

12-1-1998

Review of *The Rise of Political Economy as a Science* by  
Deborah Redman

John B. Davis

Marquette University, [john.davis@marquette.edu](mailto:john.davis@marquette.edu)

## Book Reviews

### Editor's Note: Guidelines for Selecting Books to Review

Occasionally, we receive questions regarding the selection of books reviewed in the *Journal of Economic Literature*. A statement of our guidelines for book selection might be useful, therefore.

The general purpose of our book reviews is to help keep members of the American Economic Association informed of significant English-language publications in economics research. Annotations are published of all books received. However, we receive many more books than we are able to review so choices must be made in selecting books for review.

We try to identify for review scholarly, well-researched books that embody serious and original research on a particular topic. We do not review textbooks. Other things equal, we avoid volumes of collected papers such as festschriften and conference volumes. Often such volumes pose difficult problems for the reviewer who may find himself having to describe and evaluate many different contributions. Among such volumes, we prefer those on a single, well-defined theme that a typical reviewer may develop in his review. A volume that collects together papers from a wide assortment of different topics is not preferred to one devoted exclusively to one topic.

We avoid volumes that collect previously published papers unless there is some material value added from bringing the papers together. Also, we refrain from reviewing second or revised editions unless the revisions of the original edition are really substantial.

Our policy is not to accept offers to review (and unsolicited reviews of) particular books. We have examined the consequences of an alternative policy and have determined that we lack the resources to deal appropriately with unsolicited reviews. Coauthorship of reviews is not forbidden but discouraged and we ask our invited reviewers to discuss with us first any changes in the authorship or assigned length of a review.

J.P.

[Reprinted from *JEL*, March 1992, 30(1), p. vi.]

### B Methodology and History of Economic Thought

*The Rise of Political Economy as a Science: Methodology and the Classical Economists*. By Deborah A. Redman. Cambridge, MA, and London: MIT Press, 1997. Pp. xviii, 471. \$55.00. ISBN 0-262-18179-7.

*JEL* 98-0829

Economic methodology has become a particularly active field in recent years, as reflected by the appearance of two new journals devoted to it: *Economics and Philosophy* and

*Journal of Economic Methodology*. The focus of these journals, however, is primarily economic methodology in contemporary economics. Discussions of economic methodology in the history of economics in contrast continue to appear chiefly in history of economic thought journals, and this has given these discussions less unity and prominence. Deborah Redman's recent book aims to bring focus and attention to one important stage in the development of economic methodology in the history of economics, namely, the economic methodology of classical economics.

More specifically, rather than the whole of classical economics, she concentrates on four key economist-philosophers who were especially influential in developing the philosophy of science of classical economics: Adam Smith, Thomas Malthus, David Ricardo, and John Stuart Mill. Thus her subject is the economic methodology or philosophy of science of these representatives of British classical economics.

The expression "philosophy of science" may be the more apt one, since it is Redman's strategy to use the philosophers and scientists of the seventeenth through nineteenth centuries—Francis Bacon, Rene Descartes, Thomas Hobbes, Isaac Newton, John Locke, David Hume, Dugald Stewart, John Herschel, and William Whewell—to create the theoretical backdrop against which thinking about the method and scope of political economy in Smith, Malthus, Ricardo, and Mill developed. Her argument is that at the end of the eighteenth century natural philosophy and social or moral philosophy were believed to share the same underlying principles, so that the philosophical—scientific heritage of Bacon, Newton, and the others was the obvious starting point for early efforts at treating political economy scientifically. It was not until Mill's efforts to distinguish social science and political economy as forms of investigation with distinct requirements and also the acceptance of Whewell's hierarchy of the sciences led by mathematics and the physical sciences that natural philosophy was to lose its commanding methodological influence. In the half century between these endpoints, British classical political economy developed largely on the foundations of Hume's attempt to construct a science of human nature and a moral philosophy modeled on Newtonian natural philosophy. This transfer of natural science methods and concepts to political economy caused their slow alteration and evolution as political economists struggled with what Mill would call the inexact nature of political economy. The period of classical political economy in Britain ultimately ended as much with the recognition that classical philosophy of science ill-fit a social science approach as with a change in the field's substantive content.

Across this broad landscape Redman picks out a number of more specific episodes of interest in understanding the history of classical economic methodology. A chapter is devoted to the development of thinking about induction. A discussion of science in eighteenth and nineteenth century Britain treats education in political economy, the early spread of journals, and the diffusion of knowledge. A discussion entitled "The Birth of Econometrics" looks at the emergence of statistical inference and early statistical societies, "political arithmetick," and the founding of Section F of the British Association for the Advancement of Science. An intriguing Appendix lists titles of articles on science and economics from *The Gentleman's Magazine* for 1731–1759, a periodical for "the eighteenth-century man of letters" that seems to have been the equivalent of *Scientific American* and *Nature*, to help establish the interdisciplinary tone of the period.

But the heart of *The Rise of Political Economy as a Science* is the discussion of Smith, Malthus, Ricardo, and Mill. With the chapter on Smith the payoff is high. Smith drew more heavily on Newton's experimental *Opticks* than on the mathematical and theoretical *Principia*, and this, together with a healthy Scottish eclecticism, permitted him to shape and adapt his "Newtonian method" to social phenomena in a fashion that made "wide social emphasis" rather than "precise mathematical theory" the key methodological characteristic of his thinking (p. 257). The chapter on Mill as the "last of the Newtonians" is also excellent for its exhibition of the modulation of the Newtonian-Baconian inheritance in Mill's efforts to establish the role of empirical generalization in the inverse deductive method so central to the nature of political economy as an inexact science.

The chapter that combines discussion of Malthus and Ricardo is uneven on the understanding of these two figures. Redman rightly rejects the strong deductive-inductive dichotomy between the two, and nicely describes how their differing conceptions of the scope and object of political economy impacted their respective methods of argument. She argues, however, that Ricardo had a sort of "brokers' myopia" (p. 288 ff) that led him to

approach political economy in a highly analytical, presumably philosophically naive manner that entailed a narrowness absent in Smith and Malthus. But Ricardo's *Principles* was very much in the natural philosophy tradition with rent, labor's wage, labor value, and profit as a surplus all defined in terms of natural principles, and his analytical tenacity in the debates with Malthus is largely explainable by his unshakable commitment to the embodied labor concept of value and vision of the economy as a system of natural liberty. While Ricardo's style of argument may have been very un-Scottish, he seems no less philosophically motivated by his time than were Smith and Malthus.

Nonetheless Redman's book is an important contribution to understanding the development of economic methodology in British classical economics. It collects together a dispersed literature from historians of economics on classical economic methodology, and builds a conception of seventeenth and eighteenth century science around it as a compelling interpretive framework. The book will no doubt become a standard resource for those interested in the history and methodology of classical economics.

JOHN B. DAVIS

Marquette University

### C Mathematical and Quantitative Methods

*Tournament Solutions and Majority Voting.* By Jean-François Laslier. Studies in Economic Theory. Heidelberg and New York: Springer, 1997. Pp. xiii, 255. \$84.00. ISBN 3-540-62897-5. JEL 98-8473

If we accept that societal decisions should be made by comparing pairs of alternatives, we encounter the obstacle imposed by Arrow's seminal theorem, a theorem that asserts that only dictatorships satisfy certain basic axioms. One way to circumvent Arrow's barrier is to determine the source of conflict among his axioms. (For instance, as we now know, Arrow's binary independence assumption prevents a procedure from distinguishing between transitive and intransitive preferences so it erodes the effectiveness of the crucial axiom requiring rational voters.) The

historically more common approach is to design methods to deal with the intransitive pairwise rankings that emerge with such ease from majority voting. Procedures that use rankings (not tallies) involve *tournaments*—the topic of this book.

Economists not familiar with this literature may dismiss tournaments as ways to list alternatives to select tennis champions or set to agendas for a meeting. This area involves much more than that; it includes all methods that select alternatives by using the raw information of ranking comparisons. Thus, for instance, it includes studies of how athletic teams are ranked when they receive a point for each victory. (This is the *Copeland method*.)

In this survey, Laslier demonstrates the richness of this topic by dividing his presentation into main themes. The book starts by describing the traditional abstract criteria used for judging competing methods. It then introduces and analyzes a surprisingly large number of approaches. Next, procedures are developed and compared with an interesting use of statistical methods such as Principal Components and Multidimensional scaling. There even is a nice discussion relating solution concepts from tournaments and game theory.

Because the book is written with the sparse, precise, abstract mathematical presentation favored by this field—an unfortunate style that has limited the influence of this important topic by imposing unnecessarily high entry costs on the uninitiated—I expect the book to be read primarily by choice theorists. For others, however, it serves as a useful reference. In part, this is because Laslier summarizes the major properties of each procedure by conveniently listing what it does and does not do. For instance, by iteratively applying Copeland's method to identify a set of "winners," and then applying the method to this set to find a refined set of winners, can there be a change? (Yes.) If only obvious "losers" are dropped, can this change the Copeland winners? (Yes.) Laslier's summary theorem of Copeland's method lists these and other properties in a checklist.

A measure of the success of a survey of this type is whether someone working in this or in a related area learns something. Using this