

The Common Sense of Political Economy of Philip Wicksteed

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Unhappily the lay disciples of the economists have a tendency to
adopt their conclusions and then discard their definitions.
—Philip Wicksteed, *The Alphabet of Economic Science* (1888)

Philip Wicksteed (1844–1927) holds a curious place in economics. For those familiar with his work, it is certainly a conundrum that he has not received more attention from the academic community. Although some economists recognize the innovation and merits of his work, the general consensus among historians is that Wicksteed was simply a disciple of William Stanley Jevons, one of the founders of marginalist economics. This essay takes issue with that consensus and argues that Wicksteed made his own contribution to economics. As I will show, at the heart of Wicksteed's original contribution is a conception of economics as a moral activity and practical science—a conception that Wicksteed derived from Aristotle. His economic methodology rested on his own notion of “common sense,” which provided a contemporary argument for

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economics as a moral science based on individuals' daily experiences in all their complexities and psychological nuances.

Wicksteed and Aristotle

Wicksteed was a scholar of Aristotle, and there are many similarities between Aristotle's approach to ethics and economics and Wicksteed's in his major work on economics, *The Common Sense of Political Economy* ([1910] 1933). As an examination of Aristotle's *Nicomachean Ethics* reveals, Wicksteed has adopted many of the principles defended by Aristotle in this book. For instance, Aristotle (1987, 365–66) argues that an inquiry into human choice and behavior must begin with what is familiar to us because “facts are the starting-point” of any inquiry. It is very important to begin the analysis from first principles that are well established, because on them depends the whole analysis. As Aristotle has put it, “For the beginning is thought to be more than half of the whole, and many of the questions we ask are cleared up by it” (372). There is no better description for Wicksteed's *Common Sense* than to say that it is a book where “the beginning is thought to be more than half of the whole.” Another aspect that should be mentioned is Aristotle's view of wealth as something instrumental. Wealth, he argued, “is evidently not the good we are seeking; for it is merely useful and for the sake of something else” (367). The view of wealth as a tool, so important to Wicksteed's argument on “economic nexus,” altruism and “economic relations,” is an intrinsic part of Aristotle's view that practical reason without moral excellence is not possible. Choice, the origin of action for Aristotle, “cannot exist either without thought and intellect or without a moral state; for good action and its opposite cannot exist without a combination of intellect and character” (418).

Aristotle praises the picture of the “wise man” (376), the man who is “able to deliberate well about what is good and expedient for himself” (420) and who demonstrates excellence. This man is not concerned with things that he cannot reflect upon, nor is he preoccupied with universals. Rather, the wise man “is concerned with action,” with judging the risks and rewards of the particular situation he faces and responding accordingly. As Aristotle argued, “A man has practical wisdom not by knowing only but by acting” (446). The idea behind this principle is that because conduct deals with particular cases, they are considered “truer” than general ones. For this reason, individuals' final conduct depends on

their judgment of particular cases, “for not only must the man of practical wisdom know particular facts, but understanding and judgement are also concerned with things to be done, and these are ultimates” (427).

However, the most remarkable similarity between Aristotle and Wicksteed consists in Aristotle's principle of mean, which becomes in Wicksteed's hands the principle of marginal utility. This similarity has been noted by Terence Hutchison (1953, 99), who pointed out that Wicksteed's analysis “amounted to a refinement of Aristotle's doctrine of virtue as a mean into the doctrine that virtue lies in a nicely adjusted margin, or that virtue requires a conscientious balancing, as precisely as possible, of one's duties at the margin.” Broadly speaking, the principle of mean is based on the idea that excellence in human conduct involves choice and that the best choice avoids excess or deficiency. Excellence, as Aristotle (1987, 383) argues, “is a kind of mean, since it aims at what is intermediate.” From this perspective, excess and deficiency are vices and “the middle” is virtue. Thus, the man of practical wisdom chooses his act so as to achieve a balance, a harmony, a proportion between alternatives, because only by doing so can he achieve excellence or virtue.

But not all men are wise, which means that the principle of mean is a normative principle, associated with an “economic virtue.” On these same lines, Wicksteed defines the marginal principle as a normative guide to exercise excellence in choice. He believed that “human effort is constantly and directly under the control of the human will” (Wicksteed [1910] 1933, 325) and that “we shall always be able to bring our marginal increments of satisfaction into *balance* with the respective terms on which they are open to us” (373; italics added). He gave the loosest meaning he could to the marginal principle, dissociating it from the “mechanics” that other economists, such as Jevons, had suggested. The marginal principle, for Wicksteed, was a principle with the status of common sense; it was a “wise (moral) principle” that might be applied if people behave with virtue, aiming, as he put it, at “fruitful action” (398). Wicksteed addressed directly the comparison between the golden mean and the marginal principle in his “Scope and Method of Political Economy in the Light of the ‘Marginal’ Theory of Value and Distribution” ([1914] 1933, 779):

The application of this differential method to economics must tend to enlarge and to harmonise our conception of the scope of the study, and to keep it in constant touch with the wider ethical, social, and

sociological problems and aspirations from which it must always draw its inspiration and derive its interest; for if we really understand and accept the principle of differential significances we shall realise, as already pointed out, that *Aristotle's system of ethics and our reconstructed system of economics are twin applications* of one identical principle or law, and that our conduct in business is but a phase or part of our conduct in life. (italics added)

There are other similarities that could be mentioned. As Ricardo Crespo (1997) argues, Aristotle began the study of the *oikonomiké* from an analysis of the management of a household, following later with an examination of the proper administration of state resources (“political economy”)—and so did Wicksteed. Aristotle’s concern with economic aspects focused, according to Crespo (1997, 76), on “citizens as consumers, not as producers; and as producers, merely as functional to consumers”—and so did Wicksteed’s. Despite the controversies about Aristotle’s economic writings, Crespo concludes that Aristotle supported “a version of the subjective theory of value” (101)—and so did Wicksteed. Finally, the general meaning of economics for Aristotle, as a moral activity and practical science (Crespo 1997, 93), is at the heart of Wicksteed’s original contribution to economics. All these reasons support the claim that Wicksteed’s *Common Sense* was an “utterance” and elaboration of Aristotle’s ideas applied to the problems of Victorian and Edwardian England at the turn of the century. And not, as for instance Robbins (1931) has suggested, an “utterance” of Jevons’s *Theory of Political Economy* (1879). Aristotle, not Bentham, was behind Wicksteed’s analysis. Common sense, not the mechanics of utility, was the foundation of his original contribution to economics.

The Role of Common Sense

Wicksteed, in *The Common Sense of Political Economy* ([1910] 1933), dwells on the foundations of his common sense perspective and on the various aspects it may assume in analyses of economic problems. He starts building his conceptual system from the broad and common experience of daily life, an experience he expects his readers would share with him, and finishes discussing the principles on which individuals *actually* make their choices. He proposes to “start with the reader from the very beginning, and to place a clue in his hands which will lead him, directly

and inevitably, from the facts and observations of his own daily experience to an intimate comprehension of the machinery of the commercial and industrial world" (2). Behind this approach lies his belief that personal experiences can reflect the social knowledge of the time and that personal experiences, which cannot be separated from the social background, are the starting point for an understanding of (economic) reality. For this reason, the common sense elements presented in the *CSPE* cannot be dismissed as introductory devices used to make certain economic concepts easier to understand.

Wicksteed's realism, in more concrete terms, expressed through his common sense approach, assumed the form of certain methodological recommendations that guided his investigation of the "machinery of the commercial and industrial world." In other words, to use common sense meant for Wicksteed more than a commitment to a realistic analysis based on the intuitions or empirical experiences of individuals; it took the form of a coherent set of normative "suggestions," which I will now discuss in turn.

First, economists should "take [man] as we find him" (4), examining individuals in all their complexities with all their characteristics, as we understand them (complexities and characteristics) in ordinary life. Thus, economics should reject the narrow simplification of economic man and work with a comprehensive concept of rationality. Robbins (1933, xxi) has suggested that the conception of economic man was "shattered. . . once and for all" by Wicksteed because he rejected the egocentric or hedonistic aspects present in earlier formulations of this concept. Wicksteed criticized the attribution of egocentric or hedonistic qualities to economic man, but those qualities were not the only ones he criticized. All aspects related to practical and axiological rationality were also relevant for Wicksteed's criticism of economic man.

Second, economists should extend the scope of economics, regarding it "not as a separate and detached region of activity, but as an organic part of our whole personal and social life" (3). According to Wicksteed, there are no special laws governing economic life and no particular motive behind economic actions. His objection to the term *economic motive* is that "it easily suggests a deliberately selected end or goal" (167), most often the wealth motive. This is a statement he refused to accept because he thought that "to regard the 'economic' man . . . as actuated solely by the desire to possess wealth is to think of him as only desiring to collect tools and never desiring to do or to make anything with them" (163).

Because Wicksteed “takes man as he finds him,” he rejects economic man’s hedonist morals and egoistic psychology and, consequently, any scientific study that emphasizes only these isolated aspects of human behavior. As a result, he proposes the use of what he calls the “economic relation” or “business nexus.” The main characteristic of the economic relation is its “non-tuism,” a term Wicksteed created to express the fact that when a person enters into an economic transaction he or she considers potentially everyone but the person with whom he or she trades (174).

Wicksteed’s distinction between “the life [a person] contemplates as an end” and “the life he actually furthers as a means” (198) illustrates his belief that economic life is just one aspect of life in general and therefore is subject, as is life in general, to a moral dimension. Moreover, it reinforces his previous arguments against the idea that economics has “nothing to do with ethics” and his personal beliefs about the “unity of life.”

A third normative suggestion of Wicksteed’s was that economists should start a theoretical analysis from a conceptual inquiry, a theoretical articulation of the main properties of a concept, so that the limits, restrictions, and particularities of the analysis are clearly stated and known with confidence. The conceptual inquiry should be based on those principles with which we are most familiar. Initially, it entails the use of observation and introspection at a personal level, because it is only through our personal point of view that we can assess those familiar experiences. This analysis, however personal, is not individualistic; that is, it is not related only to the individual sphere of action and knowledge. Wicksteed argues that in the process of going from familiar concepts to general principles, our arguments go through a “social justification,” given by what he called “the bearing of these principles . . . upon the social and communal weal” (17). When the concepts are not familiar, they might be accepted for the conceptual inquiry if they comply with “our practical dealings and deliberations” (440). Wicksteed insists on “the great advantage of keeping us upon ground with which we are all broadly familiar” (18).

All important concepts used by Wicksteed in his *Common Sense* are subject to a conceptual inquiry: the concept of economics (16), the concept of price (28), the concept of saving (293), and the concepts of rent and interest (308) are the best examples. In all these cases the very meaning of common sense is at play because the concepts and definitions are

set as much as possible in accordance with the socially shared conceptions of individuals. When this happens not to be the case, he proposes that the concepts should be elaborated and changed based on these initial shared conceptions.

Fourth, economists should make use of “matter-of-fact” sorts of argument, in those cases where judgments are theoretically false but correct in practical terms. For instance, it is theoretically impossible to reduce moral values and material objects to a common denominator, but in practical terms people are permanently engaged in this sort of calculation (364). He makes a distinction between what can be asserted *strictly speaking* and what can be stated using the *language of common sense* (149), which could be theoretically false but true in practical terms. A good example is provided by our habitual estimates of the relative urgency of wants experienced by different people; suffering from being burnt alive is in practical terms worse than suffering from a gnat bite; practical matters can be considered relevant even if we cannot assess their complete theoretical accuracy.¹

A fifth suggestion: Economists should appeal to ordinary language, as a way of avoiding terminology that is in “flagrant and irreconcilable contradiction with the usages of language” (366). The difficulty with a concept at odds with ordinary language is that it is much more difficult to achieve a precise definition of this concept. For instance, he argues that the conception of capital as a factor distinct from land and labor is in this category. In this case, he argues that “it is impossible that any precision of conception or any clearness of speculation should be based on a classification and terminology so outrageously at war with the usage of language” (366). But if the observance of ordinary language is desirable, it does not imply that it should always be respected. Wicksteed is conscious of many cases when the “popular moral judgement” does not provide the best result (424). In these cases, the ultimate arbiter is the “general experience or observation” of individuals (405).

Sixth, economists should use with caution the diagrammatic methods, trying to give always a precise account of what the curves mean. He argues that those methods are “very dangerous, and if not used with due caution and precision . . . may lead to grave confusion and may encourage loose and irresponsible thought” (416). Curves cannot represent

1. Another good example, brought to my attention by Professor Ian Steedman, is Wicksteed's readiness to say *both* that interpersonal comparisons cannot be made and that one pound means more to a poor man than to a rich one.

any isolated and concrete experience, but they can be considered as ideal simplifications or, as Wicksteed pointed out, “as a means of mentally arresting phenomena” that are quite complex and elusive (445).

Algebraic laws are not expected to determine a whole curve, first because it would suppose “an impossible precision” and second because it would entail a “highly improbable simplicity and regularity” that does not exist (464). It must also be noted that curves cannot establish reality—they can only represent it. As Wicksteed argued, “A curve proves nothing whatever as to the facts from which we start. It is merely an idealised picture of facts and their implications” (464). Should we want diagrams to present actual facts, we need to undertake what Wicksteed called “the hopeless task” of determining the particular degree of accuracy of the diagrams for each situation.

The seventh and final normative suggestion was as follows. Economists should use the criterion of particularity as the most useful and reliable guide for assessing individuals’ social experiences. According to this principle, the conduct of individuals depends more on the facts of the particular case in question than on the general experience available (117). Therefore, conduct in a particular situation is determined mainly by the interaction of the circumstances and specific factors that contribute to the emergence of that situation. The priority of particulars is so important to Wicksteed’s analysis that when discussing the difficulties related to the practical aspects of choice he argues that “the significance of this occasional contratemps may well constitute the actual unit of greatest proportional accuracy of estimate” (459). Thus, circumstances and particular aspects should be taken into account, according to Wicksteed, because of their influence on the accuracy of estimates.

The above normative guidelines are meant to be a broad representation of Wicksteed’s use of common sense in his main economic writings. But, how do we know that he was really using common sense, as seems to be the case, and not another principle? Broadly speaking, common sense beliefs or propositions refer to assertions about what we primitively know about fundamental features of the world. They are presupposed in our practical attitudes and assumed to be reliable. According to Shashi Bharadwaja (1977, xiv), who provides a definition of common sense based on the writings of G. E. Moore but that is wide enough to apply to other cases, common sense propositions are

descriptive of facts, contingently true, have the evidence of senses and their truth is assumed by us in whatever we do in the ordinary life and in the sciences as well.

Common sense propositions are concerned with fundamental features of the world rather than features of particular (usually deductive) systems of thought. Therefore, no one is expected to hold initially a hypothetical case when one is confronted with a concrete fact that contradicts it. This means that if our concepts are to be intelligible they should have an approximate correspondence to adequate factual evidence. This means that common sense is committed to a realistic reading of the world.

How did Wicksteed relate his general common sense principles to the analysis of more substantive issues and what difference did it make? We address that question in the following section.

Substantive Issues:

Bridging the Psychological and the Economic

Wicksteed's remarkable unity of thought is also manifested in the way that his methodological views are clearly incorporated into his discussions of substantive issues, in particular the issues of rationality and theory of costs (see Buchanan 1969). The main difficulty in understanding his contextualization of these problems is that he uses several different levels of analysis in order to link general propositions to more concrete and particular ones. He starts his analysis from factual, empirical, and psychological observations that reflect the way in which people conceive of their social experiences. Then he moves to a different level, to a realm of general laws whose universal validity has no direct relation to the particular realities lived by individuals. The distinctive feature of Wicksteed's general laws is that they may be considered "laws" only in a very broad sense because they are very "flexible." Finally, he builds a bridge (which may consist of several stages) between the more general law and the particular reality to which it is supposed to apply. Without a framework of analysis it is difficult to understand this link between general and particular that he establishes throughout his *Common Sense*. Without that, the variety of particular cases he describes might be erroneously interpreted as mere examples or illustrations of the general principle for which he is arguing.

But can this move from general to particular be a coherent and consistent feature of *Common Sense*? How are we to make sense of Wicksteed's commitment to the marginalist principle as a universal feature of rational behavior and his extensive discussion of the variety of particular and practical problems upon which our ultimate decisions rest? The complexity of this topic would demand an exclusive and separate discussion of it, but we attempt to provide a brief answer below.

The explanation for Wicksteed's bridging the psychological and the economical, between the general and particular principles of rationality, could be found in an approach of the sort discussed by Nicholas Rescher (1988).² Rescher conceives of rationality as "an organic unity, and indivisible whole," in which the cognitive, pragmatic, and evaluative aspects are inseparable (119). As he argued, "Properly construed, rationality is as wide-ranging and complex as the domain of intelligence at large" (viii). One important result of this argument is that rationality is seen not only as a matter of theory but also of practice (and value). Because of this, it is very important that rationality reflect the possibilities given by realistic circumstances. As he remarks, "A mode of 'rationality' capable of implementation only in ideal circumstances is pointless; in this world, the real world, there is no work for it to do" (24).

Rationality, then, is a part of our social experience; it is something that is simultaneously stable and changeable, because so is life. Thus, there is one aspect of rationality that reflects a certain universality of life and another that represents a certain particularity of its concrete circumstances. Experience, Rescher claims, is what validates factual information about the world. But experience is "inevitably episodic, personalised, subjective." How then are we to make sense of rationality as an "indivisible whole"? The first step to solving this difficulty is to accept the distinction between ideal and practicable concepts of rationality. While the first has an optimal and simple nature, the latter is subject to the prevailing circumstances of particular situations. Rescher argues that "the actual

2. Rescher's approach is discussed here as an attempt at a historical reconstruction of Wicksteed's ideas on rationality, in terms that Wicksteed would perhaps have recognized as an approximate endeavor to discuss his arguments. Rescher's approach is not elaborated here as a "superior" standard used to assess Wicksteed's argument; neither is it used to suggest a proof, in our terms, of progress in intellectual history. Because the boundaries between a historical and a rational reconstruction are somehow fuzzy, we try to be here as explicit as possible about the rational framework used in this particular historical reconstruction. It might be argued that Rescher's perspective has the interesting feature of sharpening our perception of the point that Wicksteed was trying to make. This is what the discussion of Rescher's approach aims at here.

practice of rationality must inevitably be conducted at the level of local and imperfect conditions” because this is a “fact of life” (30). The second step to solving this difficulty is to accept another distinction, this time between belief as certain (C-belief) and belief as provisional (P-belief), according to which our beliefs do not share the same epistemological status. It is possible that individuals maintain distinct beliefs that are not consistent among themselves. In this case, the “resolution criteria,” as Rescher puts it, “may well operate in a context-sensitive way, yielding results that are acceptable here but unacceptable there” (89).

In order to operationalize these aspects of rationality, Rescher then organizes the above distinctions in what he argues are “interconnected sectors of one comprehensively unified whole” (127). In this context, one action is rational when an individual succeeds in establishing a harmony within the different spheres in a coordinated way. The fact that rational standards are historically, culturally, and contextually dependent does not prevent these aspects from being linked to more general and uniform aspects of the rational process. The universal and particular aspects are “inseparable.” He then concludes that “rational resolutions are indeed universal, but only *circumstantially* universal in a way that makes room for the variation of times, places, and the thousands of details of each individual and situation” (159).

His answer to the fact that rationality depends on circumstances is provided by his concept of “cultivation hierarchies,” according to which the universal principles of rationality are associated with the pluralistic diversity of concrete decisions through *intermediate levels* or *strata* that relate how descending levels address the issues established by the previous ones (165). At the top level, principles are abstract and general and are therefore uniform and hypothetical. At each new step “down the hierarchic ladder there is a further looseness of fit that provides for the adaptation of general principles to the specific characteristics of particular settings and circumstances” (166). Ultimately, the last level concerns the specific determinants of rationality in a given concrete situation. Thus, starting from very general principles, there is a “bridge” that links universals to particulars, or, as Rescher concludes, his “cultivation hierarchy” “makes it clear that a uniformitarian absolutism at the top level of ‘what rationality is’ is perfectly consonant with a pluralism and relativism at the ground level of concrete resolutions regarding ‘what is rational’ in particular cases” (168).

It is precisely on those lines that Wicksteed organizes his “common sense” concept of rationality. In what follows we briefly discuss how Wicksteed approached the issue of rationality, based on his common sense methodological principles, and tried to make a bridge between the general and particular, the psychological and economical, elements of his analysis.

Wicksteed’s rejection of the simplified picture of “economic man” is one of the most important features of *Common Sense*. It is usually argued (see for instance Robbins 1933) that his rejection of this concept is motivated by his denial of its hedonistic and egoistic nature that provides too simplified a representation of individuals. What has not been mentioned is that Wicksteed’s rejection of the concept of economic man is partly due to its hypothetical nature, which in his opinion would cause economics to become a hypothetical science. He complains in “Getting and Spending” ([1905] 1933, 849) that the simplified psychology of the economic man was “too remote from fact” and this establishes “a dangerous divergence between [the] technical and popular use of terms.” He develops his argument further in his entry in the second edition of *Palgrave’s Dictionary of Political Economy*, on the topic of “political economy and psychology.” “It would appear,” Wicksteed argues ([1894] 1933, 766), “that psychology must be to political economy—like the deity of Boethius—‘path, motive, guide, original, and end.’” Economics is not psychology, but because it deals with the *conduct* of individuals it needs to be constantly in touch with people’s psychological basis. And this is a fact that not even the “laws” of supply and demand can avoid (769). The crucial question he poses is about the alternatives available, that is,

are these psychological data, whether facts or principles, to include all the psychological considerations that actually bear upon the production, distribution, etc., of wealth, or are we artificially to simplify our psychology and deal only with the motives supposed to actuate the hypothetical “economic man”? In the latter case political economy will be a hypothetical science. In the former it will aim at positivity. (770)

It is then clear that he is critical of the hypothetical nature of economic science resulting from the use of the concept of economic man, which he defines in his “Getting and Spending” as “inadmissible and unnecessary.” He is critical of reducing an analysis of human behavior to its rational aspects. Indeed, he claims that “it would be a very great mistake

to suppose that the influence of the terms on which alternatives are offered to us is confined to cases where our choice is deliberate; and a still greater mistake to confine it to cases in which that choice is rational" ([1910] 1933, 28). For this reason, Wicksteed attempted to build a concept of rationality that was distinct from the concept of economic man, and incorporated the positive aspects of human choice.

In his *Common Sense*, he transcends the narrow representation of human behavior through the use of two other representations of the rational principle. Let us call them the concept of "rational woman" and the concept of "wise man." Because Wicksteed suggests that we should start the analysis with an assessment of individuals "as we find them," expressing our insights through familiar expressions that reveal our acquaintance with the object of study, he argues that "we may . . . draw our first illustrations mainly from the doings of housewives" because they provide "the great advantage of keeping us upon ground with which we are all broadly familiar" (18). Other special fields of experience would not be able to provide the *common ground* that an observation of the "matriarchal type of civilisation" provides.³ Two aspects are of crucial importance in his description of the "economic woman": her sense of moral fairness and equality and her use of judgment according to the circumstances.

For instance, in Wicksteed's famous example of the administration of milk, the housewife exercises her judgment about the distribution of milk (when even the cat has its share) in ways that are at odds with the concept of economic man, partly because it does not involve a strict norm of calculus and partly because it is liable to error.⁴ Wicksteed observes that the housewife

3. "In the administration of the affairs of a household the matriarchal type of civilisation is indeed dominant, but every member of every family is more or less closely participant and more or less keenly interested in it. It furnishes us with a common ground, the exploration of which demands no special or technical information, and from which we may therefore conveniently start on a general investigation" (18).

4. An interesting possibility raised by an anonymous referee is that of the basic core of a theory being justified by different conceptual stories. As the referee puts it, "If one person says that the theory is based on *a priori* axioms about behavior, another says that it is based on common sense, and another says that it is a testable hypothesis, does this matter if they end up with the same theory?" Perhaps not, as the referee seems to suggest—but, it must be emphasized, if and only if they end up with the *same* theory. Indeed, the point that is being made here is that an investigation of Wicksteed's conceptual story may disclose a theory—the basic core of which seems on the face of things to be Jevonian—that would actually be better qualified as "Wicksteedian."

may let the milk-jug pass freely round, and her vigilance will only take note of mugs full, but she will keep the cream-jug in her own immediate vicinity, and however nobly she tilts it on some occasions, there will be others on which she measures and estimates its contents by drops. . . . She will consider that she has been successful if, in the end, no want which she has left unsatisfied appears, in her deliberate judgment, to have really been more important than some other want to which she attended in place of it. (20)

If, however, mistakes of calculation or unforeseen contingencies occur,⁵ it does not affect the principle of administration of resources that the housewife draws upon. New situations may arise, such as the unexpected departure of several members of the household or a thundery weather threatening to turn the milk, which will make the marginal significance of the milk differ from the level that would have justified its purchase. The important point here is that this imbalance does not affect the rationality of the decision-making of the housewife. The results are not dependent on the rationality of choice but rather on what Wicksteed defines as a coincidence (93).

Ethical aspects are also an intrinsic part of the rationality of the economic woman. For instance, he poses the problem of distributing two slices of pudding between two children. Based on the principle of “declining significance,” he claims that two first helpings, one to each child, are better than a second helping to one of the children. But what happens if there is only a very tiny piece to be distributed between the two children? What if the housewife “teased and stimulated two palates and gratified none” (83)? He argues that only “some moral or emotional reaction” would justify the above procedure with the undesirable consequence of perhaps “fostering a certain veiled materialism by over-emphasising such things” (83). A system of turns is better husbandry, he claims, both ethically and materially. The upshot of this example is that there are cases that illustrate “the reactions between material and moral problems and considerations, and the general wholesomeness of ethics that are firmly based on sound material administration” (83).

In Wicksteed’s hands the (Jevonian) concept of rationality is too narrow to justify the “proper” conduct of human choice that, as Rescher

5. Wicksteed argues that a perfect forecast, where individuals make provisions for a completely unexpected change of circumstances, is not rational. “It is bad economy to provide for a risk as though it were a certainty, and therefore when such a contingency occurs it will set up an urgent demand for which it would not have been reasonable to make provision” (90).

described it, is as wide-ranging and complex as the domain of intelligence at large. What Wicksteed uses to discuss the choices that he considers appropriate for given circumstances is the normative concept of the “wise man,” which, as shown above, has its roots in Aristotelian ethics. Perhaps for this reason, Wicksteed does not provide a formal definition of this concept. However, from the extensive use of it throughout *Common Sense*, it is possible to form a picture of Wicksteed’s conception of it, according to which the “wise man” is the one who keeps his mind alert against the negative influences of inertia, custom, and tradition; the one who disciplines and cultivates his imagination, who knows not only how to think wisely but knows also how much to think and even when not to think (121). The idea behind the concept of the “wise man” is that of a person with a balanced and regulated mind, alert to changing conditions, who is capable of acting according to the “ultimate principles of life,” as argued by Wicksteed. From this perspective, to be wise may involve acting without reflection “in the manner which reflection would have dictated” (36), to form good judgments and expectations (93), to save according to someone’s needs (297), and to take risks without waste (308), to mention some examples. The significant issue is that, in Wicksteed’s perspective, to be wise may or may not imply being rational. For this reason, it is possible to say that in his attempts to define the man “as we take him,” Wicksteed conceived of rational actions as a subset of the most comprehensive set of “wise actions,” because only through this latter concept could he discuss the question of human choice in all its complexity respecting at the same time Aristotle’s ethical principles.

Following Rescher’s conceptualization of the rationality issue, Wicksteed’s “wise economic man” could be seen as making his choices while conforming to the following “cultivation hierarchy”:

1. Ultimate “finalities”: happiness and the higher purposes of life.
2. Implementing policies: the general common sense principle of marginal utility supported by “the ultimate regulating principles of life” such as character, vitality, stability, imagination, and reflective prudence.
3. Methods of procedure: deliberation and alertness to changed conditions; to have useful habits of mind, to follow custom and tradition when it produces economy of thought, to meet uncertainties on “the industrial way.” The methods could be affected by “obscure impulses and associations which affect our choice” (33) and the tendency of the mind to form certain fixed ideas (96).

4. Rationality-warranted rulings: to take into account the influence of accidental circumstances and all problems related to practical action, that is, decisions taken in particular concrete cases. It is here that the most general principles are translated, as Wicksteed observed, “into a great variety of equivalents” and that “a kindred habit that interferes with the fluidity or adaptability requisite for good administration is a dependence on general experience against the facts of the particular case which ought to govern our conduct” (116–17).

Rationality-warranted rulings are divided into two groups. The first group consists of practical problems, including, among others, the problem of bringing together different branches and scales of expenditure (96), the problem of uncertainty (113), the problem that very small differences do not consciously affect directly people’s choices but influence them through a cumulative effect (54), and the problem of imaginations and infatuations that prevent the connection between anticipation and experience (118). He also discusses how some goods can attract our whole sense of psychological dissatisfaction and how remoteness from experience may affect the precision and the reliability of our estimates. Yet, practical aspects are not always problematic. Because people are engaged in calculations of unities very close to their experiences, people get used to these calculations and are able to perform them “with unusual accuracy” (456).

The second group consists of accidental circumstances, which include the tendency of individuals to pursue acts with symbolic value only rather than pursue their true interests (115–18),⁶ the problem of self-deception (386–88), and all those effects that make mistakes of calculation or of forecast irreparable. According to Wicksteed, when people realize their mistakes *ex post* they tend to correct them at the next opportunity. But of course this depends on the possibility of learning from old experiences as well as the availability of new opportunities and alternatives. Yet, as he points out in his discussion of costs, the past is at best a reference for the future, “which may offer some guide and support to the judgment” (390).

While the first elements in this hierarchy are more stable and less subject to variation, the opposite is true of elements lower down the

6. It is important for Wicksteed’s inclusion of unforeseen circumstances that people are able to reason *ex post* about their mistakes. Nevertheless, there are people who do not discuss and analyze their perceptions and experiences (115).

hierarchic ladder. The higher purposes of life are fixed for Wicksteed, and the common sense principle of marginal utility is considered by him as quite uniform. However, as the methods of procedure and the influence of practical aspects and circumstances are included, his analysis achieves a degree of diversity that *seems* to be incompatible with the general principles. Yet, they are not incompatible because every step in the “cultivation hierarchy” is subordinated to the implementation of the previous step, as shown by Rescher. Wicksteed, in his “Selected Syllabuses of Extension Lecture Courses” ([1891] 1933), observed that a psychological principle could be universal and its concrete manifestation could be diverse. Because economic truths are simultaneously universal and relative, he argued for the “necessity of distinguishing between an absolute principle and its relative manifestation” (829). The former, he claimed, was “universal and uniform.” The latter, however, was “conditioned by the moral, social, political and industrial circumstances under which it works itself out.”

It is interesting to note that prediction of human conduct is possible only at the very top of the hierarchy. Down the ladder, the usual is what Wicksteed has described as “the extreme danger and folly of concrete predictions” (207). Whereas at the top, the variables are predominantly of a psychological nature, at the bottom, they represent the economic decisions of individuals. Therefore, it is possible to see, through Rescher’s approach, how Wicksteed’s analysis was concerned with building a bridge between the (general) psychological and (particular) economic aspects of human behavior.

Concluding Remarks

On the few occasions when Wicksteed’s contribution to the history of marginalism is acknowledged, he is generally portrayed as “Jevons’s one great disciple” (Hutchison 1953, 95), or “the most eminent disciple of Jevons” (Reid [1972] 1988, 72), or as “the most influential among Jevons’s followers” (Brahmananda [1971] 1988, 117). The opinion that Wicksteed was a dutiful disciple of Jevons is so pervasive in the literature that even his biographer, C. H. Herford (1931, 200), has claimed that “Jevons was, for Wicksteed, the Epicurus of Economics, and he celebrates him with an exaltation which recalls the rapture of the Lucretian *Primum Graius homo*.” This opinion, however, seems to overrate Wicksteed’s adherence to Jevons’s doctrines. That Wicksteed’s contribution

was not duly acknowledged for its original aspects could be partly explained by the fact that he was not attached to any prestigious academic institution and that he kept himself outside the economics profession, actively pursuing other interests. What is remarkable, though, is that Wicksteed himself dismissed the originality of his contribution. In the preface of his *Common Sense*—the book that he defined as his “life effort to do something real for thought and life”—he stated clearly that “the author makes no claim to originality or priority with respect to anything that it contains” (xxix). This was the attitude of a man who knew how important the recognition of originality was to Stanley Jevons (Jevons’s comments about Gossen in the *Theory of Political Economy* [1879] are very telling). This was the attitude of a man who, as Robbins (1931, 233) observed, was “so scrupulously honest and so modest about his own achievements” that it should not come as a surprise that originality disputes were of no consequence to him.

As I have argued in this essay, Wicksteed’s contribution to the “marginal revolution” was based on the role he attached to common sense and to the practical and evaluative aspects of individual behavior in all their complexity in the formulation of his theories. Wicksteed applied Aristotle’s principles of conduct and moral behavior to an analysis of consumer behavior and price formation. Some characteristics are worth pointing out.

Economics as a Moral Science

Wicksteed had a very high opinion of individuals’ characters, believed that material reality interacted with spiritual reality, and believed that value judgments were as integrated a part of economic analysis as they were a part of any other field of human activity. Economics should start from an analysis of an individual’s choices and behavior in all their complexity.

The Marginal Principle

The marginal principle was seen by Wicksteed as a principle of normative action, as a virtue marked by wise conduct determined according to context. Thus, the marginal principle, for Wicksteed, was a principle with the status of common sense; it was a “wise (moral) principle.”

The Role of Mathematics

Mathematics was, for Wicksteed, a way of making thought clear through the avoidance of errors and, as he said in “On Certain Passages in Jevons’s *Theory of Political Economy*” ([1889] 1933), important as a “*hypothetical* and analytical instrument” (italics added). It was not the “engine” of thought that it was for Jevons.

Common Sense as an Epistemological Foundation

Wicksteed used common sense to keep his analyses grounded in reality, attaching concrete meaning to his concepts that were organized by following a set of methodological recommendations.

The Psychological and the Economic

Wicksteed’s answer to the problem of bridging the general and the particular was discussed above in its essential elements. However, it is interesting to note that in the case of the laws of supply and demand, he—applying his common sense framework—criticized the distinction between buyers and sellers because he saw supply as demand understood from the perspective of the sellers. The “dealer’s mind” was the concept through which Wicksteed linked the minds of individual consumers to the collective scales representing the facts of the market. He insisted that while the demand curve represents a group of contemporary possibilities, the supply curve represents historical processes. It did not make much sense, in his opinion, to mix possibilities with actualities on the same plane.

What should be emphasized here is that it is precisely the theory-practice distinction that concerned Wicksteed in his *Common Sense*. There, he combined values, circumstances, practical considerations, emphasis on particular situations, and unforeseen contingencies to very general principles and showed how psychological “laws” could be related to the “messy” economic reality of our everyday lives. Wicksteed used several different levels of analysis to link general propositions to more concrete and particular ones. He would start his analysis from empirical and psychological observations that reflected ways in which people would interpret their social experiences. He would then change the level of analysis, moving to a more general level, whose validity did not directly depend on those particular facts.

Wicksteed's scheme can be explained by using Rescher's arguments on rationality. According to Rescher's concept of "cultivation hierarchies," rationality depends on circumstances according to which the universal principles of rationality are associated with the pluralistic diversity of concrete decisions; the use of categories of intermediate levels of rationality links general to particular actions. I argued how Wicksteed's "wise economic man" could be seen as making choices that conformed to Rescher's "cultivation hierarchy."

To conclude, we could sum up by saying that in Wicksteed's hands the marginalist theory acquired a different—and more complex—meaning. The "rare degree of originality" of Wicksteed's *Common Sense* lies in its common sense methodology and its Aristotelian foundation, making Wicksteed a complex thinker who produced an ethical account (that was *prima facie*, paradoxically) of marginalist principles.

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