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John B. Davis
Marquette University, john.davis@marquette.edu

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THE EMPEROR'S CLOTHES

BY

JOHN B. DAVIS

David Colander argued to this Society two years ago that the term "neoclassical economics" ought to be declared dead (Colander 2000). I concur with him on the verdict, but do so for different reasons.[1] Colander's argument was that neoclassicism possessed six primary attributes, and much of mainstream economics cannot be characterized in these terms. My argument is simpler. It is that neoclassical economics was primarily a theory of the human individual in economic life (albeit a flawed one), but contemporary mainstream economics does not possess a theory of the human individual. This conclusion may not surprise those who have reflected on the rise of formalism in economics in the postwar period. But for two reasons I think it important to emphasize the disappearance of a theory of the individual from economics. First, because neoclassicism implemented and defended for nearly a century one particular philosophical conception of the individual central to western thought since the Enlightenment, the abandonment of this commitment by mainstream economics is an important part of our understanding of its evolution and its relation to social thinking generally. Second, the demise of the individual in mainstream economics is also significant because, having abandoned the individual, mainstream economics is no longer capable of offering a defense of the individual in contemporary society. Indeed its project, I will suggest, is in important respects anti-individualist. It may be naïve on my part to think contemporary society still engaged in a defense of the individual. Nonetheless, I hold that thinking about the individual remains fundamental to how many people think about the social world, and that consequently mainstream economics' abandonment of the individual may render it historically irrelevant, perhaps contributing to its fragmentation and dissolution as an identifiable approach in economics. Thus the important conclusion to draw may not be Colander's: that we have seen the death of neoclassical economics. It may be that at issue today is the death of mainstream economics.

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[1] My arguments draw on Davis (forthcoming).

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I. MODERNISM AS DUALISM: ORIGINS OF THE MODERNIST THEORY OF THE INDIVIDUAL

I begin with discussion of the origins of the Enlightenment theory of the individual that came to underlie neoclassical economics at the end of the nineteenth century. That theory arises in a Cartesian-Newtonian dualism of subjectivity and nature underlying modernist conceptions of science and society.[2] Contemporary history of science emphasizes the Newtonian vision and the nature side of this dualism, but the inseparable accompaniment of this vision of Newton was Descartes's conception of human subjectivity in a new theory of the individual as disengaged, subjective inwardness. In my view, like most dualisms, this Cartesian-Newtonian one was fundamentally problematic and therefore ultimately unsustainable in each of its aspects. Just as we cannot understand nature purely as mechanism, so we cannot understand the human individual purely as disengaged subjectivity. Thus, looking ahead, that neo-classicism took up this particular conception of the individual planted the seeds of its ultimate dissolution as a theory of the individual in economics.

In *Sources of the Self*: *The Making of the Modern Identity*, Charles Taylor locates the origins of the modern concept of the individual as a disengaged subject and subjective inwardness in the rejection of the pre-scientific, medieval worldview of nature (Taylor 1989). In the seventeenth century, nature came to be understood as a mechanism. But in the pre-scientific, medieval world, everything was governed by eternal Ideas imperfectly embodied in the physical world. Plato was an important early developer of this conception, but it was systematically integrated into Christian theology with the eternal Ideas understood as the Thoughts of God. On this view, the things of ordinary life are exemplifications of a cosmic order teleologically organized to exhibit Reason and Goodness in Plato and then the Wisdom of God in Christian theology. In contrast to the later, modernist conception of the human *mind as a mirror of nature* (Rorty 1979), before the Enlightenment *nature was the image of mind*, that is, the mind of God.[3] Adopting a view of the world as mechanism dethroned this picture of the world. Descartes still preserved a place for God outside of nature by supposing the world operated according to the axioms of mathematics and analytic geometry, themselves determined by divine fiat. More importantly, he supposed that our capacity to understand the world as mechanism depended upon our being able to form clear and distinct ideas that only God guaranteed. This assumption brought with it a new understanding of the individual, introduced by Descartes in his famous *cogito* argument in which he withdrew into himself in doubting his beliefs until finding certainty in clear and distinct ideas. But God only guaranteed us a *capacity* for clear and distinct ideas, and we might still have obscure and indistinct ones. How, then, were scientists to proceed in

[2] It should be noted that Newton's own thinking on this score was more complex than what was to emerge as the "triumphant Newtonian model" (Taylor 1989, p. 171).

[3] C. L. Becker puts this particularly well in connection with the vision of Newton: "Obviously the disciples of the Newtonian philosophy had not ceased to worship. They had given another form and a new name to the object of worship: having denatured God, they deified nature" (Becker, 1948, p. 63).

producing scientific truths about the world? Descartes's solution was to distinguish between primary and secondary qualities of things. The source of our obscure and indistinct ideas are the distortions of sensation and perception, which concern secondary qualities, such as color, taste, smell, sound, and temperature, as compared to primary qualities such as figure, number, position, and size. Descartes' view was that only primary properties were "in" nature, and that secondary qualities were "in" our minds. Attaining scientific truth thus required that we *disengage* ourselves from our normal way of seeing the world, and rely upon our God-given ability to form clear and distinct ideas of the way the world was in itself, or in terms of its primary qualities. Descartes's famous *cogito* argument, then, was not just the basis for a new epistemology and ontology of nature. It was also the basis for a new view of the individual—one that withdrew from the world to understand the world.

This dualism of a world made up of an inner subjective domain and an outer objective domain was Descartes's great contribution to modern thinking, and it remains the foundation for modernist thinking about the individual as disengaged subjectivity and external nature as mechanism. But Descartes's recourse to an inner reason guaranteed by God was unacceptable in Locke's seventeenth-century Protestant England that combined regicide, a hatred of Catholicism, and the influence of Newton and Boyle. Locke began by rejecting Descartes' doctrine of innate ideas, which he feared would be used to justify opinion and false views. He called for clearing away "the rubbish that lies in the way to knowledge" (Locke 1689, p. 14), and proposed to rebuild knowledge out of the simple ideas of sense experience as incorruptible, inalterable atoms of understanding. This rebuilding took the form of an assembly and re-assembly of simple ideas to create complex ideas out of simple ones, so that a quasi-mechanical, associational organization of the mind matched the mechanical organization of nature. In keeping with Descartes, this assembly and re-assembly of simple ideas involved a "double movement of suspension and examination [in which] we wrest the control of our thinking and outlook away from passion or custom or authority and assume responsibility for it ourselves" (Taylor 1989, p. 167).

Thus, Locke was more radical than Descartes in his understanding of subjective inwardness. Whereas Descartes relied on God to guarantee clear and distinct ideas, Locke gave this directly to the individual in the ability to recognize the simple and inalterable ideas of sense experience. For Locke, this more disengaged self was consequently defined simply as private consciousness. "For it is by the consciousness it has of its present thoughts and actions, that it is a *self to itself* now, and so will be the same self, as far as the same consciousness can extend to actions past and to come" (Locke 1975, 2.27.10). In this way, he gave the strongest possible interpretation to the Cartesian-Newtonian dualism of subject and object worlds. Not only is consciousness intrinsically private, but as intentional, it is always *of* something. Individuals are always separate from what they are conscious of, and accordingly always outside of and removed from the world. The self as consciousness, then, is pure subjectivity. Taylor emphasizes this in characterizing Locke's idea of the individual as a "punctual" self, where this image of a geometrical point conveys that the self must always be "extensionless" in regard to the world of nature (Taylor 1989, pp. 171–72).

I said above that dualisms are generally problematic and the propositions that make them up typically unsustainable. One manifestation of the unsustainability of the Enlightenment's subjectivity-nature dualism is that the concept of the self as pure disengaged private consciousness does not withstand much scrutiny. Thus, there exists a long history of critique of Locke's conception of the individual, culminating most recently in the postmodernist deconstruction of the subject. In the first place, the idea of complete disengagement from the world is contrived and shallow, made all the more unsupportable by Locke's associationist psychology/epistemology. The problem is that if the self is defined in terms of disengagement, but cannot realistically disengage, then the self is either undefined, or is defined away through the individual's identification *with* others (termed "social identification" in contemporary social psychology literature). In the second place, if the disengaged self is defined as private consciousness, then, as the Wittgensteinian private language argument has it, there is really nothing that can be said about it. The self thus understood becomes meaningless. My goal here, however, is not to discuss the ways in which the idea of the individual as subjectively inward is unsustainable, but rather to portray the neoclassical understanding of the individual as simultaneously an attachment to this conception and a history of continued efforts to escape its contradictions. Yet, having begun with that Lockean conception, final escape from it also brought to an end neoclassicism as a theory of the individual in economics.

II. THE RISE AND FALL OF NEOCLASSICAL ECONOMICS

Neoclassical economics, beginning with cardinal utility theory and continuing through ordinalist utility theory, defines individuals in terms of their private psychologies, first in terms of wants and desires and then in terms of preferences. The idea of the individual as disengaged subjectivity is the basis for its view of the individual as atomistic in that individuals are autonomous by virtue of their each having access to only their own private states of consciousness. Indeed, atomistic individualism is simply the Enlightenment view of the individual, brought to perfection by Locke, applied to economic life. But this understanding also underlies much of the rest of neoclassical economics. Consumer sovereignty—a key foundation for welfare economics—is based on the idea that individual preferences are inviolate, since individuals alone know their own preferences. Indeed, once one introduces social evaluation of preferences, and asks about "good" and "bad" tastes, one can no longer exclude discussion of such non-welfare concerns as equity, fairness, and justice (cf. Cowen 1993). But to best understand how neoclassicism took up the Lockean theory of the individual, and at the same time see the dilemmas of dualism, it helps to ask how individuals disengaged from the world are able to operate on the world.

Smith, who was the first to offer a solution to this problem, sought to reconcile subjectivity and nature by using the Scottish Enlightenment concept of unintended consequences to say the market worked as if by an invisible hand (Smith 1776). Individuals brought their private subjectivities to bear upon one another in competition and exchange, but only at a distance or removed from their manifestation in buying and selling activities. This made the market a fundamentally natural, Newtonian process, which still presupposed—behind the scenes, as it were—the private interests of individuals. The metaphor of the invisible hand captured this dualism of subjective and objective, because it allowed the market to be explained as an observably mechanical process depending upon subjective interest as the invisible force driving it. But in providing a metaphorical solution to the problem of dualism, Smith did not resolve it. With subjectivity a hidden, invisible force, it was also possible to describe economic life in Newtonian cause-and-effect terms, making no essential reference to individuals. Much of the history of macroeconomics adopts this conclusion, and indeed the divide between microeconomics and macroeconomics, including the debates over micro-foundations, can be interpreted as a consequence of unresolved dilemmas created by Enlightenment dualism.

I take marginalist economics, both cardinal and ordinal, as *neo*classical in improving on Smith's answer to the problem of dualism via the theory of instrumentally rational choice. Instrumental reason ties individual subjectivity to the world through choices that most efficiently implement individuals' wants and desires or preferences. The key to the idea of efficient implementation is being able to differentiate efficient from inefficient means, which in turn requires knowing just how means address one's ends. Neoclassical economics provided this fuller account of individual ends by explaining the inner structure of individual subjectivity, first in terms of the principle of marginal utility, then in terms of the successive developments of the analysis of preferences. This enabled the marginalists to develop a more sophisticated theory of price than Smith had produced, and also demonstrate that the market, understood quantitatively and mechanically, depended in its operation upon the inner world of human subjectivity. Newton's world was thus made to depend on Locke's world by an enlargement of the latter, explained via the theory of instrumental reason.

Yet, this resolution of Smith's problem also bore an unstated critique of Locke's view of the individual. As Wade Hands notes, in the theory of choice "rationality is solely a property of the relation between means and ends—being rational simply involves choosing the most efficient means for achieving any given end—and has nothing to do with the *nature* of the end itself" (Hands 2001, p. 236; emphasis added). Indeed, utility analysis—cardinal or ordinal—is only one form of rational choice analysis. Thus, rational choice analysis works given any specification of ends sufficiently detailed and structured to differentiate efficient from inefficient means, and one need not make any reference to human psychology to explain instrumentally rational behavior. While explaining ends in terms of human psychology was the first significant use of instrumental rationality in economics, the subsequent history of neoclassicism is a story of the emptying out of human psychology from the theory of rational choice. Thus, the advantages over Smith that the theory of choice permitted neoclassicism also created the opportunity for retreat from Locke.

First to go was the cardinal utility specification of individual psychology that Jevons and Marshall relied on. This was driven in part by the view that Bentham's hedonistic psychology was a scientific embarrassment, as Robbins made evident in his famous book (Robbins 1932). It was driven partly by an increasingly conservative profession's reluctance to countenance egalitarian policies implied by interpersonal utility comparisons. But that the cardinalist account of the individual subjectivity was so easily abandoned was due to the fact that the underlying logic of defining the individual as privately subjective precluded any particular characterization of that private inwardness. Pareto intuitively grasped this when he characterized human psychology in the weakest possible terms. Individuals "prefer" one combination of goods to another, but the language of preferences says almost nothing about the human mind. Indeed, as has since become clear, the term "prefer" applied to combinations of goods only means that these combinations are rank ordered, and rank ordering is a relation with nothing in particular to do with human psychology. It can be applied to individuals, but it can also be applied to agents of any kind said to distinguish options, whether these agents are individuals or groups and whether they are living or non-living. After Pareto, individual preferences were only nominally subjective, and Locke's imprint on neoclassical economics begins to fade.

An interesting part of the story concerns the Chicago school and Friedman's "as if" instrumentalism. As Phil Mirowski and Hands relate (Mirowski and Hands 1998), Knight had contested the Hicks-Slutsky classical mechanics-inspired approach to demand theory, holding out for a psychology account of demand rooted in human motives. But Friedman in his famous article on the Marshallian demand curve (Friedman 1949), though he claimed Knight's mantle, reasoned in "as if" manner that it was unnecessary to think in terms of utility theory or indifference curves to explain demand. The same "as if" thinking then reappeared in Stigler's *Theory of Price* in which he further minimized the importance of utility functions (Stigler 1952), and finally Stigler and Becker (1977) made preferences insignificant to the determination of price by assuming them neither to vary nor differ importantly between people.

Samuelson, with his positivist-operationalist methodology, helped complete the emptying out of human psychology from choice analysis with his revealed preference approach. In his 1938 paper his goal was "to develop the theory of consumer behavior freed from any vestigial traces of the utility concept," and he carefully avoided using the language of preferences or anything that referred to the subjectivity of individuals (Samuelson 1938). In his paper a decade later in which he introduced and defended the revealed preference concept as intersubjectively observable, preferences do not dictate an individual's choices, but rather an individual's preferences are said to be revealed according to the observable choices the individual makes (Samuelson 1948). Samuelson did shift his emphasis to argue that revealed preference theory was observationally equivalent to ordinal utility theory rather than a substitute for it, but from the point of view of the profession, the damage was done. One might make reference to human psychology in explaining economic behavior, but doing so was unnecessary. Samuelson thus finally resolved the problem of Enlightenment dualism by dropping Locke's subjective inwardness side, and recasting the world in pure Newtonian terms.

I thus close the history of neoclassicism with its final abandonment of the Lockean theory of the human individual as subjective inwardness. Mainstream economics, I suggest, begins roughly with this changeover, and may be differentiated from neoclassicism by its agnosticism regarding the nature of individual economic agents. Indeed, those few economists such as Simon who have separated themselves from the mainstream in attempting to develop new psychological foundations for the individual in economics have often seen their ideas transformed and appropriated for generally mainstream formalist purposes (cf. Sent 1997). Formal representation of the individual now dominates. But being able to represent individuals formally falls well short of having a *theory* of the individual. Mainstream economics may refer to individuals in an *ad hoc* manner, but it has no new *theory* of the individual to replace the one given up. Indeed, as the product of both a Cartesian-Newtonian dualism and a failed attempt to sustain a subjectivist theory of the individual, it may be that mainstream economics *cannot* have a theory of the individual, and is ultimately left with modeling individuals as mechanisms.

III. THE EMPEROR'S CLOTHES

The motivation for my title is my view that many economists still believe mainstream economics is about individuals or is somehow individualist. I am not going to attempt to say what defines mainstream economics. Rather, here I only identify three unresolved problems in the neoclassical subjectivist theory of the individual that were inherited by mainstream economics, and which provide good reasons for thinking that mainstream economics is no longer really about individuals.

One problem is that there is nothing in neoclassical economics' treatment of individuals to preclude their dissolution into multiple selves. The multiple selves problem attracted interest for a time from individuals such as Sen, Harsanyi, Schelling, and Elster, but perhaps because it appeared insoluble within the neoclassical framework, the topic ceased to be discussed. Gregory Kavka (1991) drew the clearest conclusions about the matter when he argued that *multiple selves individual choice* problems are logically equivalent to *multiple individual social choice* problems. That is, *intra*personal collective choice problems are essentially the same as *inter*personal collective choice problems, so that in the way of any account of the individual as a unitary being are the individual equivalent of prisoner's dilemmas, majority voting paradoxes, Arrow impossibility results, etc. Thus for Kavka, the idea of there being a single utility ranking for the individual is a *special case*, whereas a multiple selves theory provides a *general theory* of "individuals" with different, incommensurable suborderings. From this perspective, lingering attachments to the idea of a unitary individual in economics, as often defended under the label methodological individualism, really constitute a kind of closet methodological collectivism, though in this instance one applied to the collection of selves within the "individual," rather than to collections of individuals within the group.

A second problem concerns talking about individuals through time. Though neoclassicism was originally a point-in-time, static equilibrium analysis, with the introduction of the time allocation model, in which individuals purchase market commodities to home produce final goods, individuals acquired a through-time dimension (Becker 1965). One of the most important applications of the time allocation model involves investments in human capital, where the types of human capital investments most relevant to the theory of the individual defined as subjective inwardness are those in which the final goods produced are skills and talents embodied in individuals themselves. Though Stigler and Becker's *de gustibus non est disputandum* paper argued that individual preferences do not change (Stigler and Becker 1977), it is difficult to believe that a process of self-investment in human capital does *not* change people's preferences. Yet if preferences are constantly changing, then on neoclassicism's Lockean view of the individual, the individual is constantly changing. Among other things, this upsets welfare economics which sum-ranks individual utilities based on given preferences in making Pareto judgments. Policy recommendations in a world of embodiable human capital investments then require a variety of non-individualist considerations, such as what type of society ought we to promote, who is entitled to opportunities for human development, how are we to understand intergenerational equity, etc.

A third problem concerns formalist representation of individuals in mainstream economics. Mirowski has argued contemporary formalist economics blurs the line between life and machine, and that economics has become a cyborg science (Mirowski 2001; also cf. Haraway 1991). I understand this in terms of the question of whether mental processes are treated as perspectival and intentional or as purely logical computational processes. The latter involve sequences of formal or syntactical symbols—independent of interpretation, meaning, and semantical content—that may in principle be instantiated in any sort of hardware, whether humans, animals, mechanisms such as thermostats, or computers and artificial intelligences of all kinds. Formalist mainstream economics, by abandoning subjective inwardness as characteristic of the individual, no longer characterizes individuals as intentional beings, and consequently has no reason not to consider human individuals just one more type of hardware. In effect, treating "mental" processes as computational processes means that mainstream economics does not differentiate among kinds of hardware. Indeed, strictly speaking, mainstream economics does not even talk about individuals in any real world, natural kinds sense, since it individuates decision-centers in an *ad hoc* way according to the problem at hand. *Anything* can be an individual if it can be ascribed a set of computational processes.

I take these three problems—the multiple selves fragmentation of the individual, the ambiguity of the individual through time, and the modeling of mind as a computational processes—to be consequences of the fundamentally problematic nature of neoclassicism's subjectivist theory of the individual. And, since mainstream economics lacks a new theory of the individual, these problems also characterize its state of disarray whenever it attempts to speak about individuals. Today, mainstream economics still proudly wears an individualist garb—its emperor's clothes—but only, as with the storybook emperor, out of a false sense of past magnificence. We all know how the story ends. The emperor only discovers his nakedness—the pronoun "his" is intentional—after it has already become evident to all his subjects. The only question in my mind about the story's end is whether our emperor will be embarrassed when this occurs.

IV. THE DEATH OF MAINSTREAM ECONOMICS?

Colander's argument is that neoclassical economics is dead, but mainstream economics is alive and well. I believe mainstream economics may not be in very good health at all, first, because mainstream economics does not constitute the sort of unified research program that attracts resources and commands influence, and second, because mainstream economics' ideological role in contemporary society has become ambiguous.

Neoclassical economics did constitute a well-identified research program. Colander nicely summarizes the characteristics of that program, but others have done so as well. Two emphases are generally common to these accounts: neoclassical economics can be identified both in terms of its substantive content and in terms of its methods. In contrast with neoclassical economics, however, mainstream economics is a far less cohesive and unified orientation in economics. Many strands of research within it—rational choice theory, game theory, experimental economics, bounded rationality, complexity theory, computational economics, evolutionary economics—bear limited relation to one another as regards their content and objects of research. The nature of economic behavior, the kinds of economic agents, the structures within which economic agents operate, the sorts of outcomes investigated, the normative themes considered, all vary significantly across these different approaches in a way that was not the case in neoclassical economics. Perhaps not surprisingly, then, few today seem to want to define mainstream economics in terms of its content.

Rather, most seeking to characterize mainstream economics as a single orientation in economics have emphasized the second way of defining research programs, namely, that they share a single set of methods. For example, Colander considers characterizing mainstream economics as "*ad hoc* modeling" (Colander 2000, p. 141), Tony Lawson sees mainstream economics as "deductivist" and based on event regularities (Lawson 1997, p. 16), Bob Coats suggests that mainstream (or orthodox) economics be defined by its commitment to rigorous analysis (Coats 2000), and many have simply called mainstream economics formalist. I am sympathetic to emphasizing method as a way of understanding mainstream economics but am not convinced that mainstream economics can be regarded as a unified research program on this basis. In the first place, methodological characterizations such as these tend to be fairly general, making it a real issue whether the multitude of tools and techniques that different approaches employ fall under the proposed description. Second, from a sociological point of view it is a risky strategy to emphasize shared methods as the defining feature of mainstream economics when the status and prestige of its practitioners seems to be determined in an arms race of ever newly introduced tools and techniques.

I think it is better to say, then, that mainstream economics does not constitute a single identifiable research program, and that we appear to have entered upon a new period of pluralism in economics, structurally speaking perhaps not unlike the past interwar pluralism. That mainstream economics has been thought a single research program may be a consequence of the long shadow cast by neoclassical economics. It may also reflect the social organization of contemporary economics. The term "mainstream economics" is really more of a sociological term, and usually refers to the professional dominance of the field in research and employment by a relatively small set of academic institutions. From a history of economics, as opposed to a history of economic thought perspective, mainstream economics is a hierarchical set of institutions interwoven with historical social structures, particularly those that arose in the United States in the last half century. In the case of neoclassicism, many have argued that the theory's individualist focus ideologically facilitated a neo-liberal regime that helped justify the roles and prerogatives of the State (particularly with respect to demand management and military-corporate power), the relationship between labor and capital, and the internationalization of trade and capital flows. Does mainstream economics have a comparable function in contemporary society? Or let me first ask, what ideological roles do mainstream economists play in contemporary society?

Drawing on the insights of the contributors to their 1998 *History of Political Economy* volume, Mary Morgan and Malcolm Rutherford note a change not so much in the methods as in the *style* of postwar economists which they characterize as a matter of their adopting a "self-defensive technocratic approach" (Morgan and Rutherford 1998, p. 17). In their view, "it was not so much what the technical tools would do for you but rather that the language of mathematics and statistics appeared to be more neutral and objective, and *more difficult for the layperson and politician*, leaving the economists less open to outside attacks about matters of belief" (Morgan and Rutherford 1998 p. 18, emphasis added). Originally, this posture was a product of the cold war and the influence of the many patrons of economics (Goodwin 1998). In time, however, inaccessibility to outsiders became the hallmark of professionalism, objectivity was defined in terms of technique, and the style of being an expert became a goal in itself. Thus, as inaccessibility is a condition for expertise, mainstream economists secured their own professional status at the expense of economics' intelligibility to non-economists. This suggests that mainstream economists gained a new ideological role for themselves by sacrificing mainstream economics' having an ideological function. Is this true? It would be consistent with mainstream economics' fragmentation into multiple, incommensurable approaches, since mainstream economics not having a single, dominant interpretation of the economic organization of society would also place a premium on the services of experts.

There seem to me to be two different ways of understanding the consequences of this development for the ideological fortunes of mainstream economics. The first, which may be naïve, assumes that western society still invests considerable significance in the individual—politically, ethically, culturally, and socially—and that mainstream economics' failure to offer a new theory of the individual, while yet sponsoring the cult of the expert, has significantly reduced its ideological importance. Of course, contemporary social thinking about individuals is complex, and the crude Lockean atomist view of the individual has no more place in society today than it does in mainstream economics. But mainstream economics has failed to follow up on this by contributing to changing thinking about individuals. Thus, if questions regarding democracy, human rights, personal development, and individual achievement continue to direct our normative thinking, and if these matters do need to be framed in terms of individuals, then from an ideological perspective mainstream economics may not be in very good health at all.

The second way of seeing this development involves a darker vision. Suppose that contemporary society has actually abandoned interest in the individual, and the talk and writing we still hear and see about individuals is a vestigial, last expression of our modernist illusions. In this case, mainstream economics might not only *not* be unhealthy, but might even be a harbinger of an increasingly impersonal future. Mirowski's view of mainstream economics as the new cyborg science fits this vision. Here the expert is a rather less heroic figure. Masters of externally indecipherable techniques and methods, experts are but agents of their tools, and their ideological role as expert *individuals* is as diminished as that of the individual in mainstream economics. Mainstream economics, then, as no more than a disparate collection of tools/experts, would lack a monolithic ideological identity, yet it might exercise an undetected ideological presence, behind the backs of individuals, as if by a new invisible hand.

I don't know if either of these two visions is correct. Perhaps they are in contest with one another, and the future depends upon how the contest plays out. But then mainstream economics' part in the drama seems settled, since absent a new theory of the individual it weighs in on economics as a Newtonian or cyborg science. What concerns me is whether there are resources elsewhere in economics to contest for the individual in economics. In closing, then, let me briefly outline heterodox economic thinking about socially embedded individuals.

V. THE THEORY OF THE INDIVIDUAL IN HETERODOX ECONOMICS

The idea that individuals are "embedded and enmeshed in a variety of institutions" is particularly due to Polanyi (Polanyi 1968, p. 217; also Polanyi 1944) and more recently Granovetter (1985). Whereas defining individuals in terms of their states of consciousness involves what can be termed an *internalist* definition of the individual, understanding individuals as socially embedded defines them in terms of their relations to one another—what can be termed an *externalist* definition of the individual. It is true that heterodox economics is holist rather than individualist in orientation, and holism understood to mean that the parts of a social whole are conditioned by the whole does imply for some heterodox economists that individuals are not independent agents in economic life. Heterodox economists of this persuasion no more have a theory of the individual than do mainstream economists. But most heterodox economists, I believe, hold a more moderate form of holism that maintains that while social wholes, institutions, and social structure influence individuals, individuals also influence social wholes, institutions, and social structure (cf. e.g., Rutherford 1994; Hodgson 2000a, 2000b; Lawson 1997). The question they face is how to articulate these reciprocal influences so as to go beyond the largely metaphorical meaning involved in simply characterizing individuals as socially embedded (Oinas 1997).

The most promising strategy for doing this in my view involves explaining individual behavior in social groups according to recent collective intentionality analysis (cf., e.g., Etzioni 1988; Gilbert 1989; Searle 1995; Tuomela 1995; Anderson 2001). Collective intentionality analysis is based on the assumption that people express we-intentions and use first person plural we-language as commonly as they express I-intentions and use first person singular I-language. We-intentions and we-language concern what individuals believe to be the intentions of groups of which they are members. But this analysis is individualistic in the sense that individuals alone form intentions, not groups, though individuals' we-intentions concern matters they ascribe to groups. What, then, explains individuals' social embeddedness is the way in which individuals respond to others when they form we-intentions. Just as the use of all language constrains individuals to observe accepted usages, so the use of we-language is socially constrained as well. We-language, however, is even more severely constrained than most ordinary speech since it directly implicates others who fall under the we-statements individuals express. Consequently, individuals behave independently in expressing we-intentions, but their social embeddedness is manifest in the influence that others exert regarding accepted uses of we-language. This makes the influence of social wholes on individuals important. At the same time, individuals influence social wholes in their capacity to shift and change established uses of we-language.

Collective intentionality analysis has been used to explain individuals' attention to rules and norms, and can underlie explanations of institutions and social values (cf. Tuomela 1995). I cannot go into more detail about this here. My purpose is only to sketch an alternative framework that might address some of the difficulties involved in talking about individuals in our highly structured contemporary society. Those difficulties, I believe, stem from the fact that individual life in contemporary society is enmeshed in a countless cross-cutting group relationships. Understanding the individual from an atomist perspective in this light seems a hopeless endeavor, because that framework explains the individual *apart* from the social relationships that so much define individual life. Thus, if individual life is now more social, a theory of the individual that reflects this must be externalist rather than internalist. Individuals as socially embedded, theorized in a collective intentionality manner, offers elements of such an account.

So my view of the contest of visions above is that the future turns in part on whether a viable, post-Lockean defense of the individual is yet to come from economics. A more enlightened, if not Enlightenment, view of the individual seems to me necessary if social policy influenced by economics is to defend democracy, human rights, personal development, and individual achievement. Defense of this normative horizon does not seem forthcoming from a mainstream economics born of neoclassicism's failed modernist theory of the individual. But such a defense may be available in heterodox economics' alternative tradition of thinking about individuals as socially embedded.

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