

Commentary

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PROFESSOR FOX'S HISTORY of the relations between the thinking of economists and reforms in the health care system can justly be described as extraordinary in the literal sense of the term. The question whether economic analysis has any validity is not raised; indeed, the vast amount of empirical and theoretical work by able scholars is not even described. Many pages are devoted to uncomplimentary explanations of the changed attitude of economists; but what that attitude is can in no way be inferred by the most careful reader.

Fox's viewpoint is expressed in many places but never more succinctly than in his last paragraph. "[Economists] are intensely skeptical of any proposals for reform. This skepticism often irritates people outside academic disciplines who are committed to stimulating or preventing particular changes in public policy. However, relativism has made it easier for social scientists, and for economists in particular, to collaborate with physicians, health administrators, and public officials with whom they share an ideological commitment that ideology is dangerous."

In short, Fox has found a motive for economists to be careful about supporting change, namely, it upsets the applecart. Elsewhere Fox stresses not only the comfortable links with the medical and political establishment but also indoctrination into the scholarly tradition of economics, which apparently is supposed to be alien to all moral concern.

However, there seems to be a small omission here. I don't think it is mere pedantry to distinguish between the motives for research and the validity of the results, for policy as well as for pure knowledge. Economists are indeed concerned, as Fox says, about the allocation of scarce resources among competing wants. To know the effect of different pricing and insurance systems on the demand for medical services appears to me to be a very valuable piece of information to be used in any proposed reform. The sharply rising costs of medical care following on Medicaid and Medicare are a real problem for any policy. Fox nowhere asks if the many analyses and measurements have any validity or any value for health policy. One would suppose that was a far more interesting question, for health policy if not for the history of thought, than socioeconomic analyses of the motives of economists and other social scientists.

(I do not wish, even by silence, to be thought of as accepting the motivations ascribed by Fox for the "relativistic" concerns of economics. No one can doubt the importance of institutional and social pressures in the evolution of any subject, particularly those especially concerned with major social issues, whether economics or sociology. But any intellectual discipline with standards has an evolution of research in which theoretical coherence and empirical validity play a role independent of intent. The validity and social usefulness of economic analysis of health problems are to be judged by the usual canons of knowledge, not by analysis of motives. Louis Pasteur was motivated in his studies of fermentation in part by his religious beliefs that there is no spontaneous generation of life, creation having been a unique act of God; many of his contemporaries were motivated in their biological research by the desire to show that religion was a remnant of superstition and that, as Laplace put it, God is an unnecessary hypothesis; but the validity of the germ theory of disease was independent of these initiating motives.)

It is noteworthy that Fox makes no explicit reference to any studies by economists since the work of Selma Mushkin and Rashi Fein in the late 1950s (except for a brief mention of a paper of mine, whose content could not possibly be inferred by the reader). The extensive work of Victor Fuchs goes unmentioned; Martin Feldstein and his coworkers are represented only by a sneer at a passing phrase; Alain Enthoven's policy recommendations are not commented on; and the vast health insurance experiments of the Department of Health, Education, and Welfare, with ongoing analysis by

Joseph Newhouse and others, are not thought worthy of mention.

I do not have the space to write the survey and evaluation of the current work in the economics of health that was indispensable to the paper Fox should have written. Let me conclude by noting the complete fallacy of Fox's opposition between morally neutral analysis of resource allocation and a commitment to reform. I assume, of course, that reform of the medical delivery system is not desired merely for its own sake but to improve the lot of the members of society. The fact that resources devoted to medical care are secured at the expense of other uses, some of which may in fact contribute more to health than additional medical care, is in itself a factual statement. But it is a strange morality that ignores it. Further, a commitment to increase public support may still be realized in many alternative ways. Is it irrelevant whether socially committed resources go primarily for almost useless purposes, or simply to increase the incomes of physicians, or to ways that enhance the access of as many individuals as possible to medical care? These are not matters on which any amount of moral fervor will give interesting answers.