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Economics as Universal Science*

BY ROBERT HEILBRONER

ECONOMICS HAS BECOME the imperial social science. It is the only branch of social inquiry that enjoys a Nobel prize. It has been celebrated in a massive four-volume, 4-million word “dictionary,” through which there runs, like an Ariadne’s thread, the assumption that economics has finally escaped the parochial boundaries of its former kingdom of production and distribution, and can now lay claim to a realm that extends from family affairs to sports, from anthropology to political science.¹ More to the point, economics has earned the flattery of imitation by its sister social sciences. Its formal mode of argument, mathematical apparatus, spare language, and rigorous logic have made it the model for the “softer” social sciences. Thus it is with the shock of recognition, not of surprise, that we read Jack Hirshleifer’s tribute to the “expanding domain” of economics:

[I]t is ultimately impossible to carve off a distinct territory for economics, bordering on, but separated from other social disciplines. Economics interpenetrates them all, and is reciprocally penetrated by them. *There is only one social science.* What gives economics its imperialist invasive power is that our analytical categories—scarcity, cost, preferences, opportunities, etc.—are truly universal in application. Even more important is our structured organization of these concepts into the distinct yet intertwined processes of optimization on the individual decision level and equilibrium on the social level. Thus

¹ *The New Palgrave* (New York: Stockton Press, 1988). See my review, “Economics Without Power,” *New York Review of Books*, Mar. 3, 1988, p. 23.

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economics really does constitute the universal grammar of social science.²

Economics, according to Hirshleifer's argument, enjoys its imperial status because it supplies part of the "master pattern" of social theory. Sociobiology supplies the other part. Together the two yield a unified social science, in which ". . . certain ultimate principles like scarcity and opportunity cost, and the universal bioeconomic processes of competition and selection, will always remain valid for analyzing and *predicting* the course of human behavior and social organization."³

I do not know how many economists would go along with Hirshleifer's bold generalization, but it is beyond question that an imperial thrust—or its less aggressive, but no less commanding presumption of a universalistic character—can be widely discerned in modern neoclassical economics.⁴

The question I wish to investigate is whether this thrust or presumption is justified—that is, whether economics demonstrably wields capabilities of analysis or prediction, or manifests attributes of a fundamental nature, that set it above its fellow disciplines. My answer is that it does not. As I have written elsewhere, economics may be considered the queen of the social sciences, but I wonder if it should not be demoted one rank, to that of knave.⁵

Primitive and Command Societies

I propose that we begin to examine the imperialist claim by studying the place and role of economics in the social

² "The Expanding Domain of Economics," *American Economic Review* 75 (December 1985): 53; emphasis in the original.

³ *Ibid.*, p. 66; emphasis added.

⁴ See Gary Becker: "I have come to the position that the economic approach is a comprehensive one that is applicable to all human behavior": *The Economic Approach to Human Behavior* (Chicago: Chicago University Press, 1976), p. 8.

⁵ "The New Economics," *New York Review of Books*, Feb. 20, 1980.

formations that have organized the affairs of humankind for the overwhelmingly greatest part of its history—namely, primitive and command societies. The upshot of that examination can be succinctly stated: there is no distinct economy in these societies. Over most of its history, humankind has gotten along without one.

For example, let us look for an economy in the society of the !Kung peoples of the Kalahari. There we will certainly find productive tasks and distributive arrangements. There is a small amount of exchange within and between various communities. There are communal decisions with respect to the day's labor, or on occasion about more important matters, such as whether or not to move the hunting ground.⁶

But having examined the practices of hunters and gatherers, the interactions of daily life, or the deliberations around camp fires, have we located the "economy" of the !Kung people? That is a disconcerting question. If the answer is no, where else shall we look? But if it is yes, where is it? What aspect of the routines and practices we have examined locate them in a realm to be called the "economy," rather than in the general matrix of social or political life? To put it differently, one can see the need to have read ethnology, anthropology, and political theory to understand the !Kung, but economics? Elizabeth Marshall Thomas, Marshall Sahlins, or Morton Fried may be indispensable, but Paul Samuelson?

Let us now widen the focus by looking for the economies of command societies, of which the ancient Chinese or Roman empires are instances. Did these empires boast economies? Did their latter-day highly centralized counterparts, such as preperestroika Russia? Do we need economics to understand command-run systems?

The question seems at first easier to answer than in the case

⁶ The classic text is Elizabeth Marshall Thomas, *The Harmless People* (New York: Knopf, 1959). See also Marjorie Shostak, *Nisa: Life and Words of a !Kung Woman* (Cambridge: Harvard University Press, 1981).

of primitive society. To locate the Roman economy seems not essentially more difficult than to locate the American economy. A calculating mentality is immediately apparent in Chinese empires that enjoyed well-established internal and external trade. A panorama of industrial plants, railway lines, and factories conjures up what we think of as an “economic” realm in the Soviet Union.

Yet, on second look, doubts creep in. The decisive difference between these more structured societies, tributary or planned, and those of primitive peoples is the prominent role in the first cases, and the absence in the second, of a centralized allocation of labor. If there is a locus of the new “economic” realm, it must be connected with the role of the state.

But this raises as many questions as it answers. Why should the enhanced role of the state create an *economic* realm? Rather, is not political power the crucial element in the centralized allocation of labor, and are not sociological complications, such as the rise of bureaucracies, the outstanding properties of this new “economic” realm? These questions suggest that it is not such a simple matter to identify that which is purely and irreducibly economic in command societies any more than in primitive communities. The questions further spell out our initial task in evaluating the claims of an imperial economics. It is to separate out that which we mean by economic from the rest of social life.

I shall undertake this task by starting from the premise that the continuity of society requires structured ways of assuring social order. These ways range from the routines and habits of daily life to formal institutions of law and order. In referring to this spectrum I shall use the term “sociological” as a portmanteau term that covers the order-bestowing influences of private life, of which incomparably the most important are the pressures of socialization exerted by parents on their offspring—pressures that teach children how to fulfill the roles expected of them in adult life. The second term, “political,” I use in the conventional sense of the institutional means by

which some group or class within society can enforce its will over other groups or classes. The definition of these terms is less important than my intention to describe a protective canopy of behavior-shaping arrangements, part informal and private, part formal and public, that protects the community from actions that would threaten its continued existence.

Both the sociological and political elements in this canopy are fundamentally concerned with an aspect of social order and coherence that is usually referred to only obliquely. This aspect is the general state of obedience or acquiescence without which the armature of rights and privileges that defines any social order could be retained only by force and overt repression. With his customary candor, Adam Smith called this necessary aspect of society “subordination”: “Civil government,” he wrote, “suppose[s] a certain subordination.” We shall return many times to this theme, but the challenge it raises should now be clear. It is the disconcerting idea that economics is socialization or subordination in disguise.⁷

I can think of two very different ways in which a defender of the faith might respond to this challenge. The first would be to assert that I have overlooked a key aspect of the problem of social order that can be discovered in both traditional and command societies. This aspect is an order-bestowing element located “within” behavior in these societies, whether that behavior is directed to the organization of the hunt, to the getting and spending of the state revenue, or to still other, far-removed activities.

The element can be described as a situation-prescribed strategy of action—a logic of choice, in the language of economics. This logic forces all normal individuals to pursue a certain course, if they wish, as presumably they do, to gain the greatest possible satisfaction from their actions. One of the

⁷ Adam Smith, *The Wealth of Nations* (New York: Modern Library, 1936), p. 670; on socialization, see my *The Nature and Logic of Capitalism* (New York: Norton, 1985), chs. 2, 3. I have made no specific reference to sociobiology, which figures only marginally in Hirshleifer’s article, and seems largely unrelated to my theme.

achievements of economic theory has been to demonstrate that this “optimal” state will be reached when the marginal costs and benefits of all feasible actions have been weighed and brought into equality. The order-bestowing element that I have emphasized consists in the silent presence of this logic, which directs the behavior of individuals, whether they are aware of it or not. The element of subordination is not thereby denied. It is, rather, made a matter of human nature, not of social doing, and therefore deserves little or no special mention.

Hence (the defense continues), it does not matter if it is difficult to isolate or identify “economic” behavior. It is there, nonetheless, embodied in every decisional act, regardless of whether we choose to call these acts sociological or political or economic. To put it differently, a common theoretic suffuses much, perhaps to some extent all kinds of action, revealing the imprint of a universal calculus of choice, which is “economics.” From such a viewpoint, the economy is not a specific set of behaviors but a built-in principle of behavior. It is a mindset which, far from being impossible to locate in a society seemingly governed by sociology and politics, in fact suffuses the whole. “What gives economics its imperialist invasive power,” to repeat Hirshleifer’s words, “is that its analytical categories—scarcity, cost, preferences, opportunities, etc.—are truly universal in application.”

Is there a logic of choice behind decisions of all kinds? The view that a calculus of self-interest provides an organizing force behind human behavior has a powerful claim on our sympathies. Adam Smith called it “bettering our condition,” and claimed it was generally with us throughout our lives; and by softening some of its requirements, modern theorists have brought a wide range of altruistic and socially sensitive behaviors within the compass of a theory of utility maximizing.⁸

⁸ Smith, *Wealth of Nations*, p. 324. For a “humanization” of choice theory, see Robert

The difficulty with the neoclassical concept of a choice theoretic does not lie with these commonsense interpretations of a general social imperative of self-interest. It arises, rather, in the formal framework which neoclassical theorists advance as the axiomatic foundation for economics. The theoretic now yields optimizing outcomes only in situations in which rational choice itself can be fully realized—situations that stretch plausibility to the breaking point, as in the famous necessity for an infinite array of markets to provide an economic actor with all necessary options.⁹

Now two problems arise for the idea of an imperious mindset as the source of society's inner discipline. In its "universal" neoclassical form, the theory applies only when the conditions for perfect rationality are assured. This immediately rules out its usefulness in real-life situations. But even where perfect rationality can be assured, another problem enters. The theoretic now becomes a tautology, and takes on the difficulty of all tautologies—namely, an absence of operational content. Whatever behavior emerges from a setting in which perfect rationality can be said to prevail must be optimal, by definition. The "logic of choice" is therefore compatible with all such behavior and is incompatible with none. Thus it is not possible to use the choice theoretic to declare, before a decision is made, what behavior the theoretic will enjoin, or to establish, after the fact, that no other behavior would have served the cause of optimization better.

The validity of the choice theoretic cannot therefore be appraised by comparing its predictions with observed results. There is simply no way of saying whether the inner structure of society is forged by an immanent mindset or not. The value of the neoclassical theoretic, then, hinges entirely on another

Frank, *Passions Without Reason: The Strategic Role of the Emotions* (New York: Norton, 1988); and for a penetrating critique, Jerry Evensky, "The Role of Community in Modern Classical Liberal Economic Thought," ms., 1990.

⁹ See Frank Hahn's review of the problem in *The Public Interest*, Special Issue, n.d., 1980, p. 132.

property possessed by all tautologies—its usefulness as gestalt or heuristic, from which to approach problems or against which to construe them. Here the value is not operational but interpretational. As we have already said, the idea of a social-control mechanism rooted in a principle of the human mind is a powerful one, so that the heuristic importance of the logic of choice clearly serves an important function. In due course we shall return to examine what that function may be.

Meanwhile, there remains a second defense of a universalistic economics. It is that the universal aspect of economics lies not in some logic of choice but in an imperative of social organization. The imperative is that all societies must provide for their material provisioning, which requires to a greater or lesser degree a division of labor and a coordination of tasks. Thus if we ask where to find the economy of any society, the answer from this defensive position is to discover whatever social arrangements give coherence and appropriate direction to the labor of its members. In similar fashion, if we ask what economics “is,” the answer is that it is the study, or the explanation, of the means by which labor is brought into the service of society.

It is apparent that this approach to the challenge of defining economics closely resembles my own emphasis on the order-bestowing institutions of social life. There is, however, a problem with this second resolution of the question. The problem is the very challenge to which this section is addressed—namely, how to distinguish “economic” order-bestowing ways and means from “sociological” and “political” ones. Labor must indeed be marshaled in all societies, and some form of discipline (and its silent partner, acquiescence) must therefore be discoverable in all social formations. Thus the claim that economics find its rationale in the institutional rather than the psychological basis for society seems promising as a general orientation for further exploration. What is still unclear, however, is how to specify an economic solution to this problem, when sociological and political institutions apparently leave little to be explained.

Market Societies

My readers have doubtless noticed that I have so far carefully avoided mention of market societies in seeking to locate the proper jurisdiction of economics. The reason is that things change radically once we enlarge our focus to include the last two hundred years of history. An economic aspect of life now appears unmistakably present in nearly every facet of society.

Two vast changes, one Weberian, one Marxian, underlie this change. Its Weberian aspect is the radical shift in the social ethos. This takes many forms—the rise of an acquisitive ethic, the acceptance of a commodified view of social relations, the everyday reduction of use value to exchange value. The Marxian change stems from the new institutional setting of society, with its central placement of contractual relationships, especially those of the wage-labor, and with it the vastly magnified importance of fixed capital. From the first set of changes comes the emergence of maximizing, not as a hidden mindset but as a conscious mode of thought. From the second set comes a means of coordinating labor energies that has no counterpart in traditional or command societies.

All other historical consequences aside, these changes create a setting that seems to justify Hirshleifer's imperial claim. The new ethos openly places gain and loss at the center of life, and although there is still no way of describing, before the fact, the precise behavioral consequences of utility optimizing, there is a *prima facie* case for supposing that normal market behavior is itself a general expression of this mindset. Following Smith, who said that "an augmentation of fortune" represented the easiest way for most individuals to better their condition, it does not seem unwarranted to assume that acting according to the precepts of supply and demand is a first-order approximation to utility optimization.

In like fashion the incentives and discouragements that emerge spontaneously from the interaction of acquisitive actors mobilize and allocate labor altogether differently from

the way it is marshaled in primitive and command systems, except perhaps at their fringes. The market mode of social coordination does not dispense with socialization—we must learn how to live in New York just as much as how to live in the Kalahari desert or imperial Egypt—nor does the market abolish subordination—we learn to obey the dictates of the market as we learn to obey those of elders and seneschals. Nonetheless, the market presents a solution to the problem of social order that has no working resemblance to that of any premarket society. Not only are the guiding mechanisms of socialization and command deliberately deemphasized to a degree that would imperil coherency in a traditional or command society, but the pattern of social activity that emerges under the incentives and sanctions of the market gives rise to dynamics that have no counterpart whatsoever in earlier societies. Ancient empires may rise and fall but they do not have business cycles. Thus just as the new ethos offers a basis for giving operational significance to the logic of choice, so the new institutional dynamics offers a basis for identifying a unique “economic” mode of labor mobilization.

Why, then, am I so cautious in affirming that economics gives us a “universal grammar,” at least for the market society to which it is so unmistakably relevant? The answer requires that we make a distinction between a *social order* and a *social system*. To anticipate the argument to come, I believe that economics is indeed essential for the study of a market system, but that it is a snare and a delusion for the study of the social order that this system serves.

Sciencelike Economics

Systems come into being when parts are articulated into wholes. Economic systems emerge when the behaviors of individuals—the “parts”—interact so as to create coherent social patterns—the “wholes”—mainly in the categories of

activity we call production and distribution. That which gives economics its special penetrative capability into these systems is that the “workings” of the market display attributes that possess sciencelike characteristics. In turn, these properties arise because the behavior of the parts in a market system exhibit regularities that approximate, if they never quite achieve, those of the parts of natural systems. Other things held equal, such as income and tastes, the act of purchasing a certain quantity of a good can therefore be described as a well-behaved function of the price at which it is available. Similar “laws” describe the relation between effort and reward, or income and consumption expenditure. Thus the actions that together constitute the “mechanism” of the market take on the attributes of ordered processes. One is reminded of the cry of the Abbé Mably, a minor philosopher of the French Revolution: “Is society, then, a branch of physics?”

Because of their resemblance to natural processes these regularities lend themselves to the simplification characteristic of all science; and this simplification, in turn (of which the prescription of *ceteris paribus* is perhaps the single most important example), encourages highly formal, even axiomatic representations of the systemic process itself. Now the crucial matter becomes the decisions as to what elements in the totality of social life are central to choice, and what elements are peripheral and can therefore be bracketed. Neoclassical analysis discards all aspects of social interaction that cannot be represented by a hedonic calculus, leaving behind a highly purified residue of “utility maximization” as the fundamental and irreducible stuff of human motivation. As a consequence of this act of purification, neoclassical analysis is able to apply the choice theoretic to such seemingly sociological parts of traditional economic inquiry as the operation of the firm, or of labor markets, or the existence of “sticky” prices, and to extend the economic theoretic to such seemingly noneconomic aspects of society as marriage and divorce, parent-child behavior,

governmental decisions, voting, foraging habits, Stone Age changes in habitat and occupation, and, as they say, much, much more.¹⁰

As the reader knows, I am highly suspicious as to the validity of these claims, but that point is not yet at issue. Rather, we should begin by recognizing that the systemic character of economics does indeed establish a field for analysis that belongs to itself alone. No other mode of social inquiry has found a lawlike inner structure that begins to resemble that of economics. There are no sociological or political equivalents of the “laws” of supply and demand, or of the regularities of social cause and effect summarized in production functions, or of the definitional power of the national income accounts. These modes of analyzing behavior, or modeling the results of activity, or of elucidating relations that often escape the untutored eye, place economics in a commanding position to which the other branches of social inquiry understandably look with envy. If there is a case to be made for economics as the queen of the social sciences it surely lies in the resemblance of the economic system that is its research object to the physical system of the natural scientist.

This does not mean, I hasten to add, that economics thereby acquires an impressive predictive capacity. Economists are the first to acknowledge that nothing resembling the degree of predictive certainty characteristic of engineering or medical or astronomical science can be expected of their discipline. *Ceteris paribus* is an unmanageable problem in much, perhaps all, social prognostication. Worse yet, the functions underlying economic behavior, unlike those that describe the “behavior” of stars or particles, contain an ineradicable element of volition or interpretation. This introduces a degree of indeterminacy into all social generalizations, insofar as expectations can

¹⁰ For references, see Hirshleifer, “Expanding Domain,” p. 53, n. 1, and Heilbroner, “Economics Without Power.”

change the *sign* of behavioral functions without any stimulus other than that which registers invisibly in the mind of the actor.¹¹

Thus the answer to the Abbé Mably is that there is a vast gulf between the science of physical particles and the sciencelike analysis of market behavior. This behavior is indeed more functional than behavior in other areas of society, but it nevertheless differs in a crucial respect from the regularities on which natural science rests its strength.

It would be a mistake, however, to seize on this practical weakness as a reason to discredit the systemic approach that is the special contribution of economics. At critical moments, whose occurrence eludes our predictive capacity, the reliable character of economic behavior breaks down, often with serious consequences. But in the normal course of events, the regularities that we would be led to expect from our crude and insensitive economic “laws” nonetheless allow us to foretell the future with some degree of confidence. When Macy’s wants to steal a march on Gimbels it does not raise its prices. The estimates of next year’s GNP by the Council of Economic Advisers may be off by a few percent but they are not off by 25 or 50 percent. Economic processes seem to manifest a kind of self-correcting tendency by which a fair degree of functional dependability is achieved. Were this not the case, the overall orderliness of the market system would not provide sufficient assurance for societies to bet their historical fortunes on it. This is not by any stretch of imagination comparable to the

¹¹ Adolph Lowe’s “political economics” is an attempt to retain a capacity for practical prognosis by overriding this critical indeterminacy. In his “instrumental” reformulation of the task of economics, behavior functions are no longer taken as invariant givens, but as target variables, and the task of analysis is to determine what behavioral response is needed to guide a market system to a desired goal. Economics thus becomes, in Lowe’s term, an explicitly “political” social science—I would say an instrument of a social order, not a technics of a system. See A. Lowe, *On Economic Knowledge* (New York: Harper & Row, 1965) and my discussion, “Is Economic Theory Possible?” *Social Research* 33 (Summer 1966): 272–294.

predictability of the physical sciences, but it is closer to such a framework than anything available elsewhere in social inquiry.

Limitations as Universal Science

Thus I do not intend to base my critique of economics on its shortcomings in the task of systemic analysis. These shortcomings may rob economics of a predictive capacity that it would dearly like to possess, but they do not vitiate its achievements in analyzing the properties of an economic system—achievements that cannot, to repeat myself, be obtained from sociology or politics.

My reservations spring, rather, from another failing of economics, which the reader knows to be its relation to market society as a social order. By social order I mean a social entity—tribe, community, nation, socioeconomic formation—whose identifying characteristic is its celebration and support of the purposes of some group or class within it. These purposes range from the observance of long-established traditions, through the fulfillment of dynastic ambitions, to the accumulation of capital or to yet other objectives; and the dominant group or class ranges equally widely from adult males to royal families to members of a property-owning class or political elite. Each such purpose, in turn, entails various supporting institutions, such as the gradations of social prerogative characteristic of dynastic orders, or the firms and other specific institutions characteristic of capital-oriented orders.

Capitalism is, of course, the representative of this last order, whose complex characteristics we will not investigate further here.¹² What is important for our purposes is that capitalism, however distinct from precapitalist formations from one perspective, resembles them from another. The perspective

¹² I have tried to define them in *Nature and Logic of Capitalism*.

that sets capitalism apart from prior social formations fastens on the commanding presence of its market relations. The perspective that links capitalism with its predecessor societies looks “beneath” and “behind” the market to discover social and political structures of domination whose importance and continuity the market ignores or conceals.

It is this duality of perspectives that underlies my hesitant judgment as to whether economics does not finally discover its imperial place in a capitalist setting. I have already emphasized that capitalism remains incomprehensible without the special analytic capabilities of economics. On the other hand, these very capabilities conceal what is most remarkable about capitalism—namely, that it is the only social formation able to disguise, even from its own beneficiaries, the manner in which its “system” of provisioning serves the purposes of a larger social order. Indeed, the manifest importance of its market mechanism serves to obscure the fact that capitalism *is* a social order, and that the market mechanism in itself is not one. The market’s elements—individuals seeking optimal incomes, a competitive milieu, a contractual legal framework, and the like—are vital to capitalism’s historic mission of accumulation, but the mission itself does not arise from these market considerations. It springs from primordial drives of hierarchy, power, rule, glory, prestige about which the market system knows nothing. It is not surprising that an economic system perceived without such drives magnifies the choice theoretic to a commanding position, and establishes general equilibrium as its immanent tendency.¹³

Economics thereby takes the economic system to be the living model of capitalism, containing within its categories and conceptions everything that is essential for its comprehension. It is here that economics betrays its fatal limitations as a universal science, and its knavish consequences as an imperial doctrine.

¹³ I have elaborated this in *ibid.*, ch. 2.

The first such consequence is that economics itself appears as a neutral rather than a charged explanation system for capitalism. This becomes apparent in many ways. A term of great importance such as “efficiency,” for example, is regarded as a quasi-engineering criterion, rather than one whose unspoken purpose is to maximize production as a profit-making—not a purely engineering—endeavor. Similar unnoticed sociopolitical meanings cling to other such terms, including “production” itself, which is counted in the national income accounts only insofar as it results in commodities, not use-values. In much the same fashion, the fundamental unit of the economic system is taken to be the rational maximizing “individual.” The economic system is thus conceived as a society of hermits, not as an order of groups and classes.

This concealment of a social order is most clearly evidenced when we notice the manner in which economics rationalizes functional income distribution. Marx wrote scathingly of *Monsieur le Capital* and *Madame la Terre*, each entitled to receive a reward for the contributions each has made to the social product, but modern economics has forgotten the fetishisms that Marx exposed. Of even greater importance, it has no explanation for, or interest in, the curious fact that the reward paid as net profit, which goes only to owners of capital, gives them only a “residual” claim on output, after all factors, including capital, have been paid their marginal products. In view of the repeated demonstrations of economics that the tendency of the market system is to eliminate such residuals as mere transient imperfections of the system, one must be a sociologist or political theorist to explain why owners of capital seem so eager to protect these dubious claims. Thus the manner in which the market supports the class structure of capitalism is a matter before which economics is silent—indeed, a matter of which it is, in some sense, unaware.

Finally, modern economics, with its fixation on the systemic properties of capitalism, offers only a narrow and static

perspective on its historic placement and developmental possibilities. As I have put it elsewhere:

From a formalist perspective . . . capitalism appears only as a “system” of tightly specified market-mediated relationships, rather than as a continuously evolving social order that not only contains such relationships, but also and simultaneously embodies a state and a private realm, a culture suffused with a rational-bourgeois mindset, an industrial civilization obeying a technocratic imperative, and a regime embodying central belief-systems and their associated behavioral patterns.¹⁴

There is no purpose in belaboring the point. The social understanding we gain from modern economics is disappointing, even impoverishing, compared with that of Adam Smith, John Stuart Mill, Karl Marx, Thorstein Veblen, Alfred Marshall, John Maynard Keynes, or Joseph Schumpeter. If modern economics is to be valued by its moral and historical content, we would be forced to put it at the nadir, not the apogee, of its history.

In the face of such limitations, why does economics enjoy such prestige? The awkward possibility arises that the reason is precisely because its modern form is ahistoric, apolitical, asocial. Olympian views have appeal to all social orders, and a view that eschews politics and sociology may have special appeal for a social order that celebrates its close relation to science. The nature of the appeal itself is a function of economics we have heretofore left unexamined. This is its service as ideology—not a narrow, consciously self-serving apologia, but a belief system of the kind that accompanies and supports all social orders. The purpose of such relief systems is to provide the moral certitude that is the precondition for political and social peace of mind, as much or more for the dominant elements in any social order as for its subordinate elements. No doubt this peace of mind is always tinged with

¹⁴ Heilbroner, “Analysis and Vision in the History of Modern Economic Thought,” *Journal of Economic Literature* 28 (September 1990): 1107.

doubt or tainted with hypocrisy, but in the end, social orders at all levels of hierarchy require some body of knowledge and set of beliefs to which to repair. Primitive societies have their myths and interpretations of nature, command societies their sacred texts. By no means exclusively, but also by no means in trivial fashion, economics serves that purpose for capitalism as a social order.¹⁵

I do not raise this last issue to conclude by urging that economics shed its ideological role. Economics cannot escape this role in a social order whose coordination system baffles the social and political imagination. The proper response of economics is not to deny but to recognize the entanglement of system and social order that is the unique historic attribute of capitalism; and to recognize as well the inescapable distortion of attempts to describe one without the other. In a word, economics must become aware of itself as ideology as well as analytic discipline. It will thereby have to surrender its claim to reign over social understanding (in tandem with sociobiology), in the name of “one social science,” and will take a humbler place, along with politics and sociology (and perhaps sociobiology as well) as adviser to the rightful claimant to the throne.

Who will that occupant be? There will be none. There is no universal science of society. On the throne of social understanding sit human beings, endowed with the incomplete and imperfect insights, generalizations, visions, and empirical knowledge by which they seek to reduce the confusion of our encounter with history to understandable terms. In the narrational accounts and conceptual formulations by which we try to bring order into this chaos, economics can play an important role, but never a final or definitive one.

¹⁵ See my *Behind the Veil of Economics* (New York: Norton, 1989), ch. 8.

* I am grateful to Ross Thomson for his criticisms.