



Lionel Robbins: a Methodological Reappraisal

Rodrigo M. Zeidan

Escola de Gestão e Negócios, UNIGRANRIO

Marcelo Resende

Instituto de Economia, Universidade Federal
do Rio de Janeiro



Lionel Robbins contributions in the Essay: two preliminary aspects.

- Delineation of the scope of Economics in terms of decision making conditional on scarcity. The historical path towards Robbins's (1932, 1935) essay appears to be well documented [see e.g. Howson (2004)].
- A more methodological concern with respect to scientific neutrality and the possibility of meaningful separation between positive and normative statements in Economics. The related demarcation issue is subject to intense debate and Robbins is often associated with a strong neutrality view [see e.g. Davis (2005), Mongin (2006)].



Research Question

- Taking Lakatos' Methodology of Scientific Research Programme as the appraisal tool, how can we assess the place of Robbins' Essay in the historical development of modern economics?



Paper structure

- Lionel Robbins: Some Methodological Remarks
- Scientific Appraisal in Economics and the Methodology of Scientific Research Programmes (MSRP).
- The Neoclassical Research Programme and Situational Determinism
- Lionel Robbins and Research Programmes in Economics



Robbins' Essay and Methodology

- Strong neutrality;
- Apriorism and Rational Action:
- “But if ‘rational action’ means, as I think it should mean, *consistent* action, in the sense that, if one prefers A to B and B to C, then it is consistent to prefer A to C and inconsistent to prefer the contrary,…”
- Scarcity and the Demarcation Problem;



Robbins' Essay and Methodology

- Distrust of empirical studies and field specialization (Robbins, 1935, p. 107):
- “we are here entering upon a field of investigation where there is no reason to suppose that uniformities are to be discovered.”
- “Considerations of this sort suggest the very real dangers of overmuch sectionalism in economic studies. In recent years there has been an immense extension of sectional studies in the economic field.(...) as experience shows, sectional investigations conducted in isolation are exposed to very grave dangers. If continual vigilance is not exercised they tend to the gradual replacement of economic by technological interests. The focus of attention becomes shifted, and a body of generalisations which have only technical significance comes to masquerade as Economics. And this is fatal.”



Lakatos and Latsis MSRP

- Sophisticated falsificationism;
- Rational (as opposed to a sociological or irrational) reconstruction of methodology and of the growth of scientific knowledge. (Caldwell, 1994);
- Essential categories: *hard core* and *protective belt* . Durhem-Quine thesis is relevant because it undercuts the process of finding novelty in research programmes.



Lakatos and Latsis MSRP

- Criticism of MSRP:
- the conceptualization of a research programme;
- the search for empirical content (novelty facts);
- and the rhetorical content of alternative programmes



Neoclassical Programme and Situational Determinism

- First definition of the Neoclassical Programme was given by Latsis (1976) and followed by others (Nightingale, 1994). He defines Situational Determinism as synonym to the Neoclassical Programme.
- Situational Determinism is comprised of single-exit situations: the agent's decision is uniquely determined by situational considerations



Neoclassical Programme and Situational Determinism

- We raise two points:
- Regarding the definition of the programme, we argue against situational determinism as equivalent to the neoclassical programme.
- The definition of the hard core of the neoclassical programme follows “axiomatic” principles instead. Alternative programmes help set up those principles: see evolutionary economics.



Neoclassical Programme and Situational Determinism

- The protective belt of the neoclassical programme, broadly defined, has reshaped itself to accommodate new models and ideas, like asymmetrical information. However, the notion of decision-making conditional on scarcity remains central to the neoclassical programme.



Robbins' Essay and the MSRP

- The neoclassical research programme has an in-built strong aversion to value judgments.
- We propose that Robbins's definition of economics in terms of decision-making conditionalities on scarcity and the associated optimal allocation of resources highlights the essential element of the hard core of the neoclassical programme.



Robbins' Essay and the MSRP

- “In pure Economics we examine the implication of the existence of scarce means with alternative uses. As we have seen, the assumption of relative valuations is the foundation of all subsequent complications.” Robbins, 1935, p.83.