

# Robbins and broad positivism

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# The 'standard' Robbins in the 'Methodology' literature

- LR is an *a priorist* (Austrian-inspired) foil for empiricism / positivism / operationalism (Hutchison, then Samuelson).
- LR is the last gasp of an early neoclassical methodological tradition before the main 20th-century issue is joined between verificationists and falsificationists.

# Problems with the standard Robbins

- (1) It reads the history of economic thought through the lens of issues imported from philosophy instead of endogenous to economics.
- (2) It misrepresents the relationship between the Austrians and positivism.
- (3) It makes LR's view on the relationship between economics and psychology eccentric and difficult to work into any story from which we can learn contemporary lessons.

My motivating concerns are (1) and (3), but (2) sheds light on them.

# Claims

- Wrt (1): the history of economic thought is predominantly continuous and progressive, and mainly driven by refinements in mathematical representation.
- Wrt (2): LR exemplifies a 'broad' positivist *attitude* (*not* 'Methodology').
- Wrt (3): LR is wrong about the psychological basis of interpersonal welfare comparisons, but right in general orientation about the interdisciplinary seam.

# My favourite quote from the *Essay*

- “The borderlands of Economics are the happy hunting-ground of minds averse to the effort of exact thought, and, in these ambiguous regions, in recent years, endless time has been devoted to attacks on the alleged psychological assumptions of Economic Science. Psychology, it is said, advances very rapidly. If, therefore, Economics rests upon particular psychological doctrines, there is no task more ready to hand than every five years or so to write sharp polemics showing that, since psychology has changed its fashion, Economics needs “re-writing from the foundations upwards”. As might be expected, the opportunity has not been neglected.” (pp. 83-84)

| <b>Logical empiricism /<br/>Ayer / Hutchison</b>  | <b>Logical positivism<br/>(Vienna Circle)</b>  |
|---|--|
| Atomistic verificationism   | Holistic verificationism<br>Structuralism  |
| Philosophical objective: to justify use of theoretical concepts by reference to statements about observations | Philosophical objective: to explain the objectivity of science despite the subjectivity of scientists' interpretations of observations |
| Humean psychology (' <i>Fachpsychologie</i> ' - LR); broadly behaviourist (the "queer cult" - LR)             | Relations between data and theoretical structures: logical rather than psychological (in the sense of ' <i>fachpsychologie</i> ')      |
| Rejection of metaphysics  | Rejection of metaphysics   |

# The Austrians and the logical positivists

- Influenced by Kantian / neo-Kantian concern with objectivity of science
- **Structures** that ground objectivity:
  - synthetic a priori (Kantians)
  - conventions that render some statements analytic (logical positivists)

# Robbins

- Knowledge that preferences are ordered → grasping conditions of possibility for economic structures to apply
- Knowledge of others' preference intensities would require application of *fach-psychologie* (cf. “certain English economists”)
- “Psychical links in the causal chain” → ‘logic’ in pre-Fregean (Kantian) sense (cf. Cassirer)

# Contemporary structuralism (Ladyman & Ross version)

- Mathematical structures read straight off formalism of fundamental physics (quantum theory) take the place of conventional systems of logic; otherwise positivism
- Progress of sciences consists in refinement of mathematical structures; types of entities come and go; empirical protocols various and opportunistic
- Minimal metaphysics: 'single world' assumption explains asymmetry of constraints between fundamental physics and other sciences

# Rationalizing Robbins

- LR's picture driven by the structural development of economics, not philosophy: Progressive de-linking of economic agency - as a *structural* idea - from *fach-psychologie*; Edgeworth through Fisher to Pareto to Hicks & Allen (and later to Samuelson and Debreu). Key result: convexity of the demand function does not require that diminishing marginal utility be given a psychological interpretation.

# Still relevant? Yes

- Economics studies *general* structures of opportunity cost allocations by systems that inherit or evolve objectives which implicate them in trade-offs due to scarcity.

# Economics and psychology

- People (more accurately: temporal intervals in human careers) are *one* kind of system like this. When economists apply their structural models to people outside of contexts that closely discipline their economic agency, then psychological facts must be taken into account in making empirical predictions and in explaining events and values of outcome variables. But economics is not psychology because it is about other kinds of structures in addition.

# Progress in economic theory

- There has been progressive, autonomous development in our power to represent economic structure from the birth of marginalism to current theory. Experiments of behavioural economists and field studies of institutional economists are very interesting and important (and LR was wrong that subjective welfare of people can't be compared). But economics needs no “re-writing from the foundations upwards”.