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**AN ESSAY ON THE NATURE AND  
SIGNIFICANCE OF ECONOMIC SCIENCE**



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AN ESSAY ON THE  
NATURE & SIGNIFICANCE  
OF ECONOMIC SCIENCE

BY

LIONEL ROBBINS

*Professor of Economics in the University of London*

SECOND EDITION, REVISED AND EXTENDED

MACMILLAN AND CO., LIMITED  
ST. MARTIN'S STREET, LONDON

1935

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*First Edition, 1932*

*Second Edition, 1935*

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**PRINTED IN GREAT BRITAIN**

**TO MY FATHER**

## PREFACE TO THE SECOND EDITION

THE first edition of this essay has been out of print for some time, but apparently some demand for it continues. I have therefore taken advantage of the publisher's decision to reprint to introduce certain alterations and improvements which experience since it was first written seemed to make desirable.

In making these revisions I have not found it necessary to change substantially the main trend of the argument. Public criticism has tended to focus upon the denial in Chapter VI. of the scientific legitimacy of interpersonal comparisons of utility. I am afraid that without the least disposition to be intransigent, here or elsewhere, I am still quite unconvinced. I 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. Nothing that has been said by any of my critics has persuaded me that this contention is false. Beyond a few supplementary remarks intended to elucidate matters further, therefore, I have left this section unaltered. I hope that my critics (some of whom seemed to assume that I was a very combative fellow indeed) will not regard this as a gesture of unfriendly defiance. I assure them I am not at all cocksure about any of my own ideas. But, in spite of the disposition of some of them to refer to this and other well-known propositions as



“Robbinsian Economics,” it is not my own, and the weight of the authorities by whom it has been propounded encourages me to believe that in this case, at least, my own lights have not led me astray.

On the other hand, many of my critics have inferred from my arguments in this connection certain precepts of practice which I should be the first to repudiate. It has been held that because I attempted clearly to delimit the spheres of Economics and other social sciences, and Economics and moral philosophy, that therefore I advocated the abstention of the economist from all interest or activity outside his own subject. It has been held—in spite of activities which I feared had become notorious—that I had urged that economists should play no part in shaping the conduct of affairs beyond giving a very prim and restrained diagnosis of the implications of all possible courses of action. My friend Mr. Lindley Fraser was even led to urge upon me in an article entitled “How do we want Economists to Behave?” more socially-minded behaviour. Where so many have misapprehended my intentions, I cannot flatter myself that I was free from obscurity. But I do plead that I did in fact state the contrary—as I thought, most emphatically. In a footnote to Section 6, Chapter V., I stated, “It is more accuracy in mode of statement, not over-austerity in speculative range, for which I am pleading”, and I went on to urge that economists have probably high differential advantages as sociologists. And in Section 4, Chapter VI., I went on to say: “All this is not to say that economists should not deliver themselves on ethical questions, any more than an argument that botany is not æsthetics 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 economists 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 which are put to them for solution." I can only add to this that I quite agree with Mr. Fraser that an economist who is only an economist and who does not happen to be a genius at his subject—and how unwise it is for any of us to assume that we are that—is a pretty poor fish. I agree, too, that by itself Economics affords no solution to any of the important problems of life. I agree that for this reason an education which consists of Economics alone is a very imperfect education. I have taught so long in institutions where this is regarded as a pedagogic axiom that any omission on my part to emphasise it further is to be attributed to the fact that I assumed that everybody would take it for granted. All 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. I do not believe that Mr. Fraser really disagrees with me here.

In exactly the same way I would plead that it is a complete misunderstanding of my position to contend that because I have emphasised the conventional nature of the assumptions underlying many of the so-called "measurements" of economic phenomena, I am therefore "opposed" to the carrying out of operations of this sort. It does seem to me to be a matter of great importance to recognise very clearly that in computing such aggregates as the national income or the

national capital we are making assumptions which are not reached by scientific analysis, but which are essentially conventional in character. But, as I urged in the body of the essay (pp. 57 and 62), this is not in the least to say that, provided we are fully conscious of the implications of our procedure, there is any objection to such computations. On the contrary, it is clear that not enough of this sort of thing has been done in the past, and that much is to be expected from its extension in the future. Recognition of this, however, is not incompatible with the view that it is desirable to know at each step where we are merely recording facts, and where we are evaluating these facts by arbitrary measures, and it is just because these things are so frequently confused that I still maintain that emphasis on their dissimilarity is not uncalled for.

There is, however, a part of the essay where revision has seemed to be much more incumbent. I have never been satisfied with the chapter on the nature of economic generalisations. I am not conscious of any fundamental change of opinion on these matters. But I do think that in my eagerness to bring out as vividly as possible the significance of certain recent innovations I was led in certain places to a simplification of emphasis and to a looseness in the use of logical terms, apt to be misleading outside the context of my own thought: and the fact that, while some critics have reproached me with "barren scholasticism", others have accused me of "behaviourism", has not permitted me completely to comfort myself with the belief that I elucidated satisfactorily the correct position between these extremes. Accordingly I have rewritten large parts of this chapter, and I have

also extended its scope to cover certain more complex topics, such as the meaning of the assumption of purely rational conduct, which, in the earlier version, I had omitted in order not to overload the exposition. I am afraid this makes this part of the book at once more difficult and more contentious. But although I am acutely aware of its imperfections, it satisfies my conscience more than my earlier attempt to deal with such matters only by implication. The opening section of Chapter V. has also been rewritten, and I have introduced additional paragraphs in Section 2, in which I develop a little further my reasons for believing the importance of the contrast between the qualitative laws discussed in the preceding chapter and the quantitative "laws" of statistical analysis. I have also added short sections in Chapters IV. and V. dealing with the relations between statics and dynamics and the possibility of a theory of economic development—matters upon which there seems to exist some unnecessary confusion. I hope that the changes I have made will be acceptable to my friends Professor F. A. von Hayek, Dr. P. N. Rosenstein Rodan and Dr. A. W. Stonier, whose advice and criticisms on these difficult matters have taught me much. They naturally are not responsible for any mistakes which may have crept in.

I have wondered very much what I ought to do about the various attacks on my work which have been made by Professor R. W. Souter. I have read Professor Souter's strictures with interest and respect. As I have said already, I am not convinced by anything that he says about what he calls the "positivism" of my attitude. So far as this part of his case is concerned Professor Souter must demolish, not me, but

Max Weber: and I think Max Weber still stands. But with much of what he says, particularly with regard to the desirability of transcending the rather trite generalisations of elementary statics, I am in cordial agreement. Where I part company with him is in the belief that it is possible to do this without sacrificing precision and without regarding the essential static foundations as useless. My acquaintance with the findings of modern mathematical physics and astronomy is not great, but I question whether the eminent scientists to whom he makes appeal would share his apparently very low opinion of the methods of mathematical economics, however much they felt that its results were still in a very elementary stage. In this respect I am in fairly complete agreement with what has been said already by Professor Knight.<sup>1</sup> I cannot help feeling, too, that, so far as this essay is concerned, one or two inadvertent acerbities of exposition have so angered Professor Souter that he has really misunderstood my position much more than would otherwise have been the case. I regret this, but it is difficult to know what to do about it. At one or two points I have tried to make things clearer. But to defend myself against all these misunderstandings would involve so great an overloading with personal apologia of what is perhaps already an unduly protracted essay that I fear I should become totally unreadable. I do not wish to appear discourteous, and I hope, if time permits me to complete various works now projected, to be able to do something to persuade Professor Souter that my claim that he has misunderstood me is not unjustified.

<sup>1</sup> "Economic Science in Recent Discussion", *American Economic Review*, vol. xxiv., pp. 225-238.

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For the rest I have made only small changes. I have deleted certain footnotes whose topical relevance has waned, and I have endeavoured to eliminate certain manifestations of high spirits no longer in harmony with present moods. But nothing short of complete rewriting could conceal the fact that, for better or worse, the essay was written some time ago—large parts of it were conceived and drafted years before publication—and although I think it is perhaps worth reprinting, I do not think it is worth the time that that would involve. So with all the crudities and angularities that remain I commend it once more to the mercies of its readers.

LIONEL ROBBINS.

THE LONDON SCHOOL OF ECONOMICS,  
*May, 1935.*

## PREFACE TO THE FIRST EDITION

THE purpose of this essay is twofold. In the first place, it seeks to arrive at precise notions concerning the subject-matter of Economic Science and the nature of the generalisations of which Economic Science consists. Secondly it attempts to explain the limitations and the significance of these generalisations, both as a guide to the interpretation of reality and as a basis for political practice. At the present day, as a result of the theoretical developments of the last sixty years, there is no longer any ground for serious differences of opinion on these matters, once the issues are clearly stated. Yet, for lack of such statement, confusion still persists in many quarters, and false ideas are prevalent with regard to the pre-occupations of the economist and the nature and the extent of his competence. As a result, the reputation of Economics suffers, and full advantage is not taken of the knowledge it confers. This essay is an attempt to remedy this deficiency—to make clear what it is that economists discuss and what may legitimately be expected as a result of their discussions. Thus on the one hand it may be regarded as a commentary on the methods and assumptions of pure theory: on the other hand, as a series of prolegomena to work in Applied Economics.

The object of the essay necessitates the taking of broad views. But my aim throughout has been to keep as close to earth as possible. I have eschewed philosophical refinements as falling outside the province in which I have any claim to professional competence; and I have based my propositions on the actual practice of the best modern works on the subject. In a study of this sort, written by an economist for fellow-economists, it seemed better to try to drive home the argument by continual reference to accepted solutions of particular problems, than to elaborate, out of the void, a theory of what Economics should become. At the same time, I have tried to be brief. My object has been to suggest a point of view rather than to treat the subject in all its details. To do this it seemed desirable to be concise even at the expense of sacrificing much material which I had originally collected. I hope, however, at a later stage to publish a work on general Economic Theory in which the principles here laid down are further illustrated and amplified.

For the views which I have advanced, I make no claim whatever to originality. I venture to hope that in one or two instances I have succeeded in giving expository force to certain principles not always clearly stated. But, in the main, my object has been to state, as simply as I could, propositions which are the common property of most modern economists. I owe much to conversations with my colleagues and pupils at the School of Economics. For the rest I have acknowledged in footnotes the debts of which I am chiefly conscious. I should like, however, once more to acknowledge my especial indebtedness to



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the works of Professor Ludwig von Mises and to the *Commonsense of Political Economy* of the late Philip Wicksteed. The considerable extent to which I have cited these sources is yet a very inadequate reflection of the general assistance which I have derived from their use.

LIONEL ROBBINS.

THE LONDON SCHOOL OF ECONOMICS,  
*February, 1932.*

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