

**What Was “It” that Robbins
Was Defining?
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Robbins did not see his definition as novel or controversial

- Economics, we have suggested, is essentially the study of the disposal of scarce goods and services. This suggestion has not met with universal acceptance. But the difference between this and other definitions now current is not a very serious matter. (p. 344)

Robbins' Prescriptive Message

- The only question with regard to the scope of economics which can be said to be in any sense alive, is the question whether economics, as such, can be said to include judgments of what is good and bad in the world of relative scarcities. (p. 345)

Robbins' Wanted More Value Judgments in Political Economy

- My suggestion here, as in the Introduction to my *Political Economy: Past and Present*, is that its (political economy) use should be revived as now covering that part of our sphere of interest which essentially involves judgments of value. Political Economy, thus conceived, is quite unashamedly concerned with the assumptions of policy and the results flowing from them. I may say that this is not (*repeat not*) a recent habit of mine. In the Preface to my *Economic Planning and International Order*, published in 1937, I describe it as “essentially an essay in what may be called Political economy as distinct from Economics in the stricter sense of the word. It depends upon the technical apparatus of analytical Economics; but it applies this apparatus to the examination of schemes for the realization of aims whose formulation lies outside Economics; and it does not abstain from appeal to the probabilities of political practice when such an appeal has seemed relevant.
- It should be clear then that Political economy in this sense involves all the models of analysis and explicit or implicit judgments of value that are usually involved when economists discuss assessments of benefits and the reverse or recommendations for policy. (pg 8) Ely lecture AER

The need to separate out policy analysis (political economy) and the science of economics

- those who adopt this latter attitude (the view that his definition will preclude economists from being interested in policy) are concerned not so much with problems of definition as with problems of conduct or department. They think that the economist will sacrifice opportunities for usefulness if he abstains from excursions into social philosophy and (apparently) they think that if such excursions are not dignified by the title, economics science, he may feel precluded from making them. The warning may be necessary. But the psychology may be questioned. To me at least, it seems difficult to believe that recognition of the distinction between the two kinds of propositions will prevent any man of spirit from being interested in both. (345) 1938

Recognizing the Limits of Economic Analysis

- What precision economists can claim at this stage is largely a sham precision. In the present state of knowledge, the man who can claim for economic science much exactitude is a quack. The problems of human motive we have to analyse with the “vast amorphous phantoms” of psychology at their back, are nebulous enough in all conscience. It is not because we believe that our science is exact that we wish to exclude ethics from our analysis, but because we wish to confine our investigations to a subject about which positive statement of any kind is conceivable. (Robbins, 1927, 176)

Conclusion: Robbins' Prescriptive message:

- Welfare Economics belongs in Political economy—not in the science of economics
- The Appropriate Methodology for policy analysis is very loose, not precise.
- The need to differentiate precepts from theorems. (J.N. Keynes' division)