

The meaning of objectivity

What can we learn from Robbins and Myrdal?

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Introduction

Lionel Robbins (1984 [1932], 1981) and Gunnar Myrdal (1969) are usually presented as representing the two main contending views on objectivity in economics. In this debate Robbins is referred to as representing the stance “that the propositions of economics, as it has developed as a science, are positive rather than normative” (Robbins, 1981: 4). Objectivity is conceived by Robbins in terms of value-free, fact-grounded, knowledge. Economics would be value-free (scientific) because it dealt with the “relationship between ends and scarce means which have alternative uses” (1984 [1932]: 16), not with the definition of ends itself. Conversely, Myrdal is often evoked to deny the possibility of a “positive” economics. Objectivity, in Myrdal, is thought of as knowledge derived from openly stated value and fact premises. In fact, Myrdal came to disbelieve in the “existence of a body of scientific knowledge acquired independently of all valuations” and reached the conclusion that “[v]aluations are ... necessarily involved already at the stage we observe facts and carry on theoretical analysis...” (Myrdal, 1953: xli).

In comparing Robbins’ and Myrdal’s views in this paper we first intend to highlight , some current misinterpretations of both authors. Secondly, we identify points of agreement between both authors which, to the extent that they are usually presented as representing opposing extremes of the value-freedom controversy, are surprising. Robbins and Myrdal struggled with problems that are still with us, namely the problem of objectivity. “The ‘ethos’ of social science”, proclaimed Myrdal in the opening of his (1969) *Objectivity in Social Research*, “is the search for ‘objective’ truth” (Myrdal, 1969:3). The perception that the *ethos* of science, including economics, is under increasing pressure stemming from the post-positivist critique of science, on the one hand, and the transformation in research conduct as a result of its marketisation, on the other hand, calls for a clarification of the content and orientation of this *ethos*. Does the search for ‘objective’ truth still lie at the core of such an *ethos*? Can the acknowledgement that a vast body of economic knowledge (in Robbins’s case) or the

whole set (in Myrdal's) is necessarily normative, or value-laden, be reconciled with objectivity?

Our third objective in this paper is to suggest that while a positive answer can be given to the above questions, such an answer will have to transcend both Robbins' and Myrdal's concepts of objectivity.

In the rest of the paper we will explore these three topics, although not sequentially. Assuming that the reader might not be familiar with the work of Robbins and Myrdal, the questions will be tackled during the course of an exposition of some of their main works.

To our knowledge, there was never any direct exchange between Robbins and Myrdal. In the writings surveyed, Myrdal never refers to Robbins, and Robbins refers to Myrdal only in passing in his 1981 *Richard T. Ely Lecture to American Economic Association*. Nevertheless, their work can be summarised in dramatic form as sequence of acts in a play featuring both of them.

Act One unfolds in the late 1920s and early 1930s. The young Robbins and Myrdal are faced with a similar concern: economic theory does not always seem to live up to the demands of scientific objectivity. In 1930 Myrdal published *The Political Element in the Development of Economic Theory* (Myrdal, 1990 [1930]) in Sweden; in 1932 Robbins delivered to the public his *Essay On the Nature and Significance of Economic Science* (1984 [1932]). In spite of the absence of any signs of acquaintance between Robbins and Myrdal in this period, the coincidence in the thrust of the argument in both books is striking.

In Act Two the Myrdal of the late 1960s debates with the Myrdal of the 1930s. Myrdal's position has evolved. The young and the mature Myrdals now disagree on the crucial question of the possibility of a value-free economics.

In Act Three we find Robbins, in 1981, reinstating his position in spite of Myrdal's critique and stressing the importance of a (normative) political economy. The latter, as will become clear, was a position Robbins consistently upheld throughout his career.

The play concludes with arguments in favour of the need to transcend both contributions in order to preserve objectivity at the core of the *ethos* of economics.

Act One: Myrdal and Robbins and their quest for economic science

During the late 1920s and the beginning of the 1930s, two young economists of the same age who had moved to the top of academic careers in economics faculties with amazing speed – Gunnar Myrdal, in Sweden, and Lionel Robbins, in Great Britain – were absorbed with similar problems and concerns. They both thought that economics fell short on the criteria that could assert it as a science: a part of economic discourse and analysis, they believed, was contaminated by ethical values. If economics was to become a science it should clearly separate itself from ethics and politics. They both believed that this separation was feasible and desirable.

At the same time, they also thought that economics should be practical, that is, it should address practical social problems, have a voice, and provide guidance in political debates. “Pure” or “positive” economics could be serviceable in this respect by helping to establish facts, causal relations, the adequacy of the means to stated goals, the consistency of the goals, or in identifying the interests and the consensus and conflicts present. However, in being practical, in providing political advice and guidance, the economist should not evoke the authority of science. “Applied economics”, was important, and should not be avoided by economists but, contrary to “economics”, it was not science.

In those years, there was, to our knowledge, no exchange between these young economists, or any acquaintance with each other’s work. Nevertheless, in rereading their writings (Myrdal, (1990 [1930], Robbins (1984 [1932])) we find a marked coincidence of concerns and conclusions.

Myrdal, contrary to Robbins, would later evolve and not only develop but change his views in theory and practice, including those on the question of objectivity and value-ladenness. Their paths separated to the point where each of them played extreme and opposite roles in the methodological controversies in economics. The split, however, was to come later. For the time being, at the beginning of the 1930s, substantial agreement prevailed.

Myrdal and the hidden political element in economic theory

As an economist Gunnar Myrdal (1898-1987) evolved during his life from a mainstream theoretical standpoint to institutionalism. When he wrote *The Political Element in the Development of Economic Theory* and first published it in Swedish in 1930, his quarrel was not with “economic theory” as he had received it from his masters, namely Cassel, but with the smuggling of political ideology into economics under the guise of theory.

Swedberg (1990: xvii) identifies the origins of the *Political Element* in the intention of a group of young economists, including Myrdal, to write a popular pamphlet against the *laissez-faire* ideology (disguised as theory) of “the older generation of Swedish economists – such as Heckscher, Cassel, and a few others”. Instead of the pamphlet, however, what emerged was a lecture by Myrdal in 1928 on “Utilitarianism in Modern Economic Theory” and two years later a book which, instead of being a pamphlet directed against the old generation of Swedish economists, became an exposure of political ideology disguised as science contained in mainstream economic theory in general.

For the young Myrdal of the *Political Element* there was absolutely no doubt that the “task of economic science is to observe and describe empirical social reality and to analyse and explain causal relations between economic facts” and that preferences regarding states of society, actual or imagined – i.e. political opinion – fell outside the scope of economic science (Myrdal, 1990 [1930]: 1).

However, the separation between science and political opinion did not mean that the results of economic science would be useless in political debates. Political opinion, noted Myrdal, involved beliefs about facts and causal relations as well as valuations. Economic science would have nothing to say about valuations, but it could provide resources for objective criticism of beliefs on facts and causal relations.

Under the influence of the Swedish philosopher Axel Hägerstorm, the young Myrdal set about his critical analysis of economic theory from the presupposition that “[t]here are no values in the objective sense, only subjective valuations... distinguished from perceptions of reality” (Myrdal, 1990 [1930]: 13). He recognized, nevertheless, that valuations do play a part in the formation of notions about reality, but this was taken as implying that the role of science consisted precisely in correcting those “‘subjective sources of error’, which result in bias” (Myrdal, 1990 [1930]: 2).

Myrdal openly acknowledged that his view on the boundaries of economic science and the need for the separation of economics from ethics and politics was not new or peculiar. Economic thinkers of great stature such as Mill, Senior, Cairnes, Sidgwick and John Neville Keynes, before him, had restricted the scope of economic science to the study of the factual and the probable. The intriguing question for him was why, in spite of such previous proclamations, “throughout the past century economists, speaking in the name of their science, have been airing views on what they considered to be socially imperative” (Myrdal, 1990 [1930]: 4). In particular, Myrdal was puzzled by the fact that the theory of “free competition”, or capital movements was presented as a political *desideratum* rather than a description of the course of economic relations, or that

principles of taxation were framed as ‘just’ or ‘equitable’. For him what *ought* to be, as opposed to what *is*, was clearly beyond the scope of science.

For the young Myrdal the problem with mainstream economic theory was therefore a “lack of agreement between the principles of research in economics and its practice” (Myrdal, 1990 [1930]: 4). Economic theory had developed from systems of ethics with claims to objectivity – the philosophy of natural law, later replaced by utilitarianism. According to Myrdal the claims of both philosophical systems to objectivity were untenable as they ultimately depended on valuations that could neither be proved nor disproved. Economic theory in remaining faithful to these philosophical antecedents failed to meet the requirement of value-neutrality which the young Myrdal ascribed to science.

The *Political Element* is a critical review of the process of historical development of key economic ideas. It addresses the classical and neo-classical theories of value, economic liberalism, the concept of economics as ‘social housekeeping’, and the theory of public finance, and exposes “the political element” in them, often disguised as theory. With this type of critique Myrdal intended to exorcise from economic theory the “metaphysical” elements and hidden valuations. The result was a book that is both an optimistic assertion of scientific economics and a denial of the possibility of a normative (and nonetheless scientific) one.

In the last chapter on “The Role of Economics in Politics” Myrdal struggled with a problem that would worry him throughout his life: how to reconcile the impossibility of a normative science with the “wide agreement that economics ought to be practical”? (Cherrier, 2009)

His answer, as Myrdal acknowledged in his 1953 preface to the English edition (Myrdal, 1953: xli) was “very sketchy”: “there are cases when economic interests run parallel [;...] whenever interest harmony prevails economists can make universally valid recommendations” (Myrdal, 1990 [1930]: 191). This would hold when “harmony prevails”. However, even when this was not the case, economics could still be applied to examine the interplay of interests, identifying convergence and conflict. It might still offer alternative solutions, each corresponding to a set of particular interests.

However, in spite of being sketchy, the same chapter contained elements that would lead to the mature conclusion presented in his 1969 *Objectivity in Social Research*. Solutions corresponding to special interests which are made explicit, wrote Myrdal,

can claim objectivity, not because they express objective political norms, but because they follow from explicitly stated value premises which correspond to

real interests. The solutions are of practical interest to the extent to which their value premises are relevant to political controversies, i.e. in so far as they represent the interests of sufficiently powerful groups (Myrdal, 1990 [1930]: 193).

This amounts, in fact, to a redefinition of objectivity. In this passage, objectivity is no longer conceived of as correspondence with value-free facts, but as the practical implication of valuations of “powerful social groups”. This is the road that would lead to Myrdal’s mature answer to the problem of objectivity.

Robbins: science in spite of the inescapable normativity in the application of economics

Lionel Robbins (1898-1984) published the first edition of his *Essay* in 1932. In the *Essay* Robbins took pains to affirm the possibility and necessity of a value-free, “pure” science of “economics”, which was to be distinguished from ethics. This work also intended to achieve other relevant goals, namely: (1) to present a definition of the subject-matter of economics focused on scarcity and (2) to provide a full methodological discussion on the nature of economic generalisations and their relationship with reality. Robbins did not claim originality either regarding his proposal for a new definition of economics or his claim that a radical science-ethics (values) split was needed. The truth, however, is that Robbins’ approach represented a more or less significant shift from other concepts prevailing at the time on both issues.

In the *Essay*, whose origins go back to a course Robbins offered from 1929 to 1932 at the LSE shortly after having been appointed there as Professor of Economics, he was pretty clear regarding the existence of a “logical gulf” between economics and ethics “which no ingenuity can disguise and no juxtaposition in space or time bridge over” (1984[1932]:148). The relationship between the two disciplines could not be other than one of simple juxtaposition. *Science* and *opinion* had to be clearly distinguished.¹ Economics was (should be) “a collection of value-free generalizations” regarding the choice of means susceptible to alternative applications, not about the choice of ultimate ends. Concerning the latter choice, Robbins thought economics had nothing to say – it was not part of its realm. Economics dealt with facts, not values. Of course economics

¹ Actually this was a concern which dated back to his final year undergraduate studies in politics (Howson, 2004:417-8) and which also led him to write a critical paper on Hawtrey’s *The Economic Problem*, in which he already noted that “we should preserve that separation of *science* from what at best must remain pure *opinion*, which has emerged so hardly from the irrationality of the pre-scientific era. By all means let us be willing to spill our opinions on the public. By all means let us try to make our categorical imperative the categorical imperative. But for the repute of that little area of knowledge which we can fence off from the wilderness of velleity and dogma, do not let us pretend to be talking economic science” (Robbins, 1927:178)

was acknowledged to be dealing with purposeful action and as such it involved values. But, according to Robbins, these should be treated as *given* facts. In his own terms:

All that the 'objective' (that is to say, the *wertfrei*, to use Max Webber's phrase) explanation of conduct involves is the consideration of certain data, individual valuations, etc., which are not merely physical in character. The fact that such data are themselves of the nature of judgments of value does not necessitate that they should be valued as such. They are not judgments of value by the observer. What is of relevance to the social sciences is, not whether individual judgments of value are *correct* in the ultimate sense of the philosophy of value, but whether they are *made* and whether they are essential links in the chain of causal explanation.

Economics was a domain of statements of existence or possibility, statements which used the words *is* or *may be*, not statements of valuation or obligation (those involving the words *ought* or *should be*). *Description* and *prediction*, on the one hand, and *prescription*, on the other, belonged to entirely different planes of discourse, to different logical levels. They were different in kind. No *scientific* prescriptions could be derived from explanatory statements. While these were about causal relationships at the level of "ascertainable facts", prescription could not avoid appealing to value judgments. Causal relationships and positive statements could be tested, at least in principle (that is, their truth or falsity established); value judgements and normative statements could not. Although economics and ethical considerations were frequently mixed up, both their method of inquiry and their criteria of rightness were different². As such, "in the interest of clearness of thought", they should be kept separate. Only after being purified of opinion could economics aspire to be a scientific and credible endeavour at the service of policy (Masini, 2009:3).

But what then was the relevance or significance of economics for practice? According to Robbins it was its capacity to provide us with "the solvent of knowledge", that is, the analytical instruments which allowed choice between ultimate ends, fully aware of the alternative possibilities and their implications. If it could not free us from choosing ends – this would always be with us and no science could enable us to dispense with it–

² "The propositions of science are in the last resort capable of being proved by experiment. We cannot perhaps actually carry out the experiment but we can conceive the thing being done. If the propositions of Ethics are to be proved appeal must be made to metaphysical standards in relation to which experiment is unthinkable. You could *show* the effect of hours on output. How could you show whether increased output was a good or a bad thing?" (Robbins, lecture notes for the course on the Nature & Significance of Economic Science, *apud* Howson, 2004:429, original emphasis).

it could highlight the implications of the different ends we may choose and enable a selection of mutually consistent ends or systems of ends. As he put it:

[Economics] enables us to conceive the far-reaching implications of alternative possibilities of policy. It does not, and it cannot, enable us to evade the necessity of choosing between alternatives. But it does make it possible for us to bring our different choices into harmony. It cannot remove the ultimate limitations on human action. But it does make it possible within these limitations to act consistently. (Robbins, 1984[1932]:156)

Economics, Robbins noted, could contribute towards assuring what he called a “consistency of achievement”, that is, it could work to eliminate inconsistency of ends *on the plane of objective possibility*.³ However, it could say nothing regarding inconsistency of ends on the plane of valuation – *ethical* inconsistency. Divergences in ends, Robbins thought, were “a case of thy blood or mine – or live and let live, according to the importance of the difference, or the relative strength of our opponents.” (1984[1932]: 150)

Yet, despite widespread misreading, economics did not, for Robbins, exhaust the whole set of reflections regarding the economy. For him economics (economic science) was no more than the first step in a broader discourse, which he later came to call, in a return to the tradition of classical English economics, “political economy”. Be that as it may, in the *Essay* his main methodological concern was to show the conditions for a pure, neutral science of economics, “a system of generalised *description* of influences and movements in the world of economic relationships” (Robbins, 1963:19), mostly concerning the analysis of the means of attaining ends. Only in future works can one find an elaboration of his ideas on what he thought should be the proper framework for the role of the economist as a policy adviser – the conditions under which economic science and political economy could soundly relate.

Act Two: Myrdal and objectivity in spite of value-ladenness

Forty years after the Swedish publication of *The Political Element*, Myrdal revisited the problem of objectivity in one of his most famous works – *Objectivity in Social Research* (Myrdal, 1969). In this book the mature Myrdal positively assessed the part of *The Political Element* aimed at exposing the smuggling of valuations within concepts and

³ “[I]t may be held to be ethically inconsistent to serve two masters at once. It is objectively inconsistent to arrange to be with each of them at the same time, at different places. It is the latter kind of inconsistency in the sphere of social policy which scientific Economics should make it possible to eliminate.” (Robbins, 1984 [1932]:152)

theories which were subsequently evoked to justify political opinions. However, Myrdal was no longer satisfied with another crucial part of his 1930 thesis:

[T]hroughout the argumentation in the book there lurked the idea that, if all metaphysical elements were radically cut away and no policy conclusions were drawn, a healthy body of positive economic theory would remain, altogether independent of valuations. It should then be possible simply to infer policy conclusions by adding a chosen set of stated value premises to the objective scientific knowledge of the facts (Myrdal, 1969: 9).

This, for the mature Myrdal, was “naïve empiricism”. As he wrote in his 1953 *Preface* to the English edition of *The Political Element* and quoted in *Objectivity*:

Facts do not organize themselves into concepts and theories just by being looked at; indeed, except within the framework of concepts and theories, there are no scientific facts but only chaos. There is an inescapable *a priori* element in all scientific work. Questions must be asked before answers can be given. The questions are all expressions of our interest in the world; they are at bottom valuations. Valuations are thus necessarily involved already at the stage we observe facts and carry on theoretical analysis and not only at the stage when we draw political inferences from facts and valuations. (Myrdal, 1969: 9)

In spite of this dependence of facts on valuations, in *Objectivity* Myrdal upheld a distinction between ‘beliefs’ and ‘valuations’. The former were “intellectual and cognitive” – expressing “ideas about how reality actually is” – the latter “emotional and volitive” – expressing ideas “of how [reality] ought to be” (Myrdal, 1969: 15). While it should be possible to establish the truth or falsity of beliefs, with regard to valuations the “objective criteria” for asserting their truth, correctness, or goodness were absent. The mature Myrdal was thus still faithful to teachings of Axel Hägerstorm; he was still upholding, and stressing the “subjectivity of the valuation process” (Myrdal, 1969: 15 footnote) insisting that “[v]aluations are subjective facts” (Myrdal, 1969: 73). Like Robbins, he possibly still believed that “[valuation] conflict can only be stated, not solved by discussion” (Robins, 1984 [1932]: 192).⁴

⁴ However, in 1969, he also admitted that discussion may have an impact on people’s valuations. He wrote: “[d]emocracy is ‘government by means of discussion’... One group of people or another will be found to invoke and appeal to valuations on [the higher] level, thus attempting to reveal and stir up valuation conflicts in other groups” (Myrdal, 1969: 17-18).

However, Myrdal also thought, in line with Robbins, that valuations are an objective part of reality. When held by individuals or groups they determine behaviour as much as beliefs do. Thus, taken as facts, valuations may be the object of research. Such research, however, is riddled with difficulties. Valuations and beliefs are blended with “opinions”, and “located on different levels of the moral personality” (Myrdal, 1969: 16). There are “lower” and “higher” valuations, related to particular interests or larger concerns. Valuations on one level, very often the lower level, may overshadow valuations on other levels. Moreover, people tended to *rationalize*, that is, “dress up their valuations as beliefs about reality” (Myrdal, 1969: 18), thus distorting beliefs.⁵

Beliefs, or what we take as beliefs, thus depend on valuations. This holds true both in daily life and science, for science, Myrdal now thought, “is nothing but highly sophisticated common sense” (Myrdal, 1969: 14). Yet valuations also depend on beliefs. “Facts kick” (Myrdal, 1969: 40), they may expose rationalizations, override prejudice and hopefully weaken the valuations of a lower level in favour of those of higher level. In helping to establish facts and purging beliefs of concealed valuations, social science would demonstrate a “power of [moral] self-healing” in society.

Scientists, Myrdal noted, are deceiving themselves when they “naïvely believe... not to tend to aim opportunistically for conclusions that fit prejudices markedly similar to those of other people in our society” (Myrdal, 1969: 43). Science is as vulnerable to bias as common-sense.

The central question of *Objectivity* therefore arises: how to avoid bias in social science? How can objectivity be assured or at least pursued? Two things were clear for Myrdal: (a) “keeping to facts”, that is, refining methods to deal with data was not enough – “the chaos of possible data for research does not organize itself into systematic knowledge by mere observation” (Myrdal, 1969: 51); (b) trying to refrain from political conclusions would be vain – “practical and political conclusions are almost always drawn nevertheless” (Myrdal, 1969: 52). The solution instead lay in “bringing the valuations out into the open”:

A ‘disinterested’ social science has never existed and, for logical reasons, can never exist... The only way in which we can strive for ‘objectivity’ in theoretical analysis is to expose the valuation to full light, make them conscious, specific, and explicit, and permit them to determine the theoretical research ... The stated

⁵ Myrdal’s study on the “negro question” (Myrdal, 1944 [1964]) had provided him with abundant evidence of such a tendency to conceal valuations under the guise of fact, namely stereotypes about “negroes,” widely disseminated amongst the “white” population.

value premises, together with the data ... should then form the premises for all policy conclusions. (Myrdal, 1969: 55-56).

At this point the question naturally arises as to what valuations is Myrdal referring to. The answer is given by Myrdal through a definition of the principles for the selection of value premises. The first principle would be *relevance* – the relevant valuations are “the actual valuations of persons and groups in society”, not the idiosyncratic valuations of the researcher. The second principle would be *significance*: the valuations to consider are those “held by substantial groups of people or by small groups with substantial power.” The third principle would be *feasibility*: “valuations which aim for the impossible ... should not be chosen as value premises” (Myrdal, 1969: 65-66). It is also implied that valuations of a higher level (usually having “explicit expression by the State and by several formal institutions within the State” (Myrdal, 1969: 68)), not the lower valuations that usually lead to bias, should be retained.

As an illustration Myrdal evokes his experience in *Asian Drama* (Myrdal, 1968). He noted that in the South Asian countries studied the “Modernisation Ideals” formed a sort of national ethos, an ideological framework for policy discussions, planning and public policies. Other options, such as a return to traditional society, were blocked. “Modernisation Ideals” were therefore chosen as value premises for the study in spite of his awareness of existing conflicts between these ideals and other valuations in society.

Myrdal openly recognized the difficulties in the process of selecting value premises stemming from the blending of beliefs and valuations in opinions, the instability of valuations over time, the possible conflict between higher valuations in society and even within individuals. None of these, however, “ought to be insurmountable” (Myrdal, 67). In particular, value conflict could ideally be dealt with in research by using alternative sets of value premises.

Myrdal was well aware that the objectivity achieved by bringing value premises out into the open amounted to a redefinition of objectivity. He used the term in brackets. He was no longer talking of objectivity as correspondence with value-free facts, but rather of a form of inter-subjectivity making allowances for the consideration of differential power in society. This is a weaker form of objectivity, but Myrdal thought it was the “the only sense this term can have in the social sciences” (Myrdal, 1969: 56).

Significantly, in the final chapters of *Objectivity* Myrdal feels compelled to struggle against the accusation of “value relativism”. He denies that “value relativism” might inhibit arguing a moral point of view. On the contrary, he wrote, by stating value premises, researchers would be opening up their arguments to moral criticism. He was

well aware of the fact that no social science can ever be “amoral” or “apolitical”. Value relativism *was not* moral nihilism, he proclaimed.

By having to come out in the open with its basic valuations, social research will become more effective in serving the purpose of intellectual and moral catharsis – which is our hope for the improvement of society (Myrdal, 1969: 76).

He further enquired whether it was possible to depart from “valuation relativism” by identifying a set of immutable moral principles that might be applied as “supreme value premises relieving us of the duty of entering deeper into the complex reality of people’s actual valuation” (Myrdal, 1969: 77), namely respect for life and equality. The discussion, although largely inconclusive and obscure, suggests the view that even these principles often clash and are overridden by other considerations, thus falling short of the requirements of absoluteness and universality that would allow them to be adopted as final ends.

Act Three: Robbins’ last word on the importance of normative political economy

Although acquainted with the work of Myrdal, Robbins was not persuaded by Myrdal’s arguments. In his acclaimed *Richard T. Lecture* on “Economics and Political Economy”, delivered to the annual meeting of the American Economic Association when he was already in his eighties and published in 1981, Robbins maintained:

No less an authority than Gunnar Myrdal has devoted a whole book to the argument that, explicitly or implicitly, all propositions of economic theory, all classifications of happenings having an economic aspect, must involve judgments of value. I do not agree with this position. I don’t think that the proposition that, if the market is free and demand exceeds supply, prices will tend to rise, has any ethical content whatever. Nor do I concede that recognition of the consequences on investment of disparity between rates of interest and rates of return depends in the least on the political prepossessions of the economist who perceives it.

In effect, the struggle against the intromission of values in economic science and for a “scientific”, value-free, economics has always been a constant of Robbins’ position. However, as he took pains to show throughout his career⁶, it would be a misreading of

⁶ See Robbins (1963, 1971 and 1981). In his paper “On the Relations between Politics and Economics”, written in 1961 with the intention of studying “the influence on politics of economic thought and the extent to which any theory of economic policy is itself dependent on political assumptions”, he wrote in the preface: “These are matters on which I have written a certain amount in the past, but, since I have

his position (and for that matter his *Essay*) to portray it as a plea for economists *qua* economists to abstain from making political judgements and valuations on applied policy matters (even believing, as he did, that economists *as economists* had “nothing to say on the true ends of life” [1963:7]). Rather, as he claimed, his concern in the *Essay* “was to make it clear that statements about the way in which an economic system worked or *could* work did not in themselves carry any presumption that that was the way in which it *should* work”, that is, it was, above all else, a demand to take seriously (and, one should say, to preserve) the positive-normative distinction in economics. And he added:

I went out of my way to say that this did not mean that economists should not have ideas of their own about ethics and policy: on the contrary, I definitely stated that it is only if one knows how the machine runs or can run that one is entitled to say how it ought to run. This indeed was my claim for the ultimate significance of economics. (Robbins, 1971: 148)

The apparently ambivalent position of Robbins on the place of value judgements in economic discourse, which deceived so many in the profession, achieves its full meaning as soon as one takes into account: (1) that the analysis in the *Essay* was on “a very high level of abstraction” (1971:150); and (2) his insistence on the idea that, in addition to economics *stricto sensu* (or “economic science”, “a collection of value-free generalizations about the way in which the economic systems work”), the economic field encompassed a distinct *normative* knowledge of the economy, intended to reach *prescriptive* solutions for applied and concrete problems of economic policy. Such a normative knowledge was to be placed on a different level of reflection in which “economic analysis was conjoined with assumptions about the ultimately desirable ends of society” (1971:150). Although indispensable to the interpretation of reality, economics was unable to produce *scientific* policy prescriptions. It was simply “the tool box of economic policy and of political action” (Masini, 2009: 11). Prescriptions entailed not only bringing into play the inputs of “economic science” but also an appeal to *extra-scientific* value judgments about the desirability of different outcomes. In such

never succeeded in making my views immune from misunderstanding, I hope that this more systematic treatment will not be thought to be superfluous.” (Robbins, 1963:vii). He returned to the subject in Chapter VII of his *Autobiography*, in 1971. Also, in his *Richard T. Ely Lecture*, Robbins described the issue thus: “At the beginning of my career, in my salad days, I wrote a slender essay entitled *The Nature and Significance of Economic Science*; and from time to time its contents have been the subject of criticism and discussion. I have seldom made any comment on this but I have gone on thinking. Thus, when I was invited to give this lecture, it occurred to me (...) that, at the approaching end of my career, it might be a good opportunity to gather together some reflections on the subject of that essay and perhaps to put things in such a way as to make peace with some of my critics.” (Robbins, 1981:1)

a case, , unlike the situation regarding welfare economics, Robbins thought these value judgments should be unashamedly assumed.

Although Robbins regarded this practical knowledge as a very important “branch of intellectual activity” (1981:9), he refused to consider it *scientific* (the propositions it provided were not testable either by logic or observation and so were incapable of scientific proof). Given its “dependence on judgements of value, and to distinguish [it] from pure science”, he called this branch of knowledge, in what he saw as a return to the tradition of classical English economics, “political economy”. There can be no doubt that this was, for Robbins, a highly relevant field of work, in spite of its avowedly “non-scientific” character. It suffices, in effect, to note the considerable time and effort he devoted to practical matters throughout his career⁷.

In the Preface to his 1937 *Economic Planning and International Order*, which he quoted on various occasions in order to show this was not a mature addition to his thought⁸, Robbins had described Political Economy thus:

It depends upon the technical apparatus of analytical Economics; but it applies this apparatus to the examination of schemes for the realization of aims whose formulation lies outside Economics; and it does not abstain from appeal to the probabilities of political practice when such an appeal has seemed relevant. (1937: vii-viii, *apud* Robbins, 1981:8).

In the *Ely Lecture*, after this quotation he added:

It should be clear then that Political Economy in this sense involves all the modes of analysis and explicit or implicit judgments of value which are usually involved when economists discuss assessments of benefits and the reverse or recommendations for policy. (Robbins, 1981:8)

Where then does Robbins’ divergence with Myrdal, noted in the beginning of this section, lie, regarding the place of value judgements in the economic realm?

It seems safe to locate it within Robbins’s insistence on keeping separate a “pure” and “neutral”, value-free domain of positive (scientific) economics, strictly concerned with providing “a *system of generalized description* of influences and movements in the world of economic relationships” (Robbins, 1963:19, *our italic*), and an applied or political field.

⁷ *Economic Planning and International Order* (1937), *Live and Dead Issues in the Methodology of Economics* (1938), *The Theory of Economic Policy in English Classical Political Economy* (1952), *Autobiography of an Economist* (1971), *Political Economy, Past and Present* (1976) and *Economics and Political Economy* (1981).

⁸ In his *Autobiography* (Robbins, 1971:150) and again in the *Ely Lecture* (Robbins, 1981:8).

Although Robbins acknowledged (and encouraged) the incursion of economists into the domain of political economy, and the consequent combination of political/ethical and positive reasoning, he did so “*provided the logical difference between the two kinds of propositions [was] kept in mind*” (1981:4, original emphasis). In his view “the distinction of the different kinds of propositions is inescapable and (...) we run the dangers of intellectual confusion on our own part and justifiable criticism from outside if we do not explicitly recognize it” (1981:4). In his 1963 paper “On the Relations between Politics and Economics” he had already claimed that:

To have recognized in this connection^[9] the distinction between positive and normative judgements is one of the achievements of thought since Adam Smith and the Physiocrats; and nothing but confusion could come from any attempt to slur it over. (1963:19)

Thus, it appears that Robbins’ thought, instead of being a blind rejection of any intromission of value judgements into economic discourse, as portrayed in the “popular” view still dominant among economists, was rather an ingenious methodological attempt to preserve a “scientific” status for its basic theoretical constructions, based on a strict fact-value split. At the same time he provided a more realistic account of (and justification for) the pervasive active involvement of economists in the field of applied policy.

The real issue in Robbins’ approach is actually the reasonableness of assuming, as he did, the fact-value split as a *sine qua non* requirement of economic scientificity. In effect, even if one accepts the need to distinguish positive from normative propositions in economics, one may wonder how far Robbins’ identification of the positive-normative distinction with a strict fact-value split has not meant throwing out the baby with the bath water.

The way Robbins conceived of the economics-ethics relationship is also questionable. There are in effect good reasons to believe that, contrary to Robbins’ presumption of a complete separation of (positive) economics from ethics, economics is a moral science and thus hierarchically subordinate to ethics.

Finale

The account given above of Robbins and Myrdal’s main contributions to the question of objectivity in economics was hopefully enough to expose some very common misinterpretations of both authors’ stands, namely: (1) While subscribing to a positive-

⁹ The author is here referring to the idea of a neutral science of economics.

normative dichotomy and ascribing economics to the positive (scientific) side of the divide, Robbins never denied, as is often assumed, the relevance and importance of what he came to define as (normative) political economy; (2) While denying the relevance of the positive-normative dichotomy, and the possibility of a value-free (positive) economics, Myrdal never gave up on the possibility of an objective science of economics.

The same account further revealed some surprising points of agreement between both authors: (1) Their critique and denunciation of welfare economics as value-laden largely coincides; (2) Their concept of values (or valuations) are quite similar. With regard to the latter point, it is worth noting that both authors' concepts of values may be described as subjectivist. While Robbins held that divergences in ends were "a case of thy blood or mine", Myrdal similarly insisted throughout his life that "valuations are subjective facts" (Myrdal, 1969: 73).

We also inquired at the outset whether the recognition of value-ladenness might be reconciled with objectivity and suggested that this might require transcending both Robbins and Myrdal. Objectivity cannot be preserved by circumscribing economic science to a restricted domain of "value-free" facts and causal relations, as Robbins did, refraining from policy conclusions, or separating theory from policy. As stated by Myrdal, values are present in research from the moment the chaos of data is organised and practical or policy conclusions are always implicit in theory. Robbins' fact-value split is, in fact, an untenable dichotomy construed upon the presupposition that truth with respect to facts, contrary to the "truth" or "goodness" of values, can always be established by experience.

However, if Myrdal was right in rejecting the fact-value divide, it is also true that there are good reasons to preserve a positive-normative distinction in economics (although stripped of its fact-value split connotation)¹⁰. Distinguishing *description* and *prediction*, on the one hand, and *prescription*, on the other, may undoubtedly be helpful in clarifying thought. It may also be claimed that:

Once a model has been specified, it implies certain conclusions by the logic of its structure; once an empirical approach has been chosen, the data justify or fail to justify certain conclusions. In other words, at some point an economist must be allowed to hold values constant, in order to get on with the logical analysis of the problem at hand. An economist would be paralyzed if he could never make any *ceteris paribus* assumptions. Can we never take the values underlying a model as

¹⁰ In this respect it might be useful to take on board Putnam's (2002) suggestion for distinguishing between a mere "distinction" and a "dichotomy"

given, hold them constant as we explore the implications of a certain line of thought? (Yuengert (2000:26-27)

What should be retained from Robbins is his encouragement of the engagement of economics in policy (practical) matters. Economics, if it is to remain a relevant field of research, must help identify the more pressing problems in the contemporary and foreseeable world and address them.

When engaged in policy debates, present day economists are as prone as they were in Robbins's time to concealing their valuations under the guise of theory or "science". Nothing can be gained from this in public debates. Understood as a distinction (not a dichotomy), Robbins's emphasis on the need to distinguish positive and normative propositions can stimulate bringing the valuations always underlying prescriptions out into the open, exposing them to the type of moral criticism also advocated by Myrdal. Holding economists to that obligation can only improve the quality of their contributions to public debate and the intelligence of the debate itself.

However, nothing in the above precludes the need for seriously recasting the terms of the debate on the issue of objectivity/normativity in economics. As already noted, objectivity in theory (as in policy prescriptions), conceived as correspondence with value-free facts, is unattainable.

Unfortunately, objectivity recast along Myrdal's lines as "explicitly stated value premises which correspond to real interests" is hardly a better substitute. Led to select value premises that are *significant* in Myrdal's sense, the social theorist would be deprived of any critical leverage on valuations that are upheld by powerful groups or even the state, no matter how absurd or abhorrent they might be.

Objectivity, if it is to remain at the core of the *ethos* of the social sciences, will have to be understood differently. As a reader of pragmatist philosophy, Myrdal stopped halfway. He (like Robbins) never overcame what Putnam (2002: 145) termed the last dogma of empiricism: the presupposition that "facts are objective and values are subjective and 'never the twain shall meet'".

As highlighted in Crespo's contribution in this book, pragmatist (namely Putnam, 2002) and Aristotelian perspectives may provide valuable clues for ways in which to reconcile the acknowledgement that economic knowledge is necessarily normative, or value-laden, with objectivity. Objectivity may indeed be preserved at the core of the *ethos* of science. However, this involves understanding it not in terms of correspondence to value-free facts or raw data, but as the outcome of a dialogical

process related not only to facts but also values: “Objective values arise not from a sense organ but from the criticism of our valuations” (Putnam, 2002, p. 103).

This, however, will have to remain a topic for another essay.

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