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Commentary

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I AM GLAD THAT DR. FOX has provocatively raised the questions of what contributions economists have made to reform in health care and why those contributions appear meager, although I disagree with some of the assertions of fact and interpretation and on the roles he assigns to several named individuals.

I pass over his invidious use of terms like "morals," "reform," "relativism," "pluralism," etc. The notion that reform, which I take to mean change for the better, is antithetical to relativism is not supportable. The implication that pluralism is the enemy of reform is misguided. Most pluralists with whose work I am acquainted regard themselves as pragmatic reformers. Ideologues are not the only "reformers" around. And there is nothing incompatible between a concern for improved research tools and reformist objectives.

That aside, it seems to me that the appropriate question to be raised for Dr. Fox's theme is not whether economists are pushing reform in their professional writings. (If they were reform advocates they would likely be pushing in some twelve different directions anyhow.) The pertinent question is whether such literature has been relevant and useful to those interested in or responsible for reforming a financing and delivery arrangement that most people in and out of academia agree has serious faults. Are they in general contributing to better understanding of how the system works and the practical possibilities for productive change?

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I agree with what I take to be Dr. Fox's view that by and large they are not. The question is why. There is no one answer; the reasons are multiple. But in this short space, there are four interrelated points that deserve particular mention in relation to Dr. Fox's paper.

1. Economists are far less empirical than is often assumed. The heavy dependence of modern economics on mathematical tools can be misleading. The mathematical models are generally built upon a frail structure of assumptions about human and institutional motivations and behavior. More often than not these assumptions, based upon classical and orthodox economic theory, are invalid for the health field—whatever validity they may have in other economic activities (although Herbert Simon, the most recent Nobel laureate in economics, long ago pointed out that classical assumptions about corporate industrial behavior also proved inaccurate when appraised by actual observation of such behavior).

Few economists have actually undertaken the grimy work of personal observation of organizational structure and behavior of hospitals, how decisions are actually made and by whom, how internal political forces operate, what motivates physicians, etc. Since the foundations of much economic inquiry are so fragile, the conclusions drawn often prove immaterial, and at times even mischievous, no matter how brilliant the superstructure may be.

2. There is little professional incentive for economists to spend much time and energy in field investigation of health care institutions. (Modern economists express small respect for so-called institutional economists.) The profession's prestigious journals do not have any large readership with any special interest in health care. Articles are judged by their technical virtuosity or application to theory. Thus academic approbation tends to create a triumph of process over purpose or ends. It thus, for example, will lend justification to the growing tendency to "prove" the self-evident because the proof may require a great deal of methodological skill—and one can always assert that the self-evident is not always what it seems. This also leads to excessive emphasis on negativism, a display of technical ingenuity in knocking down the proposals of others.

3. Standing alone, economics—like other standard academic disciplines—does not have much that is realistic to contribute to policy making in this field. In the absence of adequate consideration for ad-

ministrative feasibility, psychological motivations, institutional idiosyncrasies, organizational traditions, and sociopolitical relationships, many of the "findings" tend to deal with relative trivia or have small relevance to the large and live issues. To policy makers the exercises often appear unreal.

The problem, of course, is equally true of other academic disciplines with their artificially contrived boundaries. The term "health economics," as generally used today, is a misnomer. Probably the most influential book written by a professional economist in the past decade is Victor Fuchs's *Who Shall Live?* It was effective and useful because throughout it was animated and informed by the peculiar psychological, historical, political, and sociological factors in health care. But the system of rewards in academia does not give great weight to influencing public policy or working in interdisciplinary contexts.

4. Economics is now a discipline very different from that of the twenties and thirties. Its technical armamentarium is far more extensive and its practitioners are called upon to perform tasks for which they were not equipped earlier, tasks that often involve sheer objective measurement. A gerontologist may ask an economist to measure what the economic value of an average male life is at age fifty. Or a planner may request a study of the effect a given level of copayment has had upon the utilization of ambulatory services at a Health Maintenance Organization. The worth of such nonnormative studies should not be undervalued. There can be ample good in inquiries that do not directly lead to reform proposals.

A related aspect of that phenomenon is the fact that the earlier generations of economists selected projects presumably because of their own strong interest in the subject. They were generally not subsidized. With the coming of the era of grants and contract research, projects often became attractive to the degree of their outside support rather than the concern of the researcher. Projects are often not the intellectual invention of the researcher but a response to an inviting request for a proposal. Such undertakings are surely less likely to generate passionate demands for reform than those that originally spring from the concerns of the researcher himself. The proliferation of "health economists" in recent years is not wholly attributable to any phenomenal burst of intellectual interest in the subject matter!

However, I believe it wrong to conclude that economists care less about societal ills than other people or other scholars or that they are less concerned with moral values. In academia people generally behave as academics are expected to behave. It is interesting to note that the people in an earlier period whom Dr. Fox cites for the reform fervor in their writings were in the main not academics. At the same time, we must note that there are always exceptions to generalizations. Dr. Fox fails to give adequate recognition to that small minority of contemporary economists, and other social scientists, who have indeed contributed relevantly and usefully to health affairs.

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