

Comment on Fox and His Commentators

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IF I MAY TURN THE TABLES ON Daniel Fox by alluding to his own history, he began his career with a highly regarded biography of Simon Patten, one of the principal American antagonists of Social Darwinism in the burgeoning profession of economists at the end of the nineteenth century. In the cause of putting Spencerian laissez-faire to rout, Patten candidly advocated a whole platform of concrete social reforms, ranging from maximum hours and minimum wages to diversification of the workingman's diet and federal funding of education. In the process, Patten played a fundamental role in liberating American social workers from their Spencerian prepossessions. In a still larger context, Patten was the mentor of Rexford G. Tugwell and a tutelary spirit of the New Deal.

Fox justifiably feels that there are no Pattens bestriding the economics of health care in the 1970s, no fiery prophets of reform fanning the social conscience on this theme. Though Fox confines himself to the issue of health care, the point is of wider applicability. The only American economist who is even remotely essaying the functions of a contemporary Patten is J. K. Galbraith; and he, for better or for worse, is not the model upon whom younger economists are trying to pattern themselves.

I conclude that though by no means all economists were Pattens even in 1900, Fox is correct in perceiving a big shift between

1900 and 1980 in the posture of economists addressing themselves to urgent social problems. The difficulty comes in defining what the shift was from and what it was toward, and like many of the other commentators, I am uneasy about Fox's formula "from reform to relativism." I do not think that "reform" has been proscribed by the development of economics, though its relationship to economics has certainly changed from earlier perceptions of this. As for "relativism" as the position at which economists have now arrived, I regard this as a red herring pointing away from the real issue.

Many trends in economic thought have converged in the course of the twentieth century, not upon relativism, but upon something entirely different for which there does not appear to be any agreed-upon term—perhaps "antiprescriptivism" will serve; i.e., the candidly avowed incapacity of economics to prescribe the ultimate goals and underlying values of society. Antiprescriptivism is the true source of the malaise that Fox feels about contemporary economics, and the malaise is intelligible only against a backdrop of the historical developments that divested economics of its earlier claims to prescriptiveness.

Summarily put, three principal forms of prescriptiveness were commended by classical (chiefly British) economics in the century between Waterloo and Sarajevo. The earliest of these to intrench itself was the economists' secularization of the puritan ethic of thrift and self-denial, the curbing of appetites and deferral of satisfactions, as the key to economic advancement. In Malthus, this prescription modulated into an ethic of self-reliance and abstention from philanthropy. With appropriate reinforcements from Spencer and Darwin, economic and biological imperatives were seamlessly welded together in a providential concatenation. Contrary to general impressions, Darwin was at least as scathing as Spencer on the "dysgenic" effect of public health measures in enabling the unfit to survive and propagate.

The third and subtlest of the prescriptive postures associated with classical economics was rooted in the Benthamite fallacy of the interpersonal comparability of satisfactions. When this was eventually translated by Alfred Marshall into the proposition that an extra pound (sterling) will always yield less satisfaction to a man with more money than to one with less, it was available for appropriation by A. C. Pigou in the book that launched welfare economics as a separate field. Subject to considerations of productive efficiency (ad-

mittedly a big loophole), a presumption in favor of levelling incomes was inculcated by Pigou upon all rational persons. If this sat uneasily (as it certainly did) with Social Darwinian glorifications of the competitive man, it was equally prescriptive in endeavoring to compel assent to a given social posture as the inexorable instruction of science. For the classical economists, early and late, never prescribed on their own behalf. They saw themselves as elucidating the objective decrees of the God of Nature, or at any rate the God of Commerce. Accordingly, there could be no question (in their own minds) of the economists simply imposing their personal preferences, with the fallibility that attached to these.

In the period since 1900, all three forms of ethical and social prescriptiveness have been progressively banished from the main tradition of Western economics—indeed, it is arguable that an ever-widening ban upon prescriptiveness has been the principal unifying theme in the development of economic thought in the last hundred years.

The first ethical prescription to go by the board was the doctrinaire commendation of self-reliance and disdain for mutual aid inferred by the Social Darwinians from Malthusian premises. It must be said that the initial revulsion from Spencerian *laissez-faire* around 1900 evoked in Patten and others of his generation a kind of counter-prescriptiveness swinging in the opposite direction, as if natural history, properly construed, required strenuous cooperative endeavors at social amelioration. It is this particular form of hesitancy in embracing the liberation from prescriptiveness, highly characteristic of the Progressive Era and of those who carried its animus forward into the New Deal, that I suspect Fox of hankering after in his scrutiny of medical economics in the 1970s. But the spell was broken, and biologically flavored prescriptions, of whatever sort, for regulating economic behavior were extinct by the 1920s and can never be revived.

The Benthamite prescriptiveness, prolonged by Marshall and Pigou, of commending the maximization of the general welfare, to be calculated by comparing the satisfactions of the individual citizens, was knocked on the head by Pareto. When the promotion of the general welfare was reduced by Pareto to the virtual tautology of leaving nobody worse off in his own eyes and at least one person better off, no society, as Pareto himself recognized, would consent to be consistently guided by this principle. But to devise any other

theoretically valid definition of promoting the general welfare has proved to be extremely difficult.

The last of the classical versions of prescriptiveness to receive its quietus was the most deeply sanctified of all for laymen and economists alike, the ethic of thrift and self-denial whose unchallengeable supremacy as a social good was terminated by Keynes. This was correctly intuited as an earthquake in the ethical domain as well as a revolution in economics.

The implications of these developments for the social role of economics are profound but extend far beyond this to define the general tone of the twentieth century. In some respects, as Fox points out, the authority of economists (and many other professions) has been enhanced in recent generations. We live in an age of professionalism. But perhaps as a counterweight to this, rendering the situation humanly tolerable, there is one crucial dimension in which the authority of virtually all professions and elites has been steadily reduced, and this is precisely the dimension of moral and social prescriptiveness in the realm of practical conduct.

In one sense, as has often been recognized, some social scientists of Patten's generation were endeavoring to compensate in their policy prescriptions for the slackening hold of clergymen upon the community. But the erosion of moral authority could not be permanently arrested by secularizing it, and most economists ended by divesting themselves of their ethical pretensions *as economists*. They accommodated themselves to the spirit of the age. As Kenneth Arrow would insist, this accommodation could have occurred only in harmony with technical developments in economics, and its form was decisively shaped by these. Yet it is hard to imagine any further developments in theory or technique that would lead economists as a profession to reassert their old pretensions to moral and social prescriptiveness—and harder still to imagine noneconomists agreeing to be guided by these.

The upshot, lamented by Fox and others, is a generation of economists whose services to the general public are self-perceived as analytical, instrumental, and facilitative, rather than prescriptive or peremptory, and frequently devoted to weighing the economic consequences of alternative policies in a calculatedly unimpassioned spirit—delineating the options instead of choosing incisively among them and mobilizing professionally behind the “right” solution. It is a humbler posture than many economists have aspired to in the past.

For those who are troubled by it, economists have become “mere technicians.” Whether distressing or not, there is an irreducible element of truth in this perception.

Yet it is not the whole truth by any means. To make economics “value-free” is not intended to banish ethical values from the world, or even from the discourse of economists avowing social concerns and social preferences in their capacity as citizens and expounding the economic implications of these. The exorcising of prescriptiveness has been accompanied by an increasing recognition by economists of the necessity for making ultimately political choices to cope with social problems that are not only practically but theoretically unsusceptible of solutions in which every rational person “ought” to concur.

Economists have not been rendered “moral eunuchs” by abating their unfounded pretensions in this regard. Any who choose are free to become moral athletes in defense of their own conception of justice, on the sole condition of acknowledging that it is theirs. To recognize that social ideals are deliberate choices embraced in the larger human context rather than dictated by economics does not automatically conduce to “relativism.” An economist, or anybody else, can hold tenaciously to his chosen values in the knowledge that he did choose them. For him, they need not be “relative” or tepidly held. By the same token, it is not the possibility of “reform” that has been subverted by the development of economic thought, but merely the effort to finesse the painful issues of reform by proffering moral and social prescriptions as the ineluctable wisdom of economics. It does not follow from this that reforms in health care or anything else will prove to be politically feasible in the near future. But if not, the economists will not be to blame.