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Culyer, Culyer, A. J. (Anthony J.) (1981) Economics, social policy and social administration: the interplay between topics and disciplines. *Journal of Social Policy*, 10 (3). pp. 311-329. ISSN 0047-1794

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Economics, Social Policy and Social Administration: The Interplay between Topics and Disciplines*

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ABSTRACT

The article uses a distinction between *topic* and *discipline* to argue that social administration, like economics, is characterized by both, but that social administration has the special advantage, in treating the *topic* of social policy, of being multi-disciplinary. An account is presented of why economics is underrepresented among the disciplines of social administration, and three important contributory roles are outlined for economics to play in the development of social administration.

Social administration has long suffered from what (at least to an outsider like myself) seems to be an identity problem. The role of economics in social administration, and the relationships of economists with social administrators, have also been plagued by tensions. This article explores this problem and these tensions with a view to making some constructive analysis of the future role of economics in social administration and, hopefully, to generate a discussion. Specifically, the article addresses the status of social administration vis-a-vis the other two nouns in the title. However, it does not stop there, but proceeds to use the distinctions drawn as the basis for a subsequent discussion of the role of economics in social administration.

* This article grew out of an invitation to present a paper at the 1981 Social Administration Association's conference on the role of economic theory in social administration. It reflects an attempt to clear some preliminary ground before tackling in greater detail the issues posed by this more specific topic. I have benefited greatly from the comments of Brian Abel-Smith, Jonathan Bradshaw, Kay Jones, Ken Judge, Alan Maynard, Albert Weale and Jack Wiseman on a draft. I did not expect them to agree with all I have said but was delighted to find there was much with which they did agree and grateful to be put right at several points. None, of course, can be held entirely responsible for the final outcome.

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TOPICS AND DISCIPLINES

A useful distinction has been made by Alan Williams¹ between an 'area of study' and a 'mode of thinking'. The idea of an area of study connotes a set of phenomena to be studied, problems 'out there' to be comprehended and resolved, policies to be investigated, issues to be explored. The idea of a mode of thinking connotes the conceptual apparatus – the theory – that is to be brought to bear upon the phenomena, problems, policies, issues, etc. This paper follows him in using the terms 'topic' and 'discipline' as a shorthand to refer to these two. Each of the nouns in the title will be considered in terms of these two basic notions.

Economics as a topic and a discipline

Economics is, first of all, a topic in the sense that 'the economy' is a set of phenomena which amounts to a reasonably well-defined area of study. Unemployment, inflation, the public sector borrowing requirement, the behaviour of firms, consumers, the efficiency of markets, and so on, are all part of this area which has as its basic distinguishing feature a cash nexus; a nexus that exists in markets but not only in markets, a nexus that may involve the phenomenon of price but need not; a nexus that may involve profits but need not. What seems always to be involved is money or monetarily valued goods and services on at least one side of an exchange relation. The defining characteristics of economics viewed in this way as a financial topic are essentially conventional in nature. They are not logical. Nor are they immutable. It is suggested, however, that the features just described correspond with what it is that people usually have in mind when they talk about the topic, or area of study, called 'the economy'. We are therefore essentially identifying 'economics' as a topic with 'the economy'.

But economics is, of course, also a *discipline* that is characterized not at all by *what* economists study but by *the way they study it*. In the sense of discipline, economics is a mode of analyzing the allocation of scarce resources. It has, of course, positive and normative variants. The hallmark of a discipline is its theory, or theories. Most of us will agree that although there are overlaps between economics and other disciplines, the lines of analytical demarkation are sufficiently clear for us not to be in much doubt about the differences between the disciplines. For example, although both political philosophers and economists, when they are being explicitly normative, often use utilitarian theory, we do not really have much difficulty distinguishing the two disciplines. Likewise, sociologists and econo-

¹ Alan Williams, 'One economist's view of social medicine', *Epidemiology and Community Health*, 33 (1979), 3-7.

mists sometimes use Marxian theory, but again we do not have much difficulty distinguishing the two disciplines. Likewise, sociologists and economists sometimes use Marxian theory, but again we do not have much difficulty in distinguishing them. In neither case is this solely due to the fact that they may be applying a shared set of fundamental precepts to different topics – though historically the evolution of political philosophers' and economists' uses of utilitarianism, and the evolution of sociologists' and economists' uses of Marxian analysis, has undoubtedly been influenced by the topics they have chosen to focus upon. Independently of the differentiation of topic, however, it is usually possible for us to make a clear distinction between the different disciplines' uses of their common intellectual heritages. We are not really very likely to confuse a Marxist economist with a Marxist sociologist, nor a utilitarian economist with a utilitarian political philosopher even when they are talking about the same topic. However, some political philosophers have turned themselves into rather good economists (and vice versa) and in such cases the two disciplines sometimes lose their separate identities.

Granted this distinction between disciplines being based on theory and topics based on convention, we can move on to an obvious corollary. The point is, of course, that the *topic* economics is not the sole topic to which the *discipline* economics is capable of being applied, nor is the *discipline* economics the sole discipline capable of being applied to the *topic* economics. It may be that most economists usually apply their discipline of economics to the topic of economics. That is scarcely surprising since the discipline developed through being mostly applied to that topic. But it does not follow that economics as a discipline cannot be fruitfully applied to other topics, nor that other disciplines cannot fruitfully be applied to economics as a topic. What is true of economics is also true of other social sciences.

Social policy as a topic

The idea of 'fruitfulness' in the context of social policy applications of economics is returned to later. Now, however, let us turn to the second noun in the title: social policy. In the light of the foregoing, social policy may be viewed as a topic. Like the topic economics, the topic social policy is defined conventionally. The conventions defining most topics do not have to be, and typically never are, mutually exclusive. For example, the topics 'economic policy' and 'social policy' each contain elements not shared with the other as well as some shared elements. The corporate income tax is a topic in economic policy but not social policy; treatment of young offenders is a topic in social policy but not economic policy. Unemployment,

health service financing, inflation, however, are examples of topics common to both social policy and economic policy.

The conventionality of topic boundaries is emphasized because there has been a lot of misconceived effort devoted to trying to pin them down conceptually in a rigorous and mutually exclusive way. It seems wasteful of intelligence so to try, for the definitions are entirely conventional. They are also subject to mutation and expansion or contraction. They are also subject to change as societies evolve new institutions. A good example of such misconceived effort is Cahman and Schmitt² which contains a tangled muddling of topic and discipline, together with a well-meaning naivete about the role of value judgements in analysis and which, not surprisingly, fails altogether in its objective – to provide a definition of the ‘concept’ of social policy.

Admittedly this is an extreme case. Less muddled attempts at a definition founder, however, for much the same reason (that is, failure to distinguish between on the one hand the conventionality of a topic and on the other the disciplines that may be applied to it). Titmuss’s³ attempt to distinguish social policy by means of models of social welfare fails to distinguish social from other kinds of policy. For example, the Residual Welfare model⁴ need not be a model only for social policy, but may be seen to underlie some economists’ approach to, for example, anti-trust policy; social or governmental institutions are (in such a model) to be brought into play only when private markets are seen (or thought) to have broken down sufficiently. Nor, moreover, is his range of possible models complete: there is, for example, the ‘social choice’ model of social (and economic) policy in which the choice of social institution for allocating and redistributing resources, rights and entitlements, turns on the effectiveness of alternative mechanisms, institutions and procedures in meeting conditions imposed by a pre-specified ‘social welfare function’. Although Titmuss’ last major work, *The Gift Relationship*,⁵ grew out of an attempt to distinguish the ‘economic’ from the ‘social’ in public policies it failed signally to do that. This does not detract from the central importance of this seminal work but this importance lies in its raising of some fundamental issues that are common across topics and disciplines rather than in locating issues that differentiate in any fundamental sense our topics and disciplines. For example, the postulate of *caring* is an idea that all (or nearly all) the social sciences have

² W. J. Cahnman and C. M. Schmitt, ‘The concept of social policy (Sozialpolitik)’, *Journal of Social Policy*, 8 (1979), 47–59.

³ R. M. Titmuss, *Social Policy: an Introduction*, Allen and Unwin, London, 1974.

⁴ *Ibid.* pp. 30–1.

⁵ R. M. Titmuss, *The Gift Relationship: From Human Blood to Social Policy*, Allen and Unwin, London, 1970.

to come to terms with, and although Titmuss was broadly right to say that, on entirely conventional grounds, the phenomenon of caring may be excluded from, say, economics as a topic, this is conventional – and a convention that has never been entirely agreed by all economists⁶ and is increasingly being broken.⁷ Moreover, it is too extreme to suppose that the idea of caring pervades all social policy. I happen to take the view (though I suspect I am in a minority among economists) that one cannot give a satisfactory account of the National Health Service, nor make relevant policy recommendations about it, without acknowledging that it reflects the existence of altruism. But even if it did not and it were seen, say, simply as the most efficient way of organizing health services for selfish individuals, this would not remove the National Health Service from the realm of social policy. Conversely, there are other areas of policy, not normally regarded as social policy, where caring may be thought important: current, private and public investment affects the welfare of as yet unborn generations about whom we may care; environmental policy impinges on many about whom we may care; international relations, trade and aid affect the welfare of others about whom we may care; even defence and military policies can be seen to contain elements of caring, fellow-feeling and moral commitment to others. The importance – arguably the key importance – of the idea of caring for the wellbeing of others lies not in its enabling us to distinguish social topics from other topics, or one discipline from another, but in the fact that it is one of those central concepts (like the idea of welfare in utilitarianism) that is – or at least should be – shared by many disciplines and which can be found applicable in many topics – including social policy. It is, thus, an *integrating* rather than a *differentiating* concept and therein lies its importance in social science.⁸

Lafitte escapes most of these difficulties but only at the cost of a rather empty tautological notion: ‘in the main social policy is an attempt to steer the life of society along channels it would not follow if left to itself.’⁹ T. H. Marshall was much nearer the truth about the conventional nature of social policy in the preface to the second edition of his famous book: ‘it is taken to refer to the policy of governments with regard to action having a direct impact on the welfare of the citizens, by providing them with

⁶ See F. Y. Edgeworth, *Mathematical Psychics*, C. Kegan Paul, London, 1881.

⁷ See F. G. Dickinson, *Philanthropy and Public Policy*, National Bureau of Economic Research, New York, 1962; E. S. Phelps (ed.), *Altruism, Morality and Economic Theory*, Russell Sage Foundation, New York, 1975; D. Collard, *Altruism and Economics*, Martin Robertson, London, 1978.

⁸ In emphasizing the idea of caring as an integrating concept of social science I am not, of course, implying it is not substantively important in the analysis of actual policies.

⁹ F. Lafitte, *Social Policy in a Free Society*, Birmingham University Press, Birmingham, 1962.

services or income'¹⁰ though this unnecessarily restricts the topic of social policy to policies actually adopted by government, rather than including also those that might be adopted but are not, and those developed by non-governmental agencies such as the voluntary social services.¹¹ His definition also suffers from the introduction of a philosophical idea, viz. 'welfare', into an otherwise descriptive and pragmatic definition, as though other kinds of policy may not affect welfare.

For a thoroughly pragmatic alternative approach to the definition of social policy that is perfectly consistent with what is argued here Donnison¹² is exemplary. What Donnison winds up with is a list: a list of topics that taken together constitute what he calls a research and teaching agenda in social policy. The list comes from the things about contemporary society in the UK that he considers important to investigate and teach people about. It is *ad hoc*, contemporary and doubtless culture-bound. In short, it is conventional. Most will agree that the topics on his list together amount to the subject matter we commonly consider to add up to the subject matter of social policy. What are they? The social services, of course. The consequences for workers of various kinds of a changing industrial structure. The changing character of contracts of work. The distribution of income and wealth. The distribution of public expenditure. The consequences of changing patterns of urbanization. Consequences of changing patterns in the family. Administrative, legal, economic and political questions concerning all of these (these adjectives are used in their topical rather than their disciplinary senses). Interactions between these various patterns of change, and the social institutions evolved as society attempts – or fails – to cope with them.

Social administration as a topic and a set of disciplines

Social administration, like economics, is to be characterized by topic and discipline. The topic is, of course, social policy currently interpreted as the list of matters cited above. As for discipline, social administration is clearly multi-disciplinary. It centrally uses sociology, history, geography, psychology, economics, statistics, ethics and political philosophy – all viewed as disciplines rather than topics. Depending on what aspect of social policy is being studied it may also draw on epidemiology (for health studies), organization theory (for administrative studies), accountancy (in studying finan-

¹⁰ T. H. Marshall, *Social Policy*, Hutchinson, London, 1967.

¹¹ See the introduction in K. Jones (ed.), *Yearbook of Social Policy in Britain 1973*, Routledge and Kegan Paul, London, 1973.

¹² D. Donnison, 'Social policy since Titmuss', *Journal of Social Policy*, 8 (1979), 145–56.

cial accountability etc.), anthropology (in comparing social customs etc.), law (in studying the legal framework of policy etc.) and so on.

While the multi-disciplinary character of social administration is a necessary feature of teaching departments in universities it by no means follows, of course, that individual social administrators themselves need be experts in multiple disciplines. It is necessary for each to have a lively awareness of, and interest in, the complementary aspects of discipline other than their own, and to be able to work with experts in other disciplines. There may even be a few souls with both the breadth and depth of mind to be able to become competent polymaths – or at least bimaths. But this is not necessary – and for all to attempt the acquisition of multiple disciplinary skills may even be undesirable if multiple skills can be acquired by the average person only at the cost of no great expertise in any one of them. It is therefore not surprising – and not necessarily to be deplored – that most social administrators as individuals have a principal discipline in which they are expert. Of those listed sociology is the discipline most commonly found occupying this principal role.¹³ At the same time, social administration has evolved true multi-disciplinarians: scholars who have sufficient grasp of several disciplines to be able to use them but who know enough of their own technical limitations to know when to collaborate with the specialist in sociology, econometrics, or whatever, as the need arises. There should clearly be room both for those with extensive and those with intensive skills as these relate to the disciplines of social administration.

It is sometimes said that the key to an understanding of the *discipline* of social administration is its empiricism – a fluency, grasp and knowledge of social policies. In particular it is argued that the empirical traditions of social administration give its practitioners special insights into the meaning of poverty, the experience of claiming social benefits, what it is like to be a nurse on a back ward of a mental hospital, what it is like to be stigmatized, and so on. It is hard to see how this could be otherwise. However, such insights into and understanding of the complexities of policy and its impact (or lack of it) upon clients cannot be held to constitute a discipline of social administration – any more than economics, for example, derives its disciplinary status from the fluency, grasp and insight possessed by its applied practitioners as they investigate the workings of, say, industrial

¹³ The reason for this may lie on the 'supply side': the vast expansion in sociology teaching in universities since the war and the limited employment prospects for the better graduates may have led them to offer themselves relatively more frequently than others – including social administration graduates, who came later, were fewer in number, and had considerable employment potential elsewhere. (I am grateful to Brian Abel-Smith for this point).

policy or the balance of payments. These special understandings derive indeed from the empirical traditions of disciplines – but as they are applied to topics. Thus, while the empirical traditions of social administration, like those of workers on any topic, grant them special expertise and insight, they do not bestow disciplinary status. This comes, as argued above, from the theoretical basis used to approach empirical topics or, as argued again above in the case of social administration, multiple theoretical bases.

THE CINDERELLA STATUS OF ECONOMICS AMONG THE DISCIPLINES OF SOCIAL ADMINISTRATION

A claimed expertise in the discipline of economics seems to be relatively rare among social administrators, and it is instructive to explore some reasons why. As may be now be expected, the distinction between economics the topic and economics the discipline can be used as a rubric for organizing some thoughts.

Taking economics as a topic first, it seems that the traditional areas of application of economics have tended to exclude many of the areas we think of as falling within the topic of social administration. This is not true, of course, of unemployment nor, indeed, of much of the labour market. But it was, until relatively recently, certainly true of the social services. Since the inclusion of social policy within the scope of a discipline is merely a matter of conventions about applicability, we can now see clear indications that, whatever was not generally regarded as falling within the scope of economics fifteen or twenty years ago, today the scope is by convention generally regarded as much wider. There is as a result a greater overlap than hitherto between the topics of economics and social administration. However, one can well imagine the frustration of the not inconsiderable number of older academic social administrators who began life as economists and, through frustration at the arbitrary restrictions imposed upon them by the then conventions of economics as a topic, decided that their interests could not be pursued along the channels provided by academic economics departments. In so far, then, as some social administrators may see themselves for this reason as fugitives from the topic of economics, that may help account for cinderella status of that discipline among the disciplines of social administration, for the distinction between topic and discipline is not often made and it is easy to imagine that the faults in the conventions regarding the former attach by association to the latter. In my judgement this throws out the baby with the bathwater, but not everyone has the stomach for pushing out the boundaries of a discipline's conventional topic area. Those who do run the risk of becoming suspect by their mainstream colleagues as they push out into the 'fringes'; they also

run the risk of earning the resentment of those in other disciplines who may feel a property in their conventional topics to be threatened. When one added to this the undoubted fact that prestige in economics has invariably attached to those who contribute most to the theory of the discipline – who are, so to speak, 'disciplinarians'¹⁴ *par excellence* – one had a powerful set of forces which jointly conspired to drive out, or make second-rate citizens of, those for whom application of economic analysis was the major interest and *a fortiori* those for whom its application was most interesting in the topic of social administration.

As indicated, those days are rapidly passing and may, indeed, have already passed. In part the prejudices of academic economists could be justified since for many years it was common for economics to be taught in two separate compartments, one called 'principles' and the other called 'applied economics'. It was striking that the one thing that was rarely applied in the applied parts of undergraduate courses was economic theory. Instead, 'applied economics' tended to be merely institutional and descriptive. This was particularly true for microeconomics. Applied microeconomists tended to regard themselves as practical men of affairs, impatient with theoretical constructions which they believed anyway to be largely inapplicable to any real world problems. It may even be that the empirical traditions of this breed of economist were held by them – as is sometimes held today by social administrators – to define the 'real' discipline of economics. Microeconomic theorists, on the other hand, tended to have a philosophical detachment from the real world with their minds set mainly on the beauty, rigour and elegance of their abstractions. Economists tended to see themselves as either the one or the other kind of economist: neither having enormous respect for the other, but the theoretical people having most of the prestige. It was the great achievement – arguably the greatest achievement – of the revolution in academic economics going by the name 'positive economics' that it effectively ended this artificial rift within the discipline and placed theoretical interpretation of the real world and the empirical testing of theoretical propositions about it at the centre of the stage. Positive economics was thus inevitably instrumental in the widening of economics as a topic and, hence, in making academic economics departments more comfortable places for those wishing to apply the discipline of economics to the topic of social administration. The widening role played by the positivist revolution – and herein lies an irony – also inescapably

¹⁴ Economists, sociologists, etc. are identified by their discipline. The discipline is identified by its theory. Hence theoreticians are 'disciplinarians' – in quotation marks to avoid confusion with the more usual meaning of the word. A social administrator may be a 'disciplinarian' in this sense or a 'multi-disciplinarian'.

involved economists in facing up to the normative issues involved in social and economic policy.

But economics as a discipline also undoubtedly contains within it features that may have contributed to its cinderella status in social administration departments. It is sometimes said that the tightness of economic logic, particularly when in mathematical form, is alien to the kind of mind that is typically drawn to social administration. Perhaps social administration, therefore, has suffered from the same pre-positivist syndrome that existed in economics. If true, it is said, since it implies that the intellectual virtues of logical rigour are not valued in the disciplines of social administration. Moreover, if true, it denies to social administrators a source of philosophical pleasure much prized by economists and others using a rigorous deductive method. This comes from providing what one might call *fundamental enlightenment* (by demonstrating that a set of conclusions can be drawn from premisses apparently having no bearing on them at all: for example, that an apparently patterned and consciously designed social system of exchange is the logical outcome of an unpatterned and unconscious series of individual acts, or that relatively more good quality wine than bad is drunk in England than France is strictly an implication of no more than the proposition that demand curves slope down. The beauty and profound intellectual satisfaction to be had from such analyses should not be denied anyone.

However, there really is no evidence that intellectual rigour of this sort is unvalued by social administrators, though one can well understand that some of those motivated by, say, the vocational aspects of social work feel impatience with these slower, more reflective, and more remote from policy, aspects of intellectual life. It should also be added that, whatever tensions may exist today within social administration, it is doubtful if they are likely to be resolved by positivism.

What may be conjectured to have been more inhibiting to social administrators about the discipline of economics than its rigour are some of its conventional assumptions about human behaviour. There has got around the idea that economic analysis, and hence the discipline of economics, is predicated upon a particularly nasty reductionist conception of 'economic' man: to wit, that he is selfish, calculating, and completely predictable in a machine-like way. There have been some recent attempts¹⁵ at trying to persuade people that this is not the case. Indeed, if it were this author, for one, should have had to cease regarding himself as an economist. The responsibility for allowing this message to get around lies firmly on the shoulders

¹⁵ See A. J. Culyer, *The Political Economy of Social Policy*, Martin Robertson, Oxford, 1980.

of economists themselves, particularly those who write elementary textbooks and do often assume selfishness (quite gratuitously), calculation (quite erroneously) and predictability (on the grounds that uncertainty is a difficult subject best postponed to the third year of undergraduate studies by which time students have forgotten that they used to worry about the monsters they were assuming in their models).

There is also another feature of economics which may have been instrumental in causing its cinderella status in social administration. In his fascinating exploration of the idea of welfare Pinker¹⁶ notes that what he calls the collectivist bias of social administration has been more deeply influenced by socialist than by (neo)classical economic theory. The observation seems correct. But the phenomenon is based upon a misconception: namely that non-Marxian economics, particularly microeconomics, is inherently antipathetic to socialist political philosophy, or is inherently well-disposed towards laissez-faire liberalism. Quite aside from the injustice done to those (many) wielders of neoclassical microeconomic weapons who regard themselves as socialists, social administrators do themselves a great disservice, if such is indeed a widespread belief, by thus discounting the value of a well-developed set of tools of analysis. Moreover, while it is well known that fundamental methodological dispute exists between Marxian economists and macro-neoclassicists, this is much less the case at the micro level. There are, of course, some types of collectivist perspective that would preclude on fundamental grounds the applicability of microeconomics, particularly welfare economics. For example, the view that social welfare is entirely independent of the welfare of the individuals who make up society. But few if any see such a perspective as an inherent part of social administration and it is certainly no part of social administration's Christian-socialist tradition, nor of its Fabian tradition.

The mistaken belief may be seen to arise once again from a confusion of the topic with the discipline of economics. It is broadly true that the topic of economics in western society has focussed upon analysis of markets. But it is also true that as many economists adopting the neoclassical view of the world have been highly critical as have been highly supportive of market structures. This is possible because the discipline of economics contains no inherent predisposition towards socialism or liberalism other than what necessarily flows from taking the individual human being as the fundamental unit of concern – and that only rules out particular species of socialism (and fascism).

As it happens, it appears that the bulk of the work done by social administrators is on topics that are more micro than macro. It is precisely in

¹⁶ R. Pinker, *The Idea of Welfare*, Heinemann, London, 1979.

such areas, as is argued later, that economics is most likely to be useful – and useful to collectivists, socialists, liberals, libertarians, and so on, alike. But it is not *only* in such micro policy concerns either that neoclassical economics has something of great value to offer. Some of the great methodological and philosophical questions of our day concern how it is that we move from perceptions of the welfare of individuals to a perception of the welfare of a group or of society as a whole (the analysis of ‘public choice’). Here there can be no question that neoclassical welfare economics has made enormous strides – strides that are unparalleled in any other disciplines and strides that have no predisposition for or against collectivism.¹⁷

There is another feature of social administration which corresponds neither to its characterization as a topic nor to its characterization as a set of disciplines. It is a feature related to a point made above concerning the empirical traditions of social administration and it is a feature to be, in my judgement, regretted. This is the characteristic which Warham has identified as ‘a primary commitment to the promotion of individual and social welfare through the process of social reform’ (her italics).¹⁸ It is related to what Titmuss termed ‘disinterested servility’ which, if correctly understood, relates to a concern for others – ‘a concern about education rather than training; a concern about the ethics of intervention in the lives of other people; and a lack of concern with academic or professional status’.¹⁹ In a famous remark, made at the inaugural meeting of the Social Administration Association, Titmuss said ‘social administration as a subject is not a messy conglomeration of the technical *ad hoc*. Its primary areas of unifying interest are centred in those social institutions that foster integration and discourage alienation’.²⁰ The first sentence must surely be right. The second, however, cuts across the topics and disciplines of social administration by defining a special attitude towards them – an attitude, moreover, that is richly imbued with value judgements – that characterizes the subject (both as topic and discipline) of social administration.

Part of the reason why social administration got itself into these difficulties over its identity arose, one conjectures, from its origins in the vocational and professional subject of social work, which has been widely criticized (whether rightly is not for present purposes relevant) for its lack of a theoretical base. The articulation of an ideological commitment to welfare,

¹⁷ A superb review for those unfamiliar with this territory is D. C. Mueller, *Public Choice*, Cambridge University Press, London, 1979.

¹⁸ J. Warham, ‘Social administration and sociology’, *Journal of Social Policy*, 2 (1973), 193–207.

¹⁹ J. H. Smith, ‘The human factor in social administration’, *Journal of Social Policy*, 8 (1979), 433–48.

²⁰ R. M. Titmuss, *Commitment to Welfare*, Allen and Unwin, London, 1968, p. 22.

to altruism, to the idea of service to the community, to universality, to the importance of understanding ‘what it is like’ to be poor, discriminated against, and so on, helped to provide a unifying intellectual focus that was (so it has been asserted) otherwise lacking.

But if at one time this kind of idea served a useful purpose in integrating social administrators by giving them a shared vision – one hesitates to use the term paradigm – it seems to be an idea whose day has past. For one thing it always had the danger within it of identifying an academic subject with a particular political philosophy – liberal socialism – which tended inescapably to bring its genuine contributions into disrepute among those not sharing this political viewpoint. For another it tended to exclude from the ranks of social administration those who held different political viewpoints. What the costs of this have been is hard to calculate – but try to imagine modern political philosophy without, say, Locke or Rousseau; or modern economics without Pareto or Marx. The point, of course, is that open discourse within topics and disciplines furthers the advancement of all knowledge. One does not have to be a Paretian or Marxist economist to recognize the importance of the contributions of these great men, and even those who differ in their values from either (or both) of these cannot fail to acknowledge their intellectual indebtedness to both.

But the chief objection to this injection of an idea of ‘commitment to welfare’ is simply that it is an encumbrance if it is taken as part of the definition of the subject of social administration. At any one time there may be a hegemony of values within any subject and if that hegemony is the hegemony of a noble and beautiful idea, so much the better. But it is wholly unnecessary to absorb that hegemony into the definition of the subject. Whatever it may at one time have needed to bind itself together, social administration does not require this encumbrance now. A commitment to the multidisciplinary exploration of the topic of social policy is an eminently worthy and rewarding commitment in itself.

There are, of course, ‘commitments’ within economics, too. Ultimately, there is no escaping the conclusion that the central idea of efficiency, which pervades the whole of neo-classical welfare economics, has a strong value content. But we need to note two things that make this type of commitment different from that which has been held to be the essence of social administration. First, and most obviously, the idea of efficiency has *positivist* uses as well as normative. Economics viewed as a behavioural science can thus use the idea of efficiency (viz. the postulated maximization of a behavioural objective function subject to constraints) in a way that is value free, that is, the test of the ‘acceptability’ or otherwise of the objective function is empirical rather than ethical. Secondly, and more subtly, the

ethical idea of efficiency, as something for which society should strive, is much less politically restrictive than the idea of 'commitment to welfare'. In normative analysis, the welfare function to be maximized is not specified by any preconceptions other than that 'social welfare' is ultimately the welfare of individuals. For example, it may, according to taste, be postulated to be egalitarian or inegalitarian. The constraints subject to which social welfare is to be maximized (for efficiency) may similarly include not only those constraints imposed by nature (e.g. resource constraints) or those imposed by what is believed to characterize what is rational (e.g. transitivity in preference orderings) but may also be constrained by value judgements – for example that the welfare of future generations count for as much (or more, or less) than that of those who are presently alive. Thus, to the extent that value judgements are embodied in (welfare) economics, there is much greater freedom for analysts of policy who use this framework to inject a variety of value judgements according to their taste. It is thereby less exclusive and less divisive, and the community of economic scholars (even neo-classical ones) is not, as a result, defined by any particular political commitment. The one value question that does characterize the neoclassical community is its commitment to the idea of the individual as the basis for all welfare analysis – but this it shares with most of those who consider themselves to be social administrators.

ECONOMICS AS A DISCIPLINE OF SOCIAL ADMINISTRATION

With all this as background, we may now turn to the contribution of economics (the discipline) to social policy. The contribution of the discipline of economics to the topic of social administration and the contribution of the discipline of economics to the other disciplines of social administration are considered first. In so doing it will be argued first that there are some topics in social administration which are almost exclusively proper fields of application of the discipline of economics, second that there are some topics in social administration where the discipline of economics is a necessary but by no means sufficient contributing discipline, and third that in the purely intellectual realm there is a contribution of the discipline of economics that can enrich the contributions of the other disciplines of social administration. Those topics of social administration where the discipline of economics has no, or little, contribution to make will not be considered. As a preliminary, however, it should be emphasized that the three distinctions just made should not be seen as hard and fast independent categories: there is a shading-off between them. The broad distinctions are none the less useful as an organizing principle for discussion. It is also worth noting that the relationships between the discipline of economics

and the topics and other disciplines of social administration is a reciprocal one. Here we shall focus on the contribution of economics to these things, but there can be no doubt there is a reciprocal contribution from them: they also feed back in useful ways upon the discipline and topic of economics. The treatment will be summary and illustrative, though hopefully suggestive. The issues will be explored in much greater detail elsewhere.²¹

Exclusively Proper Topics of Social Administration to the Discipline of Economics

The general character of the topics falling under this head consists of problems arising in the topic of social administration that involve the efficient allocation of scarce resources and/or the modelling of human behaviour individually or in groups, where considerations making the application of other disciplines relevant are not immediately present. Since nearly all problems of social policy ultimately involve the making of ethical judgements, it follows that topics falling under this head are usually rather limited ones whose full consideration will eventually involve the other disciplines of social administration: for example ethics and political philosophy. That accounts for the use of the qualifying adjective 'immediately'. This, of course, is merely to say that there is no ultimate sense in which economics as a discipline is ever really sufficient to resolve a policy problem.

The kind of question that none the less falls fairly unambiguously into this set is illustrated by the following (some studies characteristic of economic answers to the questions are appended in brackets and listed in the footnote).²²

– what are the effects on the supply of labour time of changing marginal rates of income tax? (Godfrey 1975)

²¹ In a paper for the Social Administration Association's meeting in Leeds 1981.

²² L. G. Godfrey, *Theoretical and Empirical Aspects of the Effects of Taxation on the Supply of Labour*, OECD, Paris, 1975; A. B. Atkinson and J. S. Flemming, 'Unemployment, social security and incentives', *Midland Bank Review*, Autumn (1978), 6–16; M. S. Feldstein, 'The welfare loss of excess health insurance', *Journal of Political Economy*, 81 (1973), 251–80; C. M. Lindsay, 'Demand with zero-priced care', in C. M. Lindsay, *National Health Issues: the British Experience*, Roche, New Jersey, 1980; R. G. Evans and H. D. Walker, 'Information theory and the analysis of hospital cost structure', *Canadian Journal of Economics*, 5 (1972), 398–418; A. J. Culyer, J. Wiseman, M. F. Drummond and P. A. West, 'What accounts for the higher costs of teaching hospitals?' *Social and Economic Administration*, 12 (1978), 20–9; P. R. G. Layard and D. W. Verry, 'Cost functions for university teaching and research', *Economic Journal*, 85 (1975), 55–74; M. Jones-Lee, *The Value of Life: an Economic Analysis*, Martin Robertson, London, 1976; J. Le Grand, 'The distribution of public expenditure: the case of health care', *Economica*, 45 (1978), 125–42; M. J. Boskin and M. D. Hurd, 'The effect of social security on early retirement', *Journal of Public Economics*, 10 (1978), 361–78; J. Mincer, 'Unemployment effects of minimum wages', *Journal of Political Economy*, 84 (1976), S87–S104; L. Needleman, 'The comparative economics of improvement and new building', *Urban Studies*, 6 (1969), 196–209.

- what are the effects on labour force participation of changes in the replacement ratio? (Atkinson and Flemming 1978)
- what welfare gains and losses result from changing the coinsurance rate in health insurance programmes? (Feldstein 1973)
- what effect on hospital waiting lists results from changing the number of hospital consultants? (Lindsay 1980)
- what accounts for cost differences in hospitals? (Evans and Walker 1972)
- what costs of medical education are borne by the National Health Service rather than the University Grants Committee? (Culyer *et al.* 1978)
- what increase in public expenditure is associated with changing the numbers of graduate and undergraduate students in universities? (Layard and Verry 1975)
- what value for human life is implied by the choices people actually make concerning risks to their lives? (Jones-Lee 1976)
- what is the incidence of benefits from social service spending? (Le Grand 1978)
- what effect do social security provisions have on early retirement? (Boskin and Hurd 1978)
- to what extent have minimum wage laws caused unemployment? (Mincer 1976)
- is it cheaper to renovate or rebuild council houses? (Needleman 1969).

As the questions addressed by these studies indicate fairly clearly, the questions to which the application of the discipline of economics can give answers – sometimes quantitative, sometimes qualitative – are only partial. They provide necessary pieces of information to inform intelligent social policy-making; they do not provide any ‘final solution’ – the least cost hospital is not necessarily the one that should be built, a replacement ratio in excess of 100 per cent is not necessarily to be avoided.

Topics of social administration where the discipline of economics complements and is complemented by other disciplines

If a characteristic of the first category of social administration topic was that other disciplines may become relevant at another stage (perhaps a higher stage) of analysis (such as whether the value of life revealed in the study mentioned *ought* to be used in social policy decisions involving the saving of lives), it is a characteristic of this second category that there is mutual advantage in the *joint* application of economics and one or more of the other disciplines of social administration. Common (though not necessary) features of such topics are that they concern the measurement and

evaluation of outcomes of policies and that they involve non-market transactions. In the following illustrations some of the other disciplines that may be usefully involved are placed in parentheses:

- what effects on the rate of particular types of criminal activity follow from changing the probability of its being detected and/or the severity of punishment? (economics, psychology, sociology)
- what is health status? (economics, sociology, epidemiology, psychology, psychiatry)
- what effects on population growth follow from more effective birth control methods? (economics, demography, sociology)
- 29 - should education be provided free of charge? (economics, sociology, educational psychology, political philosophy, ethics)
- how should inequality be measured? (economics, political philosophy, statistics)
- why do people choose to become doctors? (economics, psychology, sociology)
- what is poverty? (economics, sociology, political philosophy).

We need not prolong the list. As can be seen, topics of this sort contain many of the great questions of social policy. It is, of course, scarcely surprising that so many of the disciplines of social administration have something to contribute to these burning – and possibly inextinguishable – issues. What economics as a discipline has to contribute alongside the other disciplines are, first, a behavioural model that has proved remarkably robust in prediction; second, a quantitative technique (econometrics) that enables one to incorporate non-economic variables (in the topical sense); third a clear conceptual organizing framework enabling one to make elementary but often elusive distinctions between fact and value, input and outcome, means and ends, and the like; fourth a normative basis for the *partial* appraisal of means and ends, namely that of efficiency. It is, of course, partial in the sense that efficiency is not the only value held by individuals in society, nor does it commit one, as has been argued above, to any specific view about the entities to be placed in an objective function, but it is that value which economics as a discipline is uniquely capable of handling.

Intellectual enrichment of other disciplines

It was remarked above that it is scarcely surprising that the central disciplines of social administration (which are taken to be economics, sociology and political philosophy including ethics) have each evolved analyses of the burning issues of social policy. It is mainly because of this that each discipline can contribute much at the purely intellectual level to the others. Insularity, disciplinary *amours propres*, and academic institutional struc-

tures often militate against the kind of interplay here in mind. There are some intellectual topics where the evidence is overwhelming that such interplay is very productive. They are relatively few, but immensely important. Two illustrative cases of fruitful interplay between disciplines in the realm of ideas concern the idea of 'need' and the idea of 'social justice' (or 'distributive justice').

The concept of need has had a hard time from economists but is clearly a central idea in the intellectual framework associated with the disciplines of social administration. One detects, until the last decade or so, that the idea of need was typically used by social administrators in an ill-defined way that opened analyses employing it to the charge of special pleading. Of late, however, things have improved enormously. The work of Barry,²³ Culyer, Lavers and Williams,²⁴ Bradshaw²⁵ and Davies²⁶ from their various disciplinary viewpoints (respectively, political philosophy, economics, multidisciplinary social administration and, again, economics) has created something of a revolution in the thinking of social administrators (of whatever principal discipline or multiple expertise). There is now a genuine dialogue over substantive issues and some meeting of minds, so that we can now all see more clearly the relationship between 'need' and 'demand',²⁷ 'need' and 'equality',²⁸ the interplay of fact and value in the idea of 'need'²⁹ and one can now handle the idea with some confidence that one will neither be misunderstood nor have suspicion cast upon one's motives for using it.

The idea of 'social justice' as a question of political philosophy has always been fairly penetrated by economics as a discipline by virtue of the common intellectual heritage of utilitarianism. The dialogue between political philosophers and economists on, for example, the social desirability of equality is as old as the discipline of economics and new contributions from the economics wing show no sign of drying up (the most recent strikingly original contribution is by Sen).³⁰ Alongside the utilitarian

²³ B. M. Barry, *Political Argument*, Routledge and Kegan Paul, London, 1965.

²⁴ A. J. Culyer, R. J. Lavers and Alan Williams, 'Social Indicators: health' *Social Trends*, 2 (1971), 31-42.

²⁵ J. Bradshaw, 'A taxonomy of social need' in G. McLachlan (ed.), *Problems and Progress in Medical Care*, 7, Oxford University Press, London, 1972.

²⁶ See A. C. Bebbington and B. P. Davies, 'Territorial need indicators: a new approach' Parts I and II, *Journal of Social Policy*, 9 (1980), 145-68 and 433-62.

²⁷ Alan Williams, 'Need - an economic exegesis', in A. J. Culyer and K. G. Wright (eds), *Economic Aspects of Health Services*, Martin Robertson, Oxford, 1978.

²⁸ A. Weale, *Equality and Social Policy*, Routledge and Kegan Paul, London, 1978.

²⁹ A. J. Culyer, 'Need, values and health status measurement' in A. J. Culyer and K. G. Wright (eds), *Economic Aspects of Health Services*, Martin Robertson, Oxford, 1978.

³⁰ A. K. Sen, 'Planners' preferences: optimality, distribution and social welfare' in J. Margolis and H. Guitton (eds), *Public Economics*, Macmillan, London, 1969. This is set out in a simplified version in A. J. Culyer, *The Political Economy of Social Policy*, *op. cit.* chapter 4.

approach to questions of social justice which has occupied the centre of the stage for decades, two new theories have emerged: Rawls's³¹ development of social contract theory and Nozick's³² development of the Lockean idea of natural rights. The important roles played by economic theories of choice and welfare in the former and economic theories of entitlement in the latter are well known. The theories, indeed, are unimaginable without them. The enormous excitement generated by these new ideas and their rapid incorporation into the intellectual streams of all the disciplines of social administration are evidence enough of the fruitfulness of interdisciplinary penetration.

CONCLUSIONS

I have tried to argue that social administration is a topic and a set of disciplines; that economics as a discipline has an important role to play in the exploration of the topic of social administration; and that economics as a discipline deserves greater prominence among the disciplines comprising the set used in social administration. In summary, I have tried to show that there are important topics within social administration with which economics as a discipline is uniquely equipped to deal; that there are other topics in which economics has an important complementary role to play; and finally that economics has an important role to play at the purely intellectual level at which the disciplines of social administration interact.

Who knows, but this multidisciplinary endeavour may lead in the fullness of time to the emergence of a new discipline of social administration, *sui generis*. Only time, of course, will tell. Meanwhile there is plenty of work for everyone to be getting on with. Social administration is likely to focus most particularly on those topics and ideas where the various disciplines are most frequently complementary. There are two reasons for this. One lies in the paramount practical and philosophical importance of those topics. But the other is that academic departments of social administration provide one of the few examples of an institutionalized commitment to multidisciplinary research and teaching. One can be highly optimistic about the future of social administration - provided that it can hold on to its strengths and eschew its peripheral weaknesses. Economics has a contribution as a discipline in this future of social administration, a contribution whose fruitfulness has been indicated. But it is only one discipline of several. Moreover it is only one of several equals.

³¹ J. Rawls, *A Theory of Justice*, Oxford University Press, Oxford, 1972.

³² R. Nozick, *Anarchy, State and Utopia*, Blackwell, Oxford, 1974.