SOCIOLOGICAL THEORY IN THE SHADOW OF DURKHEIM'S REVOLT AGAINST ECONOMICS

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Having observed that analysis in the cultural sciences develops only through "special and 'one-sided' viewpoints," Max Weber concluded that "knowledge of the universal . . . is never valuable in itself." And thus, however firmly the descriptive research which Weber encouraged, and to which he so amply contributed, may have established a disciplinary claim for sociology, it cannot be surprising that its standing as a theoretical science remains open to question. In one of the ironies of modern scholarship, Weber is presented to sociology students, in the company of Durkheim and Marx, as preeminent among those who established a firm theoretical foundation for the discipline. But for the addition of Marx to his very short list, Parsons's *a coup de theatre* still finds its resonance in sociological theory.

Over the span of one hundred and fifty years, dissatisfaction with one or more of the fundamental postulates of theoretical economics has given impetus to the development of new "theoretical" sciences. Depending upon one's viewpoint, scientific socialism, sociology, institutional economics, and so on may represent several such attempts, or they may represent a single multifaceted effort. Whichever the case, the order of procedure in such undertakings is straightforward. The invention of a new theoretical social science can be accomplished by rejecting or otherwise vacating one of the basic postulates of theoretical economics. The starting point may be circumstantial, but if the task is carried forward with any attention to logical consistency, it will lead necessarily to the rejection of every postulate.

A successful effort promises to ground a new science and reduce economics to the status of *special case* —with a single thrust. The

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¹Max Weber, *The Methodology of the Social Sciences*, Edward A. Shils and H.A. Finch, trans. (New York: Free Press, 1949), pp. 72 and 80.

²See F.A. Hayek, *The Political Order of a Free People*, vol 3, *Law, Legislation and Liberty* (Chicago: University of Chicago Press, 1979), p. 173.

³The ideal-typical approach outlined by Weber does not constitute a unique theoretical ground for sociology. See Ludwig von Mises, *Epistemological Problems of Economics* (New York: New York University Press, 1976), pp. 72–107.

⁴Talcott Parsons, *The Structure of Social Action* (New York: McGraw-Hill, 1937).

following will outline such an attempt rather narrowly with respect to the methodology of "Durkheimian" sociology, proceeding thence to a discussion of the paralyzing influence it continues to wield in a discipline which has seldom bothered to question its theoretical foundations.

THREE ECONOMIC POSTULATES

To a large extent, the rigor and parsimony of economic theory is a product of investigations of successive "proposals for the improvement . . . of the existing system." The exchange initiated by Mises's assertion⁶ that central planning could not work⁷ can be described as an argument over the main postulate of the theory of dynamics. It can be noted reciprocally that the dispute itself was integral to the clear emergence of the postulate.

Mises's defenders focused attention on the meaning of what Hayek later referred to as "such pleonastic expressions as 'given

⁵F.A. Hayek, *The Fatal Conceit*, vol. 1, *The Collected Works of F.A. Hayek*, W. W. Bartley, III, ed. (Chicago: University of Chicago Press, 1988), p. 19.

⁶Ludwig von Mises, "Economic Calculation in the Socialist Commonwealth," chapter 3 in *Collectivist Economic Planning*, F.A. Hayek, ed. (London: George Routledge and Sons, [1920] 1935).

⁷Near simultaneous publications by Max Weber, Economy and Society, Guenther Roth and Claus Wittich, eds., Ephraim Fischoff, trans. (New York: Bedminster Press, [1921] 1968), pp. 100-18, and Boris Brutzkus, Economic Planning in Soviet Russia, G. Gardiner, trans. (London: George Routledge and Sons, [1920] 1935) entitle these scholars to be listed with Mises as initiators of the debate which unfolded over the following quarter century. Major contributors to the rejoinder included Fred Taylor, "The Guidance of Production in a Socialist State," American Economic Review 19, no. 1 (1929): 1-8; Willet Roper, Jr., The Problem of Pricing in a Socialist State (Cambridge, Mass.: Harvard University Press, 1931); Henry Dickinson, "Price Formation in a Socialist Community," Economic Journal 43 (June 1933): 237-50; Henry Dickinson, Economics of Socialism (Oxford: Oxford University Press, 1939); Oskar Lange, "Marxian Economics and Modern Economics," Review of Economic Studies 2, no. 2 (1934): 189-201; Oscar Lange, "On the Economic Theory of Socialism," in On the Economic Theory of Socialism, Benjamin E. Lippincott, ed. (Minneapolis: University of Minnesota Press, [1936] 1939), pp. 55-143; Abba Lerner, "Economic Theory and Socialist Economy," Review of Economic Studies 1, no. 1 (1934): 157-75; Abba Lerner, "Statics and Dynamics in Socialist Economics," Economic Journal 47, no. 2 (1937): 253-70; Abba Lerner, The Economics of Control (New York: Macmillan, 1944); and A. C. Pigou, Socialism versus Capitalism (London: Macmillan, 1937). The Mises position was defended and further developed primarily by F.A. Hayek, "The Nature of the Problem" and "The Present State of the Debate," chapters 1 and 5, respectively, in Collectivist Economic Planning, F.A. Hayek, ed. (London: George Routledge and Sons, 1935); F.A. Hayek, "The Competitive Solution," Economica 7 (May 1940): 125-49. Ample support was given by Lionel Robbins, The Great Depression (New York: Macmillan, 1934); and Lionel Robbins, An Essay on the Nature and Significance of Economic Science, 2nd ed. (New York: New York University Press, [1932] 1984).

data'."8 Through the debate, it became apparent that the data needed to describe the equilibrium positions of large economies were "given" only by assumption in the theoretician's model. Examination of the actual processes of production and distribution revealed these data to be neither collectible nor even fully determined, except in a manner which could prove useful to economic historians.9

Robbins's¹⁰ elegant statement of the "simple and indisputable facts of experience" having to do with the scarcity of goods and services—the main postulates of theoretical economics—is deceptive in its simplicity.¹¹ People can and do order their preferences (the main postulate of the theory of value); there are several productive factors (the main postulate of the theory of statics); and future scarcities are not strictly knowable (the main postulate of the theory of dynamics). The debate on socialist planning started as a controversy over the last of these, and inevitably spread to include all three.

THE THEORY OF VALUE

It can be shown that attempts to establish a unique theoretical basis for sociology will encompass all of the economic assumptions. Of the three, however, the theory of value may offer the greatest purchase for such an endeavor. Durkheim considered the theory of value to be "the most fundamental of all economic theories," and was sharply contemptuous of the subjective reformulation which had revolutionized economics after 1871. He scolded the "Orthodox School," urging the abandonment of its deductive approach in favor of the discredited *realistic* method of cost.

If value had been studied as any fact of reality ought to be studied, the economist would indicate, first of all, by what characteristics one might recognize the thing so designated, then classify its varieties, investigate by

⁸F.A. Hayek, *Individualism and Economic Order* (Chicago: University of Chicago Press, [1948] 1969), p. 39; and F.A. Hayek, *Hayek on Hayek*, Stephen Kresge and Leif Wenar, eds. (Chicago: University of Chicago Press, 1994), p. 147.

⁹See Don Lavoie, *Rivalry and Central Planning* (New York: Cambridge University Press, 1985).

¹⁰Robbins, Nature and Significance, pp. 78–79.

¹¹The fuller implications of Robbins's statement, as a contribution to what James Buchanan, in *Cost and Choice* (Chicago: University of Chicago Press, 1969), has called the London Theory have taken years to develop. They remain controversial in economics and generally ignored in sociology. It should be noted that Rothbard's axiomatic statement is more parsimonious than Robbins's, but the Robbins treatment lends itself more readily to the present undertaking. See Murray N. Rothbard, *Man, Economy, and State* (Los Angeles: Nash Publishing, 1962), pp. xi ff.

methodical inductions what the causes of its variations are, and finally compare these various results in order to abstract a general formula.¹²

This is an accurate description of what economists had vainly attempted prior to the emergence of the subjective theory. As Robbins noted some forty years later in reference to the Historical and Institutional Schools, "not one single 'law' deserving of the name, not one quantitative generalisation of permanent validity" had emerged from these efforts over the course of a century.¹³

Durkheim's attack was not gratuitous. In retrospect, it was said that the subjective theory transformed the subject matter of theoretical economics from the fundamentally social and collective to the "reflex of individual choice." Durkheim had a clear grasp of the task he was undertaking. He understood that his theoretical aspirations for sociology were grounded on value as objective *thing*—as *social fact.* Hence his assaults on the first postulate were persistent and multifaceted.

He certainly did not attempt to ignore the *atomistic* conceptions¹⁶ which emerged from the shift to subjective theory. "Where purpose reigns," he argued, "there reigns also a more or less wide contingency; for there are no ends, and even fewer means, which

¹²E. Durkheim, *The Rules of Sociological Method*, Edward George Catlin, ed., Sarah A. Solovay and John Henry Mueller, trans. (New York: Free Press, [1895] 1966), p. 25.
¹³Robbins, *Nature and Significance*, p. 114.

¹⁴Robbins, *Nature and Significance*, p. 69, n. 2. Robbins's great oversimplification in referring to action as a "reflex" drew instant criticism, and was satisfactorily resolved by means of a thorough-going discussion. See, for example T. Parsons, "Some Reflections on *The Nature and Significance of Economics," Quarterly Journal of Economics* 48, no. 3 (1934): 511–45; Ludwig von Mises, *Human Action* (New Haven, Conn.: Yale University Press, 1949), particularly pp. 94–126; and Israel Kirzner, *The Economic Point of View* (New York: D. van Nostrand, 1960), pp. 146–85.

¹⁵There is some confusion over the paradigmatic category in which Durkheim properly belongs; was he a *positivist* or an *idealist*? At a critical juncture, Talcott Parsons, in *Structure of Social Action*, p. 445, accused Durkheim of having overshot his positivist mark to go "clean over to idealism." This view is shared by the outspoken materialist Marvin Harris, *The Rise of Anthropological Theory* (New York: Thomas Y. Crowell, 1968), pp. 471–82, and by many others. The interpretation of Durkheim as a consistent positivist, which is the viewpoint here, requires only that we take him at his word. He left no doubt that social phenomena (without exception) must be studied "objectively" (*Rules of Sociological Method*, Solovay and Mueller, trans., p. 28), or "from the outside," (*Rules of Sociological Method*, S. Lukes, ed., W. D. Hall, trans. [New York: Free Press, [1895] 1982, p. 70], "as external things" (both translations). His perspective may have proved unpalatable, but the alternative, on any criterion of logical consistency, amounted to eschewal of the method of positive science.

¹⁶Carl Menger, *Investigations into the Method of the Social Sciences*, Louis Schneider, ed., Francis J. Nock, trans. (New York: New York University Press, [1883] 1985), pp. 90–94.

necessarily control all men, even when it is assumed that they are placed in the same circumstances." As was so often the case with Durkheim, he stood here on the brink of overshooting his mark and going clean over to cybernetics. Instead, he fell back hard onto the presupposition that "purpose" cannot reign. If it were true, he continued, "that historic development took place in terms of ends clearly or obscurely felt, social facts should present the most infinite diversity; and all comparisons should be almost impossible."

Durkheim's conclusion, which Parsons embraced as "the problem of order," ¹⁸ leapt right across what Menger considered "the question of importance" for the social sciences. ¹⁹ As Hayek eventually put it, the important task is to demonstrate that "the spontaneous actions of individuals will, under conditions which we can define, bring about a distribution of resources which can be understood *as if* it were made according to a single plan, although nobody has planned it." ²⁰ Here was a solution, he said, "to the problem which has sometimes been metaphorically described as that of the 'social mind'." ²¹

In his apparent haste to discover another varietal "social mind," Durkheim drew a pat conclusion where he should have put an important question. The "wide diffusion of collective forms," 22 he argued, which is characteristic of human society is explained in terms of corporative constraints on "excited appetites" which tend "to exceed all limits." 23 "The rules of occupational morality and justice . . . force the individual to act in view of ends which are not strictly his own, to make concessions, to consent to compromises, to take into account interests higher than his own." 24

 $^{^{17}\}mbox{Durkheim},$ Rules of Sociological Method, Solovay and Mueller, trans., p. 94.

¹⁸Parsons, Structure of Social Action, pp. 89–102.

¹⁹Menger, *Investigations*, pp. 139–59 and 193–96.

²⁰Hayek, *Individualism and Economic Order*, p. 54, emphasis added.

²¹Mises's disdain for a *social* or *group mind* is well known. He equated it to the *Volkgeist* doctrine "devised in Germany as a conscious reaction against the ideas of natural law and the 'un-German' spirit of the French Revolution." In the course of an exposition of the ontological deficiencies of the concept, he noted that "Émile Durkheim and his school deal with the group mind as if it were a real phenomenon, a distinct agency, thinking and acting." See Ludwig von Mises, *Theory and History* (New Rochelle, N.Y.: Arlington House, 1957), pp. 190–91, also pp. 240–63.

²²Durkheim, *Rules of Sociological Method*, Solovay and Mueller, trans., p. 92.

²³E. Durkheim, *Suicide*, George Simpson, ed., John A. Spaulding and George Simpson, trans. (Glencoe, Ill.: Free Press [1897] 1951), p. 383.

²⁴E. Durkheim, *The Division of Labor in Society*, George Simpson, trans. (Glencoe, Ill.: Free Press, [1893] 1960), p. 227.

Durkheim rejected the purest forms of constructivistic²⁵ interpretation, criticizing such thinkers as Hobbes and Rousseau for failing to realize "how contradictory it is to admit that the individual is himself the author of a machine which has for its essential role his domination and constraint."26 But having come that close to grasping the central idea of evolutionary development, he set upon "the philosophers of natural law, the economists, and, more recently, Spencer," for asserting that "we have only to leave individual forces to develop freely and they will tend to organize themselves socially."27 His own sociology, founded as he claimed "on reason and truth," had no need of the essential evolutionary mechanism of selection, and thus landed him back in the *constructivistic* camp. He insisted that complex societies can be developed and maintained on the basis of "a rational plan of reflective intelligence . . . according to a rigidly drawn program."28

The immediate reference for Durkheim in matters of appetitive constraint was the corporate group, which he said "would have all necessary authority to demand indispensable sacrifices and concessions and impose order upon [its members]." And though he was quite certain that the State was not suited to perform this function immediately, he nonetheless assigned it critical controlling and coordinating functions which would grow in importance as the complexity of the division of labor increased.²⁹ "There is, above all, an organ upon which we are tending to depend more and more; this is the State. The points at which we are in contact with it multiply as do the occasions when it is entrusted with the duty of reminding us of the sentiment of common solidarity."³⁰

With flawless consistency, Durkheim's distinction between private and public law was purely conventional.

[W]e believe that all law is public, because all law is social. All the functions of society are social, as all the functions of the organism are organic. Economic functions have the same character as the others. Moreover, even among the most diffuse, there are none which are

²⁵F.A. Hayek, Rules and Order, vol. 1, Law, Legislation and Liberty (Chicago: University of Chicago Press, 1973), p. xii.

 $^{^{26}}$ Durkheim, $Rules\ of\ Sociological\ Method,$ Solovay and Mueller, trans., p. 122; see also Durkheim, $Division\ of\ Labor,$ pp. 201–2.

²⁷Durkheim, *Rules of Sociological Method*, Solovay and Mueller, trans., pp. 122–23.

²⁸Durkheim, *Division of Labor*, p. 202.

²⁹Durkheim, *Suicide*, pp. 383–89.

³⁰Durkheim, *Division of Labor*, p. 202.

not, in greater or lesser degree, under the supervision of action by governmental bodies.³¹

Durkheim understood, perhaps more clearly than most of the economists of his day, that social systems cannot be expected to achieve equilibrium. His objective value theory requires that prices be interpreted as mere market phenomena. That is, prices are seen as oscillating with respect to their *objective* values. It follows from this that the momentary prices of labor and capital will be either too high or too low in any system which is not in a state of full competitive equilibrium. He thus concluded, not unreasonably given his theoretical perspective, that such discrepancies would amount to injustices, would thereby be *unsocial*, and could not be tolerated by society.³² The "minute regulation of contract" demanded by Durkheim was to insure that contracts be instruments of "reason and truth."

For a third time, Durkheim flirted with a modern conception of the self-organizing system when he noted a necessity "that the collective conscience leave open a part of the individual conscience in order that special functions may be established there, functions which it cannot regulate."³³

As regulated as a function may be, there is a large place always left for personal initiative. A great many of the obligations thus sanctioned have their origin in a choice of the will. It is we who choose our professions, and even some of our domestic functions. Of course, once our resolution has ceased to be internal and has been externally translated by social consequences, we are tied down.³⁴

Given the continuity of societies, it is not easy to see how Durkheim could allow for these exercises of the will, in general, or even for the young and unencumbered. He dismissed the market unequivocally as illegitimate in the allocation of productive factors. And save in the case of some exceptional and probably catastrophic transition (i.e., Western European societies, *circa* 1895, for which Durkheim was seeking a permanent order), he could expect that individuals would be born into existing systems of obligations.

A "Durkheimian" society would confront a continuous need to replace productive factors (including labor) in fixed and determi-

 $^{^{31}}$ Durkheim, *Division of Labor*, p. 127.

³²Durkheim, *Division of Labor*, p. 216.

³³Durkheim, *Division of Labor*, p. 131.

³⁴Durkheim, *Division of Labor*, pp. 228–29.

nate proportions. A draft on labor might not be necessary, so long as the voluntary choices of individuals conformed to societal requirements. But the central argument of Durkheim's whole theoretical discourse was to rule out the importance or even the possibility of such coincidences. However clearly Durkheim may have momentarily grasped the necessity for choice, it really had no place in his theory. Any serious attempt to give it place would have run afoul of his contention that the more articulated the structure, the greater its "resistance to all modification." Having dispensed with the main postulate of the subjective theory of value, Durkheim could contemplate a society in which the future would certainly be knowable, and in which the selection of means could be reduced to a process of technical judgments. This much is insured by the logical consistency of the postulates themselves.

THE ILLUSION OF EMPOWERING THEORY

The subjective reference which reoriented the science of economics in the closing years of the nineteenth century "exploded the fallacies of every brand of utopianism." Those who longed to establish, or at the least to witness, the hegemony of one or another *rational order* over the seeming chaos of citizens become consumers held fast to the chimera of objective measurement as the *sine qua non* of their grandiose designs. If utility were objective like coal or potatoes, it would be possible, at least in some hypothetical sense, for an intrusive government to engross the supply and its sources for distribution and production according to some formula of its own creation. Theory which would allow such straightforward manipulations would indeed be *empowering theory*.

For those remaining in what might be called the classical mainstream, quantification of *value* or its successor *utility*, could be accomplished through measurements taken in *normal* (*i.e.*, fully equilibrated) social systems.³⁷ Durkheim's problem, however,

³⁵Durkheim, Rules of Sociological Method, Solovay and Mueller, trans., p. 70.

³⁶Ludwig von Mises, *The Ultimate Foundations of Economic Science* (Princeton, N.J.: D. van Nostrand, 1962), p. 3.

³⁷Karl Marx, *Capital*, vol. 1, Fredrich Engels, ed., Samuel Moore and Edward Aveling, trans. (New York: International Publishers [1867] 1967), p. 159. However useful the theoretical concept of social systems in competitive equilibrium, such entities cannot be found in the empirical realm. The emphasis placed here on Durkheim should not obscure the fact that many sociological theorists persist in the traditions of the classical mainstream. Under headings such as *rational action* or *rational choice* they continue to devise interpersonal utility comparisons; for ex-

was of a more fundamental nature. Having rejected equilibrium analysis, he was required to find some vantage point external to the social system from which objectivity and hence some new derivative of an empowering theory could be established. He found it, of course, in a collective conscience considered as sui generis, which is to say, as positive. Durkheim's theory, if we may call it that, was predicated on assumptions, or "fancies," as Mises called them, which he mistook for *objective facts*. His selfconscious employment of the methods of the natural sciences required a theoretical edifice raised on empirical foundations. In his determination to build a sociology on the basis of what he could see, he failed to notice that what is seen in the social sciences must be "built upon what is thought." This clear distinction between the natural and social sciences has proved especially recondite to sociologists. Those who have openly challenged or accepted it³⁹ have stood on the fringes while the center was maintained by theoreticians and researchers whose ambivalence allowed the simultaneous exploitation of both expedients.

If the assumptions of the positive scientist are made to "save appearances," as it has been said, the tests of these assumptions will be wholly empirical. The major practical problem in implementing such seemingly straightforward procedures has always been the difficulty of finding and stating an exhaustive list of assumptions. In the struggle against his own presuppositions, Keynes remarked that "The difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify into every corner

ample, James Samuel Coleman, *Foundations of Social Theory* (Cambridge, Mass.: Belknap Press, 1990), p. 773, to conceptualize individuals as Kalman filters who react to on-line signals; for example, Harrison C. White, *Identity and Control* (Princeton, N.J.: Princeton University Press, 1992), p. 348, to ignore the consumer as a matter of theoretical principle; see M. Granovetter, "Toward a Sociological Theory of Income Differences," in *Sociological Perspective on Labor Markets*, Ivar Berg, ed. (New York: Academic Press, 1981), pp 11–47, and esp. pp. 18–19.

³⁸G.L.S. Shackle, *Epistemics and Economics* (Cambridge: Cambridge University Press, 1972), p. 66. Shackle's assertion was made in contrast to the natural sciences, in which he said "what is thought is built upon what is seen." Durkheim's blindness to this distinction became manifest where he insisted that the advance of science itself could reveal the error, if such it were, of his objective treatment of social facts (Durkheim, *Rules of Sociological Method*, Solovay and Mueller, trans., p. 28). Insofar as the glaring empirical inadequacies of the labor theory of value (replete with its epicyclic allusions to *factors of normal quality, socially necessary labor embodiments, etc.*) were insufficient to capture Durkheim's attention, it is hard to imagine what future difficulties might have bestirred the man and his followers.

³⁹Respectively, for example, George Andrew Lundberg, *Foundations of Sociology* (New York: Macmillan, 1939); and Herbert Blumer, *Symbolic Interactionism* (Englewood Cliffs, N.J.: Prentice-Hall, 1969).

of our minds."⁴⁰ Durkheim's *sensational trick*, if you will, was to present a hugely multifaceted and complex melange of vaguely specified assumptions as *social facts*, which is to say, as established empirical generalizations. At a stroke, he placed his assumptions out of reach. His *modus operandi* gave further dimension to the urge toward *empowering theory*. Durkheimian theory is empowering not only in the sense of heralding societal manipulations on any scale whatever, but also in its insulation from scrutiny. Such "theory" equips the observer with knowledge for which there is no accounting.⁴¹

AMERICAN INTERREGNUM

Near the end of the 19th century, the legacy of priestly omnipotence originally promised to sociology by August Comte and later vouchsafed by Durkheim proved an embarrassment, most notably in the United States, to the sociologists who struggled for respectability and an autonomous seat at the academic table. The claim for sociology as the inclusive science of society, associated with such individuals as Comte and the "American Aristotle" L. F. Ward, was effectively submerged in favor of the more modest ambitions either to construct the new discipline as a synthesizer of all the social sciences which could nonetheless lay claim to a unique sociological subject matter; or to stake out its province as fundamental to all of the social sciences. Chief among the advocates for these two incarnations, respectively, were the University of Chicago's Albion Small and Franklyn Giddings of Columbia University.

Small found a unique subject matter, untreated by the other social sciences, in the emerging "public opinion" of advanced societies. Sociologists, according to Small, merely try "to perfect means of answering obtrusive questions about society which the ordinary man is proposing every hour." ⁴² Claim to a synthesizing function for sociologists rested on his assertion "that the phase of social activity to which they give chief attention can be correct-

⁴⁰John Maynard Keynes, *The General Theory of Employment, Interest, and Money* (New York: Harcourt, Brace, [1953] 1964), p. viii.

⁴¹Durkheim dismissed the notion that introspections could provide any theoretical basis whatever, referring to them as mere "conjectures that are the product of pure intellect" (Durkheim, *Rules of Sociological Method*, Solovay and Mueller, trans., p. 24), or as merely possible realities which are "pure conceptions of the mind" (Durkheim, *Rules of Sociological Method*, Hall, trans., p. 67). As per note 15, above, it can be said that Durkheimian theory was based solely on the pure conceptions of his own mind—but the still resonating core of his writings is a polemical denial of this very charge.

⁴²A. Small, "The Era of Sociology," American Journal of Sociology 1, no. 1 (1895): 6.

ly estimated only when viewed as a part of all the rest of life."⁴³ He went to great lengths, however, to assure his academic colleagues that sociology embraced no agenda to discredit or supersede the science of economics. He cast sociology and economics as interdependent portions of a larger social science. The assumption, he said,

that there is special call for arbitration and conciliation between economics and sociology rests primarily upon the failure to perceive that the economic element in human actions may be explained without throwing light upon other equally significant social factors.⁴⁴

Franklyn Giddings, in the course of his own efforts to promote the new discipline as the *basic* social science, became involved in a spirited debate with Simon Patten, who sought the same distinction for economics. Giddings argued that sociology was "not the sum of social sciences, but the groundwork, in which they find a common basis." He was apparently willing to pay a rather large price in defense of his position, going so far as to characterize political economy, jurisprudence, and politics as "complementary parts of that detailed study of society in its advanced evolution, *upon which sociology does not enter.*" 46

Patten was unwilling to accept this claim, but offered to sociology in its stead the strikingly Misean province of a "subjective environment" which could be explored as the solitary source of "mobility, equality and freedom" in human society.⁴⁷ For his own part, Giddings appeared unmoved. Additionally, neither Patten, Small, nor any of the major protagonists in this debate seemed in the least affected by each other's remarks. As the debate meandered, academic sociology in the United States gained impetus, thriving as it were, without consensus as to province or basis. Over time, the contradictions and gaps might have been made good but for a strong propensity, already evi-

⁴³A. Small, "What is a Sociologist?" American Journal of Sociology 8, no. 4 (1903): 473.

⁴⁴A. Small, "The Relation of Sociology to Economics," *Publications of the American Economic Association* 10, Supplement (1895): 106.

⁴⁵F.H. Giddings, "The Relation of Sociology to Other Scientific Studies," *Journal of Social Science* 32, no. 2 (1894): 18.

 $^{^{46}}$ Giddings, "The Relation of Sociology," p. 32, emphasis added.

⁴⁷S.N. Patten, "The Organic Concept of Society," *Annals of the American Academy of Political and Social Science* 5, no. 6 (1894): 405–6. It may be recalled that prior to the 1930s, Mises had reserved the term *sociology* "to signify the general theoretical science of human action." See Mises, *Epistemological Problems of Economics*, p. xvi. In light of the *praxeology* which was to follow, Patten's "Theory of Social Forces," *Annals of the American Academy of Political and Social Science* 7, Supplement (1896), becomes emanately intelligible.

dent, simply to ignore their existence. In his report on the Sociological Conference held in 1894 for the express purpose of airing the differences between sociologists and other interested parties, H. H. Powers concluded that the prevailing contested views of sociology, as synthesizing, fundamental, or even as inclusive, were, "at bottom identical."

This remarkable *tour de force* was undoubtedly effective academic politics, but it was counterproductive in the measure to which it elevated the *sheer will to found a discipline* over the most ordinary logical constraints. Powers and his colleagues are not to blame for the intellectual promiscuity which was later tolerated, if not actively promoted in sociology, but they certainly established no ground upon which it might have been more easily restrained. By the nineteen-thirties, when Durkheim's major writings began to attract the attention of a handful of American sociologists,⁴⁹ sociology was already an eclecticism.

DURKHEIM'S SHADOW

The following is not a criticism of allowing scope to more than a single paradigm in sociology or any other social science. If one is willing to sacrifice *meaning*, in the sense intended by Weber⁵⁰ and elaborated by Mises,⁵¹ it will always be possible to proceed inductively, even as Durkheim recommended.⁵² Analysis of static systems, from Léon Walras⁵³ to Vilfredo Pareto,⁵⁴ and the construction of self-contained, dynamic models from Knut Wicksell⁵⁵ through the present day have afforded insights into the connectedness of social systems which might never have been grasped by other means.⁵⁶

⁴⁸H.H. Powers, "Terminology and the Sociological Conference," *Annals of the American Academy of Political and Social Science* 5, No. 6 (1895): 706.

⁴⁹Most notably George Simpson whose English translation of *The Division of Labor* was published in 1933, Talcott Parsons who incorporated the elements of Durkheimian thought into his own emerging theory, and Harry Alpert, *Emile Durkheim and His Sociology* (New York: Columbia University Press, 1939), who communicated Durkheimian concepts to a rising generation of American sociologists who were to wield great influence throughout the post-war expansion of the discipline.

⁵⁰Weber, The Methodology of the Social Sciences, pp. 72–80.

⁵¹Mises, Epistemological Problems of Economics, pp. 1–67.

⁵²We must assume, of course, that positive models will be specified in terms which are indisputably objective, *e.g.*, sex ratios, mortality rates, average hourly wages, etc. ⁵³Léon Walras, *Wealth, Definitive Edition* (Lausanne, Switz.: L. Corbaz, [1874] 1926).

⁵⁴Vilfredo Pareto, Manuel D'Économie Politique (reprint of French ed., New York: AMS Press, [1909] 1969).

⁵⁵Knut Wicksell, *Interest and Prices*, R.F. Kahn, trans. (London: Macmillan, 1936).

 $^{^{56}}$ G.L.S. Shackle, *The Years of High Theory* (Cambridge: Cambridge University Press, 1967), pp. 96–97.

Such models present no logical problem so long as it is remembered that they contain no reference to action and its agents. In glossing this distinction, the social scientist must plead a special justification. Shackle correctly identified such undertakings as putative contributions to social philosophy. As he said, "There can be no logical combining of models; but within the mind of the social philosopher there can be a nonlogical blending of the light which these models throw."57 Sociology has produced some number of exceptional individuals to whom this license might fairly be accorded. Talcott Parsons and Harrison White, to name only two, may have succeeded in erecting conceptual structures of such erudition and scope as to serve as a context of insight for their respective generations. One could include other names, to be sure, but no list can completely obscure the realization that social philosophy, whatever its immediate or ultimate values, has been routinely mistaken for a sociological theory which has thus never quite become conspicuous through its absence. The following criticism will be confined to an ingrained habit of nonlogical model mixing which serves to shield the corpus of Durkheimian thought from the careful scrutiny it deserves.⁵⁸

The main outline along with some of the detail of the Durkheimian shadow was revealed in the past decade with unaccustomed candor in a major work from Stanley Lieberson. From a vantage point which would carry him to the Presidency of the American Sociological Association within a few years, he was well positioned to provide theoretical justifications for research practices which had already been widely adopted by sociologists over the preceding quarter century or so. The evolving practice and its related theory consists in treating the unexplained variance of regression analyses as *explained* by some factor or factors which remain unmeasured in the model and can only be grasped through implicit theoretical allusion. Lieberson refers to these factors as "causal principles" the most important of which, he says, should be few in number and proof against reduction to the terms of the natural, biological, or other social sciences.

⁵⁷G.L.S. Shackle, A Scheme of Economic Theory (Cambridge: Cambridge University Press, 1965), pp. 195–96.

⁵⁸The most conspicuous example from Durkheim can be found in his analysis of "anomic" suicide. His model required that it be a contextual effect due to a weakening of the collective conscience, but his empirical analysis relied heavily on individual effects proxied by religious affiliation, profession, sex, marital status, etc. Logically mixed models, in general, both deny and affirm the category of action. In some non-logical fashion, these models are used to recover meaning from the essentially meaningless.

 ⁵⁹Stanley Lieberson, Making it Count (Berkeley: University of California Press, 1985).
 60Lieberson, Making it Count, pp. 186–89.

Unlike many of his colleagues, Lieberson holds that some portion of the *explained* variance as well may be imputed to causal principles. His suspicion of correlation as a valid tool of scientific discovery is well founded. He is acutely aware of the pitfalls inherent in the large interaction terms which often appear in sociological research, and would agree with Machlup that "Statistical proofs are never of any value." He would also agree with Machlup's further observation that even statistical disproofs are seldom useful "unless they can be rationalized by theoretical analysis of the causal relationships."⁶¹

In rejecting statistical proofs, Lieberson is left with a choice between the "Austrian" *a priorism* of Mises and the positivism of Emile Durkheim. Superficially at least, he opts for the *a priori* in affirming the primacy of theory over data. As he says, "data can help us decide only if a given theory is operating in the observed context." Gresham's Law is said to be a *hardy proposition*, given its rare contradiction "at least in the contexts that have been observed." He explains that a hardy proposition "generates a certain consequence regardless of the degree to which the setting may favor other and possibly conflicting principles." 63

At the risk of overtaxing the reader, it will be recalled that for Weber "the generalization called Gresham's Law" was not a Law, but rather "a rationally clear interpretation of human action under certain conditions and under the assumption that it will follow a purely rational course." Mises, who could not have disagreed more strongly with Weber on this point, considered it a sociological proposition which expresses "that which necessarily must always happen as far as the conditions [it assumes]... are given." Lieberson followed Weber in summarizing Gresham's Law as an instance of "bad money driving out good money," whereas Mises went to the heart of the matter, explaining that the essential element was "not the 'disappearance' of

⁶¹Fritz Machlup, *The Stock Market, Credit, and Capital Formation* (New York: Macmillan, 1940), p. 139.

⁶²Lieberson, *Making it Count*, p. 195. Compare, for example, Murray N. Rothbard, *America's Great Depression* (Kansas City: Sheed and Ward, 1975), pp. 3–5; or Mises, *Epistemological Problems*, pp. 82–107.

⁶³Lieberson, Making it Count, p. 198.

⁶⁴Weber, Economy and Society, p. 10.

⁶⁵Mises, *Epistemological Problems of Economics*, p. 91. In fairness to Weber, it should be noted that Mises was well aware that the laws which Weber denied were those of "historical development" then being promulgated by proponents of the German Historical School, and perhaps now as Lieberson's "Transformational Principles." Weber conceptualized sociology as "*universal history*," not as a social science "that aims at universally valid propositions." See Mises, *Epistemological Problems*, p. 106.

'good' money, but the fact that payments that can be made with the same legal effect in 'good' or in 'bad' money, as suits the debt-or," are made in bad money "in the mass of debtor-creditor relationships." Furthermore, as he said, debtors' partiality to bad money is no more than a generalization from experience, there being no theoretical reason to expect, let alone predict, that "rational actors" will always choose in the same manner.⁶⁶

The foregoing tangle of detail may serve to illuminate Lieberson's genuine ambivalence as to the fundamental nature of the theory he espouses. He shares common ground with Weber, resorting often to the concept of an "ideal type," and yet purports to see a Law where the more logically consistent Weber could see none. He acknowledges the a priori but effectively eliminates its praxeological relevance by choosing causal principles which act upon variously defined aggregates instead of through the action of individuals. He likens these principles to "forces" which originate in "societal needs," "the ideology of the society," an "incentive structure" directed toward some population segment, "and so forth."67 Specifically, he posits a societal need "for a certain reward structure" which might be viewed as "a variant of the Davis - Moore theory."68 Because Lieberson's illustrations are not predicated of individuals they necessarily appear ad hoc in the sense of being contrived to fit particular sets of events. The units of his analysis are categories which are often derived on the polylogistic69 criteria so characteristic of Durkheimian thought. His stock illustration of a causal principle is the oppression of one race (gender, nationality, class, etc.) by another. He speaks easily of "the force generating lower black incomes," as an established social fact. At the other extreme he describes a

⁶⁶Mises, Epistemological Problems of Economics, pp. 86–87.

⁶⁷Lieberson, *Making it Count*, p. 193, emphasis added.

⁶⁸The "Davis-Moore" theory presumes the "functional necessity" of social stratification. The actor in this theoretical statement is society itself which is described as having "concerns" and "resources" which it allocates for the "purpose" of satisfying its "needs." K. Davis and W. E. Moore, "Some Principles of Stratification," *American Sociological Review* 10, no. 2 (1945): 242–49. Not once in their several pages do the authors make even the slightest concession to the *as if*. See Hans Vaihinger, *The Philosophy of As If*, C.K. Ogden, trans. (London: Routledge and Keegan Paul, [1935] 1968). The "functional necessities" to which they refer are those of the same organic unity that Durkheim described as "the highest form of the psychic life." See E. Durkheim, *The Elementary Forms of the Religious Life*, Joseph Ward Swain, trans. (Glencoe, Ill.: Free Press, [1915] 1954), p. 492.

⁶⁹"Polylogism denies the uniformity of the logical structure of the human mind. Every social class, every nation, race, or period of history is equipped with a logic that differs from the logic of other classes, nations, races, or ages." Ludwig von Mises, *Theory and History* (New Rochelle, N.Y.: Arlington Press, 1957), p. 31.

force that will act if

the population is atomized into a highly diverse set of interest groups that are neither fully harmonious with one another nor fully competitive and, if interest groups therefore differ not only in whether they are for or against an issue but also in the degree to which they benefit or lose.⁷⁰

This focus on "forces," which can be stretched to encompass the most complex circumstantial arrays, stems directly from Lieberson's exclusion of the individual actor. The occasional failure of Gresham's Law, or any other "hardy proposition," is explained by the action of another "countervailing" force or forces. Observable macro consequences which emerge from the choices of individuals are interpreted as the empirical trace of forces which impel those very choices. Could a misplacement of the concreteness of human social systems be more perfect? If we wanted a name for the set of causal principles, both known and unknown, we could scarcely improve on Durkheim's choice of *collective conscience*.

THE SHADOW IN CARICATURE

In contrast to the highly abstract reasoning and theoretical terms employed by Stanley Lieberson, Durkheimian influence finds freer expression in the empirical research of individuals who are apparently under no obligation to defend its tenets. In dozens if not hundreds of published and unpublished reports, the residuals of multiple regression analyses are directly tied to culturally visible forces manifested as the *isms* of race, ethnicity, sex, class, age, physical appearance, nationality, etc. The list is not infinite, but it can be infinitely extended.

Thanks to the speed of electronic data manipulation, the regression analysis can recreate Durkheim's polemical style with an efficiency which scarcely calls attention to itself. It was Durkheim's stock in trade to assemble a list which was purported to include all possible explanations of a phenomenon; reject each of these in turn on the basis of his own, often dated accounts of inadequacies;⁷² and finally, to assault the reader with the de-

⁷⁰Lieberson, Making it Count, p. 198.

⁷¹Alfred North Whitehead, Science and the Modern World (New York: Macmillan, 1925), p. 75.

⁷²The example which comes most readily to mind is Durkheim's treatment of the utilitarian position as pure hedonism (see Durkheim, *Division of Labor*, pp. 233–55). It is true that hedonism remained a strong element in economic writing circa 1893.

mand that his own untestable explanation be accepted.⁷³ In its present incarnation, the regression method has been perfected by means of a misspecified human capital theory, in terms of which education, health status, job-experience, etc.⁷⁴ are used in a rather disingenuous manner "to account for" differences in group experience.

The enormity of the theoretical problem was concisely outlined a number of years ago by Mark Granovetter, who pointed out to his follow sociologists that they routinely treat human capital as though it conformed to Say's Law—which is to say that it is capable of creating its own demand. As he said,

It is naive to see productivity as a matter of individual skill and is, in fact, less theoretically sophisticated than the older neoclassical arguments on marginal productivity, which, whatever their shortcomings, at least recognized that wages are generated not only by skills but by skills in conjunction with consumer demand, technology, and a work position.⁷⁵

He could have quoted Keynes, who had leveled the same charge nearly half a century earlier. While expressing doubt that his contemporaries would care to defend Say's Law, Keynes pointed out "that they were tacitly assuming it" when they ignored "the need for a theory of the supply and demand of output as a whole." The Since Granovetter, the tacit assumption has gain-

[&]quot;It is well known," as Robbins observed in *Nature and Significance*, p. 84, "that certain founders of the modern subjective theory of value did in fact claim the authority of the doctrines of psychological hedonism as sanction for their propositions." "Hedonistic postulates," (Hermann Heinrich Gossen, *The Laws of Human Relations and the Rules of Human Action Derived Therefrom*, Rudolf C. Blitz, trans. [Cambridge, Mass.: MIT Press, [1854] 1983]), "pleasure and pain," (William Stanley Jevons, *The Theory of Political Economy* [New York: Augustus M. Kelley, [1871] 1965]), and the conception of human beings as "pleasure machines" (Francis Ysidro Edgeworth, *Mathematical Psychics* [Mountain Center, Calif.: James A. Gordon, [1881] 1995]) were familiar contemporary concepts. Robbins's point, however, was that these ideas were even then giving way as economics and, more broadly, the social sciences, became more clearly differentiated from psychology and biology. Robbins, of course, emphasized the important contributions of the "Austrians" which commenced with Menger. Durkheim's critique of utilitarianism, in other words, looked backward rather than toward the theoretical ferment which animated many of his contemporaries.

⁷³See Durkheim, *Division of Labor*, pp. 233–328; Durkheim, *Suicide*, pp. 57–151; and Durkheim, *Elementary Forms*, pp. 168–239.

⁷⁴The lists of variables most commonly include health status, and time spent (in full-time employment, in the labor force since completing school, working for current employer, with current employer prior to current position, training in current position, in post-training experience, and in formal education).

⁷⁵Granovetter, "Toward A Sociological Theory of Income Differences," pp. 18–19.

⁷⁶John Maynard Keynes, "The General Theory of Employment," Quarterly Journal

ed in the strength that accrues from repetitive practice.

As a pure study in the history of ideas, the role of human capital theory in current sociological research is quite remarkable. On the one hand, researchers cast it into discredit, arguing that it is not capable of explaining the objective differences in group experience which have attracted their interests. At the same time, however, they rely on it as the source of their own conceptions of equality in opportunity and reward. The perfected world would yield a unit \mathbb{R}^2 wherever the researcher turned. It is as if there were a collective conscience which dictated equal opportunities and reward for people who were objectively equal on a master list of human capital variables.

But even in this we are confronted with one more twist of decidedly Durkheimian ilk. The quality of objectivity which adheres to the theory is not really that some experience such as an additional year of formal education, or two more years of job experience will produce a given objectifiable increment of reward or opportunity. The ethos, rather, is that it should produce that result. Failure of the result to materialize creates a moral affront, as it were. No one has openly defended such a view, to be sure, but without it, the characteristic mode of analysis falls to the ground. In these analyses, the power of the ism is revealed by the proportion of the variance not explained by the human capital variables and whatever controls may have been provided.

With respect to sex, for example, ⁷⁷ Wellington concludes that "human capital theory alone cannot explain the differences in men's and women's earnings." ⁷⁸ The human capital variables in her data for white earners in 1985 netted an unexplained residual variance of fifty-eight percent. Though she moots the possible influences of several factors on the wage differential in addition to gender "discrimination," there remains an implicit suggestion that *fifty-eight percent* has some meaning outside the regression analysis itself, perhaps as a rough quantitative estimate of the power of discrimination as a causal principle. Prior knowledge of the basic causes of a phenomenon, as suggested by Lieberson,

of Economics 51, no. 2 (1937): 223.

⁷⁷It is not the intention here to single out particular researchers for criticism. An extensive literature review at this point would be out of place. The exemplars used in the following represent the recent efforts of reputable sociologists who may expect to publish in the flagship journal of the American Sociological Association. Any doubts as to the currency of the methods described here are easily dismissed by a perusal of leading and other sociological journals.

⁷⁸A.J. Wellington, "Accounting for the Male/Female Wage Gap Among Whites: 1976 and 1985," *American Sociological Review* 59, no. 6 (1994): 847.

"makes one aware of the need to work with causes that are not necessarily measured." If discrimination were to enter into this research report, it could only be as a causal principle, because it was certainly no part of the regression model.

Race is even more transparently treated. It was recently asserted that differences in wages between white and black males due to "employer initiated racial discrimination" increased between 1976 and 1985 from nineteen to twenty-six percent.80 This claim was based on the size and significance of a "race coefficient" generated against half a dozen human capital variables with controls for family status.⁸¹ The conceptual errors supporting this claim were so egregious that the editor of the journal in which it appeared felt obliged to solicit and publish a critical commentary to accompany the article.82 The caution itself may be revealing of the present state of sociological practice. With flaws that demanded immediate commentary, the article was accepted for publication by the editor and referees of a leading journal and placed in the lead position. In their accompanying comment, Farkas and Vicknair pointed out that any claim measured from a regression "depends crucially on which of the variables are controlled and which variables are omitted from the regression."83 They effectively quashed the "race coefficient" with a simple control for cognitive skill and cautioned against accepting any claims of increasing racial discrimination.

CONCLUDING REMARKS

Durkheim's achievement can be located in the residues of a seemingly indelible impression that "sociological theory" is different from the theory of other social science disciplines. Rules of logic and evidence that might well apply outside its province are often ignored or even said not to apply on the inside. In some two hundred and fifty pages, Lieberson cited Durkheim only one time, which, not coincidentally, came at a point where

⁷⁹Lieberson, Making it Count, p. 194.

⁸⁰A.S. Cancio, T.D. Evans, and D.J. Maume, Jr., "Reconsidering the Declining Significance of Race: Racial Differences in Early Career Wages," *American Sociological Review* 61, no. 4 (1996): 541–56.

 $^{^{81}}$ Technically, the "race coefficient" was generated from differences in slopes in the regressions on race and sex.

⁸²G. Farkas and K. Vicknair, "Appropriate Tests of Racial Wage Discrimination Require Controls for Cognitive Skill: Comment on Cancio, Evans, and Maume," American Sociological Review 61, no. 4 (1996): 557–60.

⁸³Farkas and Vicknair, "Comment on Cancio, Evans, and Maume," p. 557.

he needed to assure the reality of "Social Facts." Having imputed "organic entity" to "societal processes," Lieberson was able to avoid explicit discussion by a simple nod in Durkheim's direction. Sociology's insular nature was captured nicely by one of the anonymous referees of a leading theoretical journal, who wrote that "In sociology, we are concerned with the understanding of what Durkheim called 'social facts'. These social facts . . . have individual and collective effects." This same individual went on to suggest that "debates within economics" have little applicability to "sociological theory."

Since Durkheim, broadside attacks on economics have been rekindled in each new sociological generation. It is perhaps significant that even the better of these attacks⁸⁶ have been insensitive to what Lachmann called the three great subjectivist thrusts in social scientific perspectives.⁸⁷ In its most public expressions which extend from professional journals down through the textual body of the discipline, subjective theory is ignored in sociology by practitioners who consistently neglect their obligations to explicate the objectivist tenets so deeply ingrained their own formulations.⁸⁸ No one in the mainstream bothers to defend the labor theory of value, let alone Say's Law or the *higher interests* that impel behavior.

At the conclusion of his most fully matured exegesis, Durkheim described the collective conscience as "the consciousness of the conciousnesses," standing, as he said, "outside of and above individual and local contingencies" as a vessel embracing "all known reality." Easy dismissal of such bombast is unbecoming of individuals who continue to rely implicitly on the ideas out of which it grew. The core idea, as we have tried to demonstrate, is

⁸⁴Lieberson, Making it Count, p. 109.

⁸⁵Anonymous referee, Sociological Theory, August, 1997.

⁸⁶See, for example, T. Parsons, "The Motivation of Economic Activities," in *Essays in Sociological Theory, Revised Edition,* T. Parsons, ed. (Glencoe, Ill.: Free Press, [1940] 1954), pp. 50–68; and White, *Identity and Control*, pp. 42 ff.

⁸⁷Ludwig M. Lachmann, *The Market as an Economic Process* (London: Basil Blackwell, 1986), pp. 144–48.

⁸⁸This point is perhaps most eloquently underscored by its exceptions. As an addition to Granovetter's strong critical voice cited earlier, another outstanding exemplar can be found in the direct challenge to the logical probity of "contextual effects," initiated by Robert Hauser, "Contextual Analysis Revisited," *Sociological Methods and Research* 2, no. 3 (1974): 365–75, and settled in his favor by Lutz Erbring and Alice A. Young, "Individuals and Social Structure: Contextual Effects as Endogenous Feedback," *Sociological Methods and Research* 7, no. 4 (1979): 396–430. This excellent exchange of ideas evidently posed no barrier to the usual practices.

⁸⁹Durkheim, Elementary Forms, p. 444.

the infinitely reiterated assertion of the *social fact*. Its present involvement in the *isms* of race, ethnicity, sex, etc., is local in time and place—the gossamer encoding of a popular intellectualizing ideology shared, it would appear, by a large proportion of academic sociologists. In other times and places the *isms* have been, and will again be, differently located.

Ludwig von Mises dismissed the ravings of August Comte on the ground that "he was insane in the full sense which pathology attaches to this term." Be that as it may, it is still important to ask, as Mises did in ending his exculpation, "But what about his followers?" ⁹⁰

⁹⁰Mises, *Human Action*, pp. 72–73.