that *Historicism* is much more interesting.”

(Robbins, 1935, p. 83). With both institutions and history tossed aside, we are left with an asocial, ahistorical individual as the unit of economic analysis.

Ingeniously, Robbins uses this second polarity to set up the third: as institutional and historical analysis is deemphasized, so too the importance placed on empirical studies. Robbins contends that “[i]t is really not possible to understand the concepts of choice, of the relationship of means and ends, the central concepts of our science, in terms of observation of external data.” (Robbins, 1935, pp. 89-90; see also Robbins, 1935, pp. 74-75. The fascinating link here is his belief that empirical studies are of limited usefulness because they only capture historical reality and are therefore of little predictive use—“there is no presumption that they must continue to describe the future.” (Robbins, 1935, p. 109). As one commentator has noted, Robbins “is not interested in a historicist approach, which would look for past trends in the allocation of scarce means. For, he believes, past trends (or empirical generalizations expressing what are alleged to be trends) are not to be relied on.” (Hollis, 1975, p. 58; see also Caldwell, 2004, p. 189). Robbins even seems to deride the Historical School and the Institutionalists as users of flawed “inductive methods” redolent with empiricism. (Robbins, 1935, p. 114). To him, “it is theory and theory alone which is capable of supplying the solution.” (Robbins, 1935, p. 120).

Having critiqued empirical work, Robbins then proceeds to declare boldly that “[t]he propositions of economic theory, like all scientific theory, are obviously deductions from a series of postulates.” (Robbins, 1935, p. 78; see also Robbins, 1935, pp. 99-100). To support his theory of postulates, Robbins declares that “[n]o one will

really question the universal applicability of such assumptions as the existence of scales of relative valuation, or of different factors of production, or of different degrees of uncertainty regarding the future, even though there may be room for dispute as to the best mode of describing their exact logical status.” (Robbins, 1935, p. 81). In a manner reminiscent of theorists such as Condillac and Destutt de Tracy (Klein, 1985, p. 69), Robbins envisions “economics as the a priori exploration of deductions from the axioms of rational choice.” (Hodgson, 2001, p. 209; see also Blaug, 1978, p. 698). Put simply, “economics cooked to Robbins’s recipe is a self-contained deductive structure resting on an introspective foundation that is taken to be maximally epistemologically modest.” (Ross, 2005, p. 90; see also Catlin, 1933, p. 463; Klein, 1985, p. 68). Deductive introspection, not inductive empiricism, becomes the order of the day, as the third polarity is decided.

To this point, Robbins has emphasized scarcity over material welfare, the individual over social institutions and history, and apriorism over empiricism. The reader is seemingly told that what matters is an ahistorical, asocial Robinson Crusoe going about life in response to scarcity. And economists should analyze this behavior via scientific deduction.

One might be forgiven at this point for assuming that Robbins is likely to frown upon normativity. After all, if he claims that economics consists of deductions from a series of universal postulates, and universality implies a confidence in self-evident neutrality, then one might expect precious little room for consideration of ethics and judgment. True to form, Robbins cleverly sets up another polarity—positivism versus normativity—and declares economics to occupy squarely the former camp. The way he

builds to this conclusion, however, is characteristically elegant and does not even directly depend on his apriorism. Casually noting that “[t]he criterion of economy which follows from our original definition is the securing of given ends with least means,” (Robbins, 1935, p. 145), he then proceeds to observe that “[t]here is nothing in the corpus of economic analysis which in itself affords any justification for regarding these ends as good or bad. Economic analysis can simply point out the implications as regards the disposal of means of production of the various patterns of ends which may be chosen.” (Robbins, 1935, p. 147). He thus magically takes the question of determining ends away from economics, concluding matter-of-factly that “[e]conomics is neutral as between ends. Economics cannot pronounce on the validity of ultimate judgments of value.” (Robbins, 1935, p. 147; see also Robbins, 1935, p. 24). As Talcott Parsons has noted, in Robbins’ “anxiety to make economics a ‘positive’ science free from ‘metaphysics,’ he is continually being pressed into a radically positivistic position which really eliminates ends altogether.” (Parsons, 1934, p. 514). By eliminating a discussion of ends, Robbins eschews normativity.

Robbins’ claim seems to be that economics cannot logically encompass an ethical component. According to him, “[t]he two fields of enquiry are not on the same plane of discourse. Between the generalisations of positive and normative studies there is a logical gulf fixed which no ingenuity can disguise and no juxtaposition in space or time bridge over.” (Robbins, 1935, p. 148; see also Robbins, 1935, p. 32). Simply put, “[p]ropositions involving ‘ought’ are on an entirely different plane from propositions involving ‘is.’” (Robbins, 1935, p. 142-43). As scholars have observed, Robbins is “strictly confining economic *science* to the Weberian ideal of *wertfrei* endeavor [one free

from value judgments].” (Groenewegen, 1996, p. 1; see also Vickers, 1997, p. 7). The power of Robbins’ declaration derives significantly on how the *Wertfreiheit* doctrine emerges quite innocuously from his definition of economics (Kirzner, 1994, p. 315). As one commentator has noted, “the word *welfare* was suspect as having ethical implications.” (Howson, 2004, p. 424; *cf.* Screpanti and Zamagni, 1993, p. 270). Robbins’ immensely influential focus on scarcity appears seemingly more neutral, somehow more scientific. (*Cf.* Screpanti and Zamagni, 1993, p. 172, Vickers, 1997, p. 39). He has seemingly effortlessly sown the seeds of positivism beginning with his definition.

Essay’s fourth polarity is a specific application that derives largely from privileging positivism over normativity. If economics is merely descriptive science, then it becomes problematic for it to assess relative utility or welfare or happiness among individuals. Is it possible, for example, to establish objectively that an incremental \$100 is worth more to a family living in poverty than to a billionaire? In contrast to distinguished economists such as Pigou (Pigou, 1948, p. 83) and Viner (Viner, 1925, p. 369), Robbins criticizes the notion of marginal utility as one whose assumptions “can never be verified by observation or introspection.” (Robbins, 1935, p. 137). The implications of this stance are dramatic:

Hence the extension of the Law of Diminishing Marginal Utility, postulated in the propositions we are examining, is illegitimate. . . . Recognition of this no doubt involves a substantial curtailment of the claims of much of what now assumes the status of scientific generalization in current discussions of applied Economics. . . . It does not tell us that a graduated income tax is less injurious to the social dividend than a non-graduated poll tax. Indeed, all that part of the theory of public finance which deals with “Social Utility” must assume a different significance. . . .

(Robbins, 1935, p. 141). Rejecting the notion of marginal utility “begs the great metaphysical question of the scientific comparability of different individual experiences.”

(Robbins, 1935, p. 137). Indeed, Robbins’ criticism of utility culminates in the statement that “[t]here is no means of testing the magnitude of A’s satisfaction with B’s. . . . There is no way of comparing the satisfactions of different people.” (Robbins, 1935, pp. 139-40; see also Sen, 1987, p. 30; Persky, 2001, p. 201). He suggests that only ordinal preference rankings, without a measure of intensity, are possible (Robbins, 1935, p. 78-79; see also Ross, 2005, p. 87).

It is striking how elegantly the previous polarities build to this point. After all, having individuals simply order their preferences is ethically far less challenging than making comparisons among individuals. Robbins rejection of interpersonal comparisons thus becomes the canonical application of *Essay*’s desire to separate economics from ethics. (Cf. Davis, 2005, p. 599; Vickers, 1997, p. 109). To boot, even trying to compare utilities among individuals suggests a need for empirical analysis such as behavioral studies. Yet such a notion obviously does not sit well within a framework that privileges aprioristic deduction. (Cf. Seligman, 1962, p. 520; Screpanti and Zamagni, 1993, p. 270). Not to mention, of course, that self-centered ordinal rankings fit well within a radically individualistic, scarcity-based, conception of economics.

Finally, what do the prior five polarities suggest about the scope of economics? As Robbins himself indirectly acknowledges, a move away from interpersonal comparisons of utilities toward ordinal rankings essentially shunts distributional questions out of economics by delegitimizing social changes that might be justified by the concept of marginal utility. (Robbins, 1935, p. 136). As the scope and stance of

economics are narrowed, so is the discipline's ability to contribute to positive social change. As one commentator points out, *Essay's* argument against interpersonal comparisons of utility "placed redistribution outside of the bounds of the analyzable in neoclassical discourse and put a scientific imprimatur on the status quo. The scientific approach to economic analysis had tremendous political consequences, providing a scientific argument for the existing distribution of wealth." (Hackney, 1997, p. 29). This stance fuels the sixth and ultimate polarity: the separation of economic science from political economy. Put simply, equity should not belong within economic science—let politicians and philosophers worry about things like fairness and redistribution. In Robbins's words, "it is worth while delimiting the neutral area of science from the more disputable area of moral and political philosophy." (Robbins, 1935, 151). We are back to Robbins' assertion that economists should not worry about ends (Seligman, 1962, p. 521).

As a corollary to its disregard of distributional issues, *Essay* has been instrumental in launching a sea change privileging the concept of equilibrium—presumably to occupy economists' time now that the scope of their work has been dramatically reduced. As Robbins articulates it, "[i]nstead of dividing our central body of analysis into a theory of production and a theory of distribution, we have a theory of equilibrium, a theory of comparative statics and a theory of dynamic change." (Robbins, 1935, p. 68). Crucially, "it is of the essence of the conception of equilibrium that, given his initial resources, each individual secures a range of free choice, bounded only by the limitations of the material environment and he exercise of a similar freedom on the part of the other economic subjects." (Robbins, 1935, p. 143). True to form, Robbins ingeniously relates ideas—he

integrates the new concept he introduces, equilibrium, to choice and Darwinistic individualism.

Several implications emerge from such a view of equilibrium. First and most importantly, a focus on initial distribution of resources without contemplating redistribution necessarily privileges the status quo. Second and more technically, emphasizing equilibrium successfully sets the stage for greater emphasis on formal mathematical modeling in economics—a phenomenon that has indeed emerged since *Essay*'s publication. (Vickers, 1997, p. 7). This push has been to the detriment of encouraging economics to integrate insights of other social sciences such as cognitive psychology—an approach which Robbins disdainfully characterizes as “the happy hunting-ground of minds averse to the effort of exact thought.” (Robbins, 1935, p. 83). After all, if one can rely on the seemingly neutral formalism of mathematical models, why bother understanding the messy reality of human psychology or even group sociology? (*Cf.* Ross, 2005, p. 167; Seligman, 1962, p. 522).

Where does all of this leave us? By emphasizing scarcity over welfare, individuals over society, apriorism over empiricism, positivism over normativity, ordinal rankings over interpersonal comparisons, and economic science over political philosophy, Robbins effectively hastened the decline of welfare economics as a meaningful discipline. As one scholar notes, such a project is not only symbolized by Robbins' rejection of interpersonal comparisons of utility, but also has significant political implications:

Such explicit rejection of utility had useful and practical by-products in the 1930s for a devoted economic liberal like Robbins. Removal of the imprimatur of scientific inference from the case for a steeply progressive income tax via the 'law' of diminishing marginal utility of income, was one such desirable by-

product.” Eliminating the ‘scientific’ foundations for an interventionist welfare economics as developed by Pigou (in the footsteps of Marshall) was another. (Groenewegen, 1996, p. 2). In a nutshell, Robbins’ polarities ultimately culminate in the claim that “[w]elfare economics is ethics and not economics” (Peck, 1936, p. 496; see also Rima, 1967, p. 318). To the degree that welfare economics might represent the progressive branch of economics, then it becomes a second-class citizen.

II. AN UNFAIR READING?

Before analyzing the boundaries that emerge from *Essay*’s arguments, it is perhaps worth pausing to ask whether Part I has been unfair to Robbins. Is his argument more nuanced than made out above? I discuss the six polarities, in rough order of interpretative ambiguity. Two are straightforward. First, there does not seem to be debate over emphasis of the scarcity over the welfare definition of economics. Second, except for a very small number of curious passing bows to acknowledge that societal institutions actually matter (Robbins, 1935, pp. 44, 143, 155), it seems readily apparent that Robbins emphasizes individuals as the unit of analysis.

Where *Essay* stands on the four other polarities is arguably more controversial. To begin with, one might conceivably argue that Robbins is not pointing to interpersonal comparisons of utility as impossible or useless, but merely observing that they rest on subjective judgments. There is some support for this position. For example, in the Preface to the Second Edition, in response to his critics, Robbins claims that he merely “contended that the aggregation or comparison of the different satisfactions of different individuals involves judgments of value rather than judgments of fact, and that such judgments are beyond the scope of positive science.” (Robbins, 1935, p. vii). Robbins

makes a similar point in a later article focused on interpersonal comparisons. (Robbins, 1938, pp. 637, 640). Indeed, as Paul Samuelson lamented years later, “those who took their Robbins too literally grasped at the straw of a ‘new welfare economics’ which was to be independent of interpersonal ethical elements. But freed from the obscurities of geometry and Paretian French, the new welfare economics stands revealed as being merely a set of *incomplete necessary* conditions whose whole *raison d’être* disappears if the additional ethical conditions are not adjoined.” (Samuelson, 1949, pp. 371-72).

To the extent that the text of *Essay* itself might be ambiguous, Robbins’ other writing suggests that while he might ostensibly claim the real issue is objectivity, he privileges this response as a convenient way to mask his displeasure with interpersonal comparisons. Decades later, for instance, he still defies readers to “demonstrate to me how objectively to judge between Maine’s Brahmin who thought he was many times more capable of satisfaction than an Untouchable, and a radical of the Benthamite tradition who assumed equal capacity all round.” (Robbins, 1971, p. 148). Or he notes that “in every day life, we do make comparisons between the satisfactions of different people. . . . [W]hen we discuss distributional questions, we make our own estimate of the happiness afforded or the misery endured by different persons or groups of persons. But these are *our* estimates. There is no objective measurement conceivable.” (Robbins, 1981, p. 5). While rhetorically attractive, such a putatively clean separation seems to obfuscate more than clarify. If common sense and empirical research are not “objective” enough, then what is? As Amartya Sen wryly observes, “we might find it absurd . . . [to argue] that there was indeed a net gain in the utility-sum from the burning of Rome while Nero played the fiddle.” (Sen, 1982, p. 22). To argue that interpersonal

comparisons are somehow not “objective” conveniently becomes code for disparaging the distributional problem.

Similarly, to the extent that Robbins creates a polarity between positivism and normativity, might he merely be arguing that normative judgments are different, neither better nor worse? As he points out in the Preface to the Second Edition, “[a]ll that I contend is that there is much to be said for separating out the different kinds of propositions involved by the different disciplines which are germane to social action, in order that we may know at each step exactly on what grounds we are deciding.”

(Robbins, 1935, p. ix). Indeed, he continues in the body of *Essay*:

Nor is it in the least implied that economists should not deliver themselves on ethical questions, any more than an argument that botany is not aesthetics is to say that botanists should not have views of their own on the lay-out of gardens. On the contrary, it is greatly to be desired that economics should have speculated long and widely on these matters, since only in this way will they be in a position to appreciate the implications as regards *given* ends of problems that are put to them for solution.

(Robbins, 1935, pp. 149-50; see also Robbins, 1938, p. 639). As he further notes in his autobiography, “[a]ll that I had intended to do was to make it clear that statements about the way in which an economic system worked or *could* work did not in themselves carry any presumption that that was the way in which it *should* work.” (Robbins, 1971, pp. 147-48; see also Peston and Corry, 1972, p. vii). To his credit, Robbins displays a significant dose of modesty in this regard. He reminds us that economics “does not, and it cannot, enable us to evade the necessity of choosing between alternatives” (Robbins, 1935, p. 156) and that “by itself Economics affords no solution to any of the important problems of life.” (Robbins, 1935, p. ix).

While perhaps encouraging in its humility, such an approach might once again ultimately gloss over Robbins' real agenda. Much like with the narrower question of interpersonal comparisons, trying to create a neat dividing line between "positive" science and "normative" judgment merely skirts the problem by turning it into a definitional question. This problem is present in Robbins's later work as well. For example, he argues that "[t]o recognize the claims of science in fields where scientific method was applicable was one thing; to attempt to claim scientific sanction for judgments of questions not capable of scientific proof was another" (Robbins, 1938, pp. 638-39), or that "[t]here can be events or institutions having an economic aspect which we ourselves regard as ethically acceptable or unacceptable. But in so far as the explanations or their causes or consequences are scientific, they are neutral in this respect." (Robbins, 1981, p. 4). Such distinctions, while rhetorically masterful, are ultimately empty: it is easy to throw around terms like "scientific" and "neutral" without defining either. A fair reading thus suggests that he has little patience for normativity and is simply trying to toss it outside by defining it to be outside the limits of economics.

In fact, the supposed positive versus normative divide is directly analogous to the economic science versus political economy one. Again, the argument might proceed that perhaps Robbins is not privileging one over the other, but merely pointing out their separateness. As a scholar with broad intellectual interests spanning well beyond economics, Robbins may have simply been trying to set a clear boundary around economics (Howson, 2004, p. 417)—after all, *Essay* was apparently based on a course Robbins taught in 1929, tellingly entitled "The Nature of Economics and Its Significance in Relation to the Kindred Social Sciences." (Howson, 2004, p. 427). As Robbins

describes it in his autobiography, political economy is simply different from economic science:

There was another level, however, on which economic analysis was conjoined with assumptions about the ultimately desirable ends of society which, because of my past training and my continuing spiritual interests, had no less a hold on my attention. In accordance with the methodological views explained above, I adopted the habit of designating such interests by the old-fashioned term Political Economy, to make clear their dependence on judgments of value and to distinguish them from pure science.

(Robbins, 1971, p. 150; see also Robbins, 1981, pp. 7-8). Similarly, commentators have argued that *Essay* is “misunderstood as an ‘attack’ on economists indulging in political economy. Far from this being the case. . .it is a clarification of the conditions under which economic science relates to political economy.” (Peston and Corry, 1972, p. vii; see also Alkire, 2002, p. 114). Or in Robbins’ typically elegant phrasing in a later article, all he had really wanted to do in *Essay* was for economists “to better realize the exact connection between the normative and the positive, and that their practice as political philosophers might be made thereby more self-conscious” (Robbins, 1938, p. 640). But here again, the problem repeats itself: where and how to draw the line between economic science and political economy?

It is fair to argue that Robbins is privileging the former. And his practically lifelong urging “that the claims of Welfare Economics to be scientific are highly dubious” (Robbins, 1981, p. 9) places welfare economics within the murky latter. Since economics should be scientific, and welfare economics is not, then all of a sudden welfare economics is relegated to outside the mainstream. Once welfare economics is out, an economic liberal like Robbins can conveniently disassociate the remainder of the discipline, the high-minded scientific part no less, from the approaches adopted by more

progressive economists such as Pigou (Robbins, 1938, p. 636). To argue that Robbins is somehow not passing judgment on the superiority the portion of economics he considers “scientific” is a bit fanciful.

Last and most nuanced is the empiricism versus apriorism divide. In the Preface to the First Edition, published in 1932, Robbins thanks Ludwig von Mises (Robbins, 1935, p. xvi), likely indicating that in its first published incarnation, *Essay* was written under the influence of Miesian deductivism (*Cf.* Aslanbeigui, 1987, p. 328). By the Second Edition in 1935 Robbins had softened his stance, noting decades later that he was by 1935 trying “to make it clear that the ultimate assumptions were elementary facts of experience whose appropriateness was always subject to testing by reference back to reality.” (Robbins, 1971, p. 149; see also Caldwell, 2004, pp. 193-94; Hollis and Nell, 1975, p. 196). Yet despite this shift, he candidly admits in the Preface to the Second Edition, he has “never been satisfied with the chapter on the nature of economic generalisations.” (Robbins, 1935, p. x). Notwithstanding this admission, where does he stand?

Robbins’ perspective on the relationship between empiricism and apriorism is a moving target. On rare occasion, he appears to suggest that if economics is a “science,” and gathering data to test hypotheses is the essence of the scientific method, then empirical experiment rather than deductive introspection is the essence of economics. (Robbins, 1935, p. 87; see also Robbins, 1938, p. 639). In one instance, he even writes—quite stunningly, given his apparent affection for deduction—that “even if we restrict the object of Economics to the explanation of such observable things as prices, we shall find that in fact it is impossible to explain them unless we invoke elements of a

subjective or psychological nature.” (Robbins, 1935, p. 88). Given these assertions, it is “difficult to ignore the empirical elements that Robbins saw as the basis for the deductive chains of economic reasoning.” (Kirzner, 2000, p. 20). Yet this emphasis on observation and testing is only a small part of the story.

In other passages, Robbins’ point is likely more modest: empirical work should merely play a supporting role to grand theory. For instance, he notes that the point is “not to unearth ‘empirical’ laws in an area where such laws are not to be expected, but to provide from moment to moment some knowledge of the varying data on which, in the given situation, prediction can be based.” (Robbins, 1935, p. 122). Another, even narrower, possibility for where Robbins’ stands might be the notion that economists merely need to make explicit the assumptions behind their empirical work, as Robbins seems to contend in the Preface to the Second Edition. (Robbins, 1935, p. ix).

Unfortunately, clarity and consistency about what value Robbins ultimately ascribes to empirical work are elusive. One scholar has even devoted a paper to grappling with this question, concluding that there are “two inconsistent themes in Lionel Robbins’ methodology. The first is the anti-empirical emphasis on introspection due to the different nature of social sciences as opposed to the natural sciences. The second is his implicit and explicit emphasis on observation and empirical verification.” (Aslanbeigui, 1987, p. 333). Notwithstanding this important observation, on balance it is relatively safe to posit that even in the Second Edition, Robbins wishes to emphasize deductive introspection over inductive empiricism. He admits as much in his autobiography, where he characterizes his stance as “a reaction—doubtless overdone—against the ridiculous claims of the institutionalists and the cruder econometricians and an attempt to persuade

Beveridge and his like that their simplistic belief in ‘letting the facts speak for themselves’ was all wrong.” (Robbins, 1971, p. 149; *cf.* Ross, 2005, p. 88). Overdone or not, *Essay* privileges introspection over hypothesis-testing.

To be sure, *Essay* is overall more complex than it first appears. As one writer has observed, to “note that Robbins’s position contains elements of subjectivism, methodological individualism, and the belief that the basic postulates of economics are self-evident may be less concise than affixing a label to his views, but is also more accurate descriptively.” (Caldwell, 1982, p. 106; *cf.* Blaug, 1978, pp. 697-98). One must also bear in mind that *Essay* reads largely like a series of lectures, and thus fulfills a pedagogical role to present challenges, questions, and ambiguities—rather than to read as a straightforward and unambiguous exposition. In addition, the work was written over several years (Robbins, 1935, p. xiii; Howson, 2004, p. 440), and the author’s views may have simply evolved across pages and chapters.

All of these observations may be fine as far as they go, but the argument that Robbins was simply and innocuously urging readers to make their subjective value statements explicit seems incomplete at best. To be sure, there is some ambiguity over where Robbins stands precisely, notably with respect to the empiricism versus apriorism divide. But careful reading suggests he remained firmly convinced of the distinction between normativity versus positivism, interpersonal comparisons versus ordinal rankings, and political economy versus economic science—and in each case, even decades later, he continued to privilege the latter over the former. In sum, *Essay* seems to espouse a formalistic belief that there is a privileged realm consisting of “economic science”—a space limited to scarcity, individuals, ordinal rankings, and positivism.

Messy but essential concepts like welfare, social institutions, interpersonal comparisons, normativity, political economy, and perhaps even empiricism are conveniently defined out of bounds. Ostensibly, he claims the latter do not belong because they are not scientific or objective. But careful reading of *Essay*, in conjunction with Robbins' other writings on methodology, suggests he really cares little for them—at least in his capacity as an academic economist.

III. NARROW BOUNDARIES

Robbins' polarities do not withstand critical inquiry. Unfortunately, however, these attractive yet flimsy arguments, taken together, have unnecessarily narrowed the boundaries of economics' involvement in public policy. Perhaps this predicament should come as no surprise, since in a putative effort to make economics scientific, Robbins has simply defined away many of its most interesting and enduring questions.

Problems start immediately with the definition. A simple philosophical critique suggests that Robbins relies on scarcity, or choice, as his underlying paradigm “without much consideration of what ‘choice’ actually meant in philosophical terms.” (Hodgson, 2001, p. 197). More pragmatically, Robbins's definition “fails to exclude coercive power as a means of acquisition of scarce means. It fails also to distinguish between the ‘intermediate’ and ‘ultimate’ sectors of the means-end chain. It concerns not merely acquisition and allocation of means, but also the processes of ‘want-satisfaction’ themselves, and any other manner in which human ends may be related to scarce means.” (Parsons, 1934, p. 528 n.7). Choice, at least taken alone, is too broad a concept to be analytically useful. As James Buchanan has noted, “in his attempt to remain wholly neutral as to ends, Robbins left economics ‘open-ended,’ so to speak.” (Buchanan, 1964,

p. 214; see also Marciano 2007). Or in Coase's plain words, making "economics a study of human choice. . . is clearly too wide if regarded as a description of what economists do." (Coase, 1978, p. 207). Such an abstract definition, while rhetorically elegant, is left wanting.

Robbins' definitional problem, however runs deeper than an academic debate. Ironically, *Essay's* great success has sown dissonance between mainstream academic conceptions and real-world applications. As Geoffrey Hodgson summarizes:

In global academic circles, it is Robbins who has had his way. Economics is now narrowly conceived, within most university departments of economics, as 'the science of choice'. Regrettably, the alternative and much broader definitions, by prominent figures such as Marshall and Coase, have not prevailed in academia. But outside the college walls, among the lay public and in the bustle of business, there is a commonsense view that economics is, or should be, concerned with the workings of a money and market economy. The tension between these two conceptions of the subject has led to all sorts of havoc and misunderstanding. The definition of economics is under dispute. On the one hand are the academic proponents of 'science of choice'. On the other are the more wordly practitioners, who would define economics in terms of the study of how real social systems meet the provision of human needs and wants.

(Hodgson, 2001, p. 347-48). Perhaps this dissonance should not be altogether surprising.

After all, economic analysis must take into account context to be meaningful in addressing real-world problems—yet, "[i]n a masterly stroke, he [Robbins] simply redefined economics in terms that would exclude institutionalism and historicism from within its disciplinary boundaries." (Hodgson, 2001, p. 207). By slighting these elements, Robbins' definition becomes of precious little practical utility.

It is precisely the slighting of institutions and history—of context—that breeds trouble. The attempt to separate elements of economic analysis "from the social setting which determines them (above all income distribution) may be for some purposes heuristically useful, but as a picture of reality and as a basis for recommendations it is

misleading because it ignores the social determination of wants and hence of real income.” (Streeten, 1954, p. 215). For example, as Buchanan observes, a “market is not competitive by assumption or by construction. A market *becomes* competitive, and competitive rules *come to be* established as institutions emerge to place limits on individual behavior patterns.” (Buchanan, 1964, p. 218). By contrast, Robbins’ focus on the asocial, ahistorical individual “necessarily prevented the economist from talking about important problems. Choice became an abstract act of behavior; genuine judgment was impossible because no comment was allowed on how choice was conditioned.” (Seligman, 1962, p. 522; see also Hodgson, 2001, p. 29; Lawson, 2003, pp. 155-56). Individualistic Robbinsian neoclassicism provides an uncomfortably selective analytical framework. (*Cf.* Peck, 1936, p. 496).

A similar type of reductionism regrettably prevails in the privileging of apriorism over empiricism. As commentators have observed, “Robbins’ postulates are disputable, in that there is no pressing reason to accept them. This does not show them false but it does show that Robbins has no right to claim to know they are true.” (Hollis and Nell, 1975, p. 204). Crucially, “[i]ntrospection is a fallible way of arriving at generalities and exactly Robbins’ claim has been made for now suspect postulates like ‘We are all tainted with original sin’ or ‘Man is born free’.” (Hollis and Nell p. 202; see also Hollis, 1975, p. 60). Paul Samuelson has even called Robbins’ reliance on aprioristic deduction the “bad element of Robbins’ s book” (Suzumura, 2005, p. 332). One does not even need to go so far as to argue that “introspectionism in general is a hopeless thesis” (Ross, 2005, p. 226) to recognize “that even the more deductive or hypothetical method of advance should be fortified by statistical verification.” (Harrod, 1938, p. 407; see also Parsons, 1934, p.

537). Apriorism may sound seductive in the abstract, but until Robbins is willing to articulate with some specificity what his postulates are and why they are scientific, it is of little use, except maybe as an exercise in abstract thought.

In a crucial sense, then, Robbins has simply assumed. Assumed that economics is defined by scarcity not welfare, that economists should analyze individuals not institutions, and that deductive methods are superior to inductive ones. A similar assumption carries over into the fourth polarity, normativity versus positivism. Robbins' separation of economics from ethics, "derived largely from his redefinition of economics as a science of choice in which ends (exogenously given) and scarce, substitutable means were rigidly separated. This removed ends from the legitimate province of economists *qua* economists, by assumption rather than argument." (Groenewegen, 1996, p. 1; see also Vickers, 1997 p. 45). In short, Robbins apparently suggests that somehow "economics is 'value free' when it comes to ends." (Caldwell, 2004, p. 187). By stripping ends from economics, he is likely at one level motivated by his desire to make economics look like a hard science. (Parsons, 1934, p. 521). Robbins ostensibly believes that since only positivism is scientific, economics should eschew normativity.

But this assumed separation of ends from means is deeply flawed. One is reminded of *A Treatise of Human Nature* where Hume discusses the unclear boundaries of "is" and "ought" (Hume, 1740, p. 469). It is overly formalistic simply to posit that description is scientific and prescription is not. As Amartya Sen observes, "[b]oundaries are not always clear-cut between prescription and description. . . . Description isn't just observing and reporting; it involves the exercise—possibly difficult—of selection." (Sen, 1980, p. 353). Note, for example, how seemingly neutral concepts such as "rational

man” or “efficiency” have embedded normative judgments supporting them. Facts and values blend, and economics can hardly claim value-neutrality (Mongin, 2006). The idea that one can separate out normative judgment from positive description, while seductive, is simply a fallacy. As Roy Harrod notes, “it is possibly rather ridiculous for an economist to take such a bright line.” (Harrod, 1938, p. 396). To insist otherwise, as Robbins does, is to elevate form over function. (Gruchy, 1949, p. 254).

A new, more functional, post-Robbinsian economics must once again appreciate “the heavy moral import of the fact that it is a human science, whose objects of investigation are thinking, sentient, acting and reacting beings” (Vickers, 1997, p. 73-74; see also Vickers, 1997, p. 36-37). A human science should inevitably be concerned with both ends and means. One need not go so far as Coase, who suggests that “problems of welfare economics must ultimately dissolve into a study of aesthetics and morals” (Coase, 1960, p. 43; *cf.* Pigou, 1932, p. 10) to appreciate Frank Knight’s insight that “[c]oncrete and positive answers to questions in the field of economic science or policy depend in the first place on judgments of value and as to procedure on a broad, general education in the cultural sense, and on ‘insight’ into human nature and social values, rather than on the findings of any possible positive science.” (Knight, 1999, p. 393; see also Knight, 1936, p. 425). Put simply, “there is no ‘economics’ that is not political economics. The only question is whether politics is part of the vision, or is denied, and therefore is ideology in the pejorative sense.” (Forstater, 2004, p. 415). To pretend otherwise is either naïve or disingenuous. Most ominously, pretending to strip out ethical judgments from economics suggests that economic science should not be concerned about a

supervening notion of “the good,” (*cf.* Suzumura, 2005, p. 333) while simultaneously endorsing the status quo through its inaction.

Take the denial of interpersonal comparisons of utility as an application of this phenomenon. It is infected with the same facile reasoning that privileges positivism over normativity. Robbins’ tirade against such comparisons is vulnerable along several dimensions. First, and most simply, it defies common sense. As Cannan asked in an early review of *Essay*, is it necessary for economists to claim “that they do not know what ‘better off’ means?” (Cannan, 1932, p. 426). To use just one example, psychology might provide important insights into how to make interpersonal comparisons, but Robbins has little patience for it. He dismisses the discipline as one prone to the vagaries of academic fashion (Robbins, 1935, pp. 83-84) and at one point even labels it a “queer cult.” (Robbins, 1935, p.87). But as Amartya Sen has observed, “[f]ocussing only on predicting behavior, the richness of human psychology has been substantially ignored, refusing to see anything in utility or happiness other than choice.” (Sen, 1980, p. 362; see also Seligman, 1962, p. 524). Robbins’s reasoning is also logically inconsistent in assuming that interpersonal comparisons are subjective and therefore unscientific, whereas individual preferences somehow magically do not suffer either of these limitations. (Ross, 2005, p. 227; *cf.* Seligman, 1962, p. 523). Perhaps recognizing this tension, even *Essay* itself uncharacteristically seems to hedge on this point (Robbins, 1935, p. 86 n.1).

Second, relying on ordinal preference rankings can lead to very troubling conclusions. Take simply Pareto optimality based on ordinal rankings, which survives

the Robbinsonian critique of interpersonal comparisons of utility. As Amitai Etzioni notes, relying on such a construct can engender deeply problematic results:

In their discussion of general welfare neoclassical economists draw on the principle of Pareto optimality. On the face of it, it seems nobody could fault such an objective criterion as adjusting allocations only to benefit some if they do not harm others. In effect, the principle raises many moral questions, such as whether or not all preferences are to be judged of equal standing (drug addiction?), and whether the same status is to be accorded to choices by all individuals (including criminals?).

(Etzioni, 1988, p. 247). To use Etzioni's examples, one would therefore have to claim that economic science should treat the preferences of drug addicts and criminals on par with those of the rest of the society. To do otherwise would, under Robbins' logic, smack of a value judgment.

Third and perhaps more profoundly, reliance on ordinal rankings implicitly privileges one philosophical approach over others. Defining "well-being or welfare exclusively in terms of subjective preference satisfaction, requires making a significant (and questionable) value-judgment, since well-being or welfare is also commonly defined in terms of a host of additional normative matters that the theory suppresses, such as justice, fairness, rights, liberty, and dignity." (Davis, 2005, p. 590). In addition, as Screpanti and Zamagni observe, it is epistemologically inconsistent to assume congruence between an individual's expressed preferences and the choices she can realistically make. In other words, we shouldn't forget that "[p]references can be made operational [only] by means of a definition in terms of choice: the assertion 'the state x will be chosen by a subject if only x and y are available.' The doubt did not even cross the minds of Robbins and the other authors who followed this orientation that the *definiens*, as a conditional proposition, can perform its function only after the concept of

preference has been defined. I may well prefer health to illness, but I certainly cannot choose to be well or ill.” (Screpanti & Zamagni, 1993, p. 271). The claim that preference orderings are somehow more scientific than interpersonal comparisons of utility, then, is left wanting for a variety of reasons.

The practical implication of denying interpersonal comparisons is dramatic. Disturbingly, “[i]f the incompatibility of utility to different individuals is strictly pressed, not only are the prescriptions of the welfare school ruled out, but all prescriptions whatever. The economist as an adviser is completely stultified, and unless his speculations be regarded as of paramount aesthetic value, he had better be suppressed completely.” (Harrod, 1938, p. 397). One might plausibly argue that by narrowing the realm of economics, Robbins sought to give it scientific respectability—after all, one might “draw the conclusion that the scientific status of economics today has been achieved by lowering the status of ethics and by economics’ distancing itself from ethics.” (Davis, 2005, p. 600). To the extent, however, that the formal models of mainstream economics can even be considered scientific, this purportedly exalted status has come squarely at the expense of welfare economics.

The path from denial of interpersonal comparisons to the fall of welfare economics is eerily straightforward. Robbins’s critique has been so influential that it heralded “the beginnings of the collapse of cardinal utility theory with its richer normative framework, and ushered in ordinalist methods and Pareto efficiency judgments” (Davis, 2005, p. 592). The embrace of ordinalism, in turn, was the essential prerequisite in the move away from Pigovian marginalism toward Kaldor-Hicks efficiency. (Vickers, 1997, p. 56). Indeed, both Hicks (Hicks, 1939, p. 697) and Kaldor

(Kaldor, 1939, p. 549) graciously acknowledge their debt to Robbins. And we should not forget that Arrow's impossibility theorem is based on ordinal rankings—it only holds “[i]f we exclude the possibility of interpersonal comparisons of utility.” (Arrow, 1950, p. 342). If such comparisons are allowed, however, Arrow's theorem is overcome, and the scope for welfare economics expands dramatically. Tibor Scitovsky well articulates the importance of interpersonal comparisons to any social function when he observes that “a change in institutions or policy almost always redistributes welfare sufficiently not to have a uniform effect on everybody but to favour some people and prejudice others. It follows from this that economic welfare propositions cannot as a rule be made independently of interpersonal comparisons of utility.” (Scitovsky, 1941, p. 79). Despite the deep problems and troubling implications of relying on ordinal preference rankings, however, there is unfortunately little interest in mainstream economics to reconsider this sacred canon. (Davis, 2005, p. 591). Robbins' immense influence is largely to blame.

These flimsy polarities culminate in *Essay's* putative separation between economic science and political economy. The central problem with such a distinction is that by relegating an essential question—distribution—to politicians and philosophers, the scope of welfare economics is narrowed and the status quo is implicitly defended. To understand this final point, it might be useful to recap briefly the recent evolution of welfare economics. So-called Pareto optimality survives Robbins' critique because it is operational even without interpersonal comparisons (Waterman, 2002, p. 24). However, the Pareto standard is useless in practice because its condition that no one be made worse off by the transaction is too stringent. (Pigou, 1932, 647-55).

This limitation, of course, led to the embrace of so-called “modern,” or “new,” welfare economics, with Kaldor-Hicks optimality as its standard. Kaldor-Hicks conveniently posits that a transaction is welfare-enhancing if third-parties could potentially be compensated, whether or not they actually are—the famous hypothetical compensation standard (Kaldor, 1939; Hicks, 1939). Most crucially for our purposes, however, neither Kaldor nor Hicks seems to care about distribution. Hicks suggests that “whether or not compensation should be given in any particular case is a question of distribution, upon which there cannot be identity of interest, and so there cannot be any generally accepted principle.” (Hicks, 1939, p. 711). For his part, Kaldor warns that “concerning distribution, the economist should not be concerned with ‘prescriptions’ at all, but with the relative advantages of different ways of carrying out certain political ends.” (Kaldor, 1939, p 511). Kaldor-Hicks, after Robbins, was the next act in setting the stage for the separation of efficiency and equity in economics. (Persky, 2001, p. 202).

Yet the Kaldor-Hicks standard, while seemingly impressive, is logically empty.

As Amartya Sen points out with a touch of humor:

One way of extending Paretian welfare economics without introducing any interpersonal comparisons is to use a ‘compensation test’ The losers could include the worst off and the most miserable in society, and it is little consolation to be told that it is possible to compensate them fully, but (‘good God!’) no actual plan to do so. If, on the other hand, the losers are *in fact* compensated, then the overall outcome—after compensation—is a Pareto improvement, and then there is no *need* for the compensation test as a supplement to the Pareto principle. So the compensation criteria are either *unconvincing* or *redundant*.

(Sen, 1987, p. 33 n. 4). Put bluntly, the separation of efficiency and equity is false: one cannot simply put a box around efficiency and ignore the distribution of economic power in society (Seligman, 1962, p. 522).

Perhaps, though, given the serious problems inherent in the polarities discussed above, this logical inconsistency inspired by *Essay* should not come as a surprise:

Robbins may have felt that the market accurately did reflect values, but his theory could in no way comment on valuations which stemmed from economic coercion because it assumed a scarcity of small buyers and sellers. Resource allocation based on power did not enter into the individualist analysis. One could not help but wonder whether the proper questions were being asked in the first place.

(Seligman, 1962, p. 521; see also Streeten, 1954, p. 215; Hodgson, 2001, p. 33). But if we are asking the wrong questions and the separation of efficiency cannot “be convincingly sustained in practice” (Veljanovski, 1980, p. 178), then what explains its staying power? Perhaps precisely because Robbins’ worldview has meshed well with a fashionable laissez-faire agenda prevalent over the past few decades. Such a worldview, among other facile assumptions, takes the initial distribution of entitlements as given:

Modern welfare economics has an unfortunate conservative bias. If situation A prevails, the welfare economist cannot recommend the adoption of situation B if the economic reorganization involved would leave some people worse off than before. But if situation B prevails, the economist cannot urge the adoption of situation A. To the extent that economic changes would affect some individuals adversely, welfare economics provides a justification for maintaining the *status quo*.

(Allen, 1952, p. 34; see also Persky, 2004, p. 936). By contrast, and as Robbins himself readily admits, economics once cared both about efficiency and equity, production and distribution (Robbins, 1935, p. 64). Regrettably, *Essay*’s greatest impact has been to pluck the former out of economics. As one scholar laments, “the central point is that Robbins left economics without the ability to value gains in equality. Equality had been made an incommensurable and noneconomic objective.” (Persky, 2004, p. 934).

Robbins’ influential work thus engendered a precipitous decline in the legitimacy of a welfare economics formerly concerned with issues such as distribution and equality.

As Amartya Sen has noted, works such as *Essay* “kept prescriptive studies somewhat immersed in a pool of apology from the mid-thirties until relatively recently.” (Sen, 1980, p. 363). Sen continues:

Welfare economics was for a long time the “untouchable” in the community of economics and when economists spoke “qua economist”—to use that lovely expression brought into circulation by positivism—they tried to speak in a value-free “scientific” language, with “expletives” deleted. Welfare economics was seen as the subject, if not of expletives, at least of emotive utterances, which the cool positivist scientists found “meaningless” in terms of the their narrow theory of meaning.

(Sen, 1980, pp. 363-64). Robbins’ polarities had successfully argued welfare economics into impotence.

Instead, mainstream economics—the descendant of Robbins’ economic science—has found comfort in increasingly sophisticated mathematical models that somehow give the illusion of certainty, no matter how divorced these numerical abstractions might be from the pressing problems that beset society. As James Buchanan presciently warned in 1964, largely in response to Robbins’ reliance on equilibria, “[i]f there is really nothing more to economics than this, we had as well turn it all over to the applied mathematicians.” (Buchanan, 1964, p. 216; *cf.* Coase, 1998, p. 72). Sadly, Buchanan’s worry has been borne out. The importance of welfare economics has gotten lost in a sea of beguiling mathematical models, each promising to offer the answer. As one scholar laments:

The damage that Robbins created by redefining economics as the science of choice will not be easily undone. The minority of dispossessed economists, concerned above all with the study of the provisioning institutions of a market economy, are not contented that their territory and opportunities have been confiscated by the mathematical formalists of abstract choice. Against the hegemonic majority they claim legitimacy for their territorial claim.

(Hodgson, 2001, p. 348). While mathematical modeling seems neutral and scientific, it too often skirts the critical questions by hiding them in often unstated assumptions.

In the end, Robbins dealt a devastating blow to the legitimacy of welfare economics. Somewhat oversimplified, the essence of his argument seems to be that science is objective, but interpersonal comparisons of utility are not; since it thus becomes impossible to measure objectively the impact of policy decisions, there is precious little space for welfare economics within economic science. As one commentator laments, “[i]t began to seem as if Professor Robbins had written an essay on the nature and *insignificance* of economic science.” (Allen, 1952, p. 29). Fortunately for those of us who continue to believe in the significance of economic science, Robbins’ arguments toward insignificance simply do not withstand careful scrutiny. While rhetorically masterful, “[t]he battle against historicism and institutionalism had been won—but more by act of definition than by force of theoretical argument or achievement.” (Hodgson, 2001, p. 209; *cf.* Veljanovski, 1980, p. 192). Stated succinctly, Robbins was “wrong. . . in various crucial assumptions.” (Ross, 2005, p. 123; see also Parsons, 1934, p. 534 n. 4). By using the concept of polarities to question these very assumptions, this Article has sought to join the debate.

CONCLUSION

Perhaps part of *Essay*’s extraordinary success is its allure of simplicity: the notion that economic methodology has definitions and boundaries that can be neatly systematized. (*Cf.* Groenewegen, 1996, p. 2; Hodgson, 2001, p. 213; Suzumura, 2005, p. 331). But it is time to move beyond Robbins’ narrow conception of welfare economics toward a conception more robust and useful. The discipline must, after the decades-long

hiatus created largely by *Essay*'s success, begin to think about how economics relates to ethics (Groenewegen, 1996, p. 1). Similarly, economics should move closer, not further away, from other social sciences. (Hodgson, 2001, p. 197). While Robbins may be correct that "there is no agreement yet on the ultimate desiderata of the good society," (Robbins, 1981, p. 8) economists need to be part of the debate.

In other work, I have attempted to help make welfare economics relevant again by offering a social welfare function that takes both consequential and deontological perspectives into account. I argue that, like it or not, social choice theory must come to grips with two functions: paternalism and redistribution. The former transforms a set of individual preferences into a set of modified individual preferences; the latter aggregates these modified individual preferences into social welfare (Dibadj, 2006). The approach is offered as a starting point, albeit imperfect, to reframe the discussion and make welfare economics relevant again. For instance, it avoids the intractable question of defining utility as well-being or relying on individualistic preference rankings. Instead utility is redefined with respect to how closely a set of individual preferences maps to a set of welfare-enhancing preferences.

Notwithstanding my critique and alternative approach, I readily acknowledge that *Essay* is a masterpiece. Perhaps most profoundly, its extraordinary scope provides a rich roadmap for future discussion and research. As Robbins observes in his autobiography, the goal of his book is "to investigate the nature of economic generalizations, the status of empirical studies and finally the significance of all this for the conduct of policy." (Robbins, 1971, p. 145; see also Robbins, 1935, p. xiv; Caldwell, 2004, p. 186). This constitutes a tall order, especially if placed as the paradigmatic contribution to Robbins'

larger unifying search in economic theory “for a coherent apparatus of analytical thought.” (Robbins, 1971, p. 145) in economic theory. While this Article has argued that Robbins has taken welfare economics down the path of irrelevance, he must nonetheless be applauded for having the courage to broach the immensely complex topics he does.

Constructive disagreement with regard to a work of such vast ambition is not only inevitable, but healthy. After all, “the matters upon which he [Robbins] has dwelt in his long career are questions of fundamentals; these are the areas where intellectual battle must take place, and there is no place in them for the faint-hearted or uncommitted.” (Peston & Corry, 1972, p. vii). In the end, perhaps it is less important whether one agrees or disagrees with Robbins’s approach and conclusions. The real value of *Essay* may lie in the forum it provides to debate the multitude of basic issues it so presciently raised.

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