John B. Davis, *The Theory of the Individual in Economics. Identity and Value*, Routledge, London – New York 2003 ISBN 0-415-20219-1 (hbk) ISBN 0-415-220220-5

In this book, published in the "Advances in social economics series", John Davis, the well-known author of excellent work on Ricardo and Keynes, ventures into theorizing at large. The topic he addresses is the notion of individual, and his project is that of trying to bring two traditions of discourse into interaction. The first is the general philosophical discussion on the modern invention of the individual, on Descartes's cogito and Locke's *tabula rasa*, whose main question is how far the modern idea of the individual is over-determined by contingent and hazardous assumption made by seventeenth-century philosophers and then left unquestioned up to the times of Nietzsche, Peirce, Wittgenstein, and Husserl. The most recent highlights of this tradition are the philosophical best-sellers by Michel Foucault and Charles Taylor. The second tradition is the apparently more sober methodological discussion on individualism (methodological and, by implication, ontological) in economics that has led – in Davis's diagnosis – to a somewhat strange confrontation between orthodox and heterodox economics. The former pays lip-service to a view of the individual as sovereign, really existent and basic, and yet in its actual practice fails to see where the boundaries of such an individual should be fixed, provided that families and firms may act as basic units for mainstream theorizing. On the opposite, unorthodox economics is apparently holistic, and yet – Davis contends – it has more to say about the individual's status and character than the mainstream, since unorthodox economics converges more with that kind of criticism of modern social atomism or individualism that Davis calls *social science critique*, and which contends that the individual is embedded in social relations, than with more drastic criticism such as that of *postmodernist critique*, which announces that the individual is totally an artefact and may only be dissolved into plural and changing identities, in flux and polycentric. In Davis's words

One important conclusion of this book is that neoclassical and mainstream economics, which make the individual central to their analysis, lack an adequate conception of the individual… A second important conclusion of this work is that heterodox economics, which does not generally emphasize the individual, in fact offers elements of an adequate theory of the individual (p. 17).

Chapter 1 is dedicated to "The atomistic individual" and includes the strongholds of Davis's *pars destruens*. The chapter starts with one version of the critique of the modernist conception of the individual, namely Charles Taylor's, and reconstructs something like a drama in four acts: first, the seventeenth-century philosophers disembedded the individual in the form of a Cartesian subject or a Lockean mind from the material and social world; second, Adam Smith, by a metaphor, that is one of those inventions of the imagination that he believed were the staple out of which scientific theories were made, precariously reconciled the disembedded individual with the social system as a Newtonian machine; third, marginalist economics tried to fill the blank clumsily covered by the invisible hand by working out a complex theory of choice based on propensities of human psychology; forth, twentieth-century mainstream economics threw away, one piece after the other, the bath-water of human psychology and finally also the baby, or the individual, leaving just bearers of functions or of strategies as tokens for totally emptied individuals, and occasionally leaving some illegitimate offspring (such as the infamous "representative agent") slowly stewing in the lukewarm bath-water that had been left. The problem with mainstream economics is that on the one hand it defends the individual, on the other it has no criterion or strategy for grounding systematic representation of the individual; the result is that, in effective practice, real individual are left out, and many-person individuals with an unclear status are the only concern left. Strange as it may seem, it is unorthodox economics that has something to contribute to a theory of the individual.

Before coming to Davis's *pars construens*, let me mention that chapters 2-5 work out in greater detail the criticism of the individualist methodological program. Ch. 2, "The atomistic individual", is about the legacy of Locke's individualism in contemporary social theory. Ch. 3, "Reidentification", concerns the abstract conception of the individual as a carrier of choices of mainstream economics. Ch 4, "Individuation", is about multiple-selves theories and their relevance to economics, and it insists on the idea that economics has good reasons for not treating individuals as unities, the longstanding convinction that orthodox economics is primarily about human individuals notwithstanding. Ch. 5, "After the fall" is about contemporary actual *theorizing* on the individual, his rationality and cognitive processes, as exemplified in the work of Arrow, Samuelson, Friedman, Simon, Lucas, as contrasted with the *self-image* of past neoclassical economics, and it claims that such theorizing consists of a "multidimensional, pluralistic endeavour made up of a variety of different and competing currents of thought" (p. 81). The chapter shows how these developments prove that the neoclassical subjectivist program is an unsuccessful project in that it unavoidably tends to a dissolution of the individual.

Chapter 6, "The embedded individual", is the first of the second part of the book, its *pars construens*, and it contains most of what Davis has to propose. The first main idea in the chapter is that of the embedded individual, a conception that has been present in the history of economic thought. This idea is central in the "structure-agent framework" that one may find widely adopted in social theory, as in contributions from institutionalism, social economics, intersubjectivist economics and other trends. The main point of this framework, rejected or ignored by methodological individualists, is that not only is social structure influenced by individuals, but also individuals are in various respects influenced by the social structure. Another main idea is that the socially embedded individual is a reflexive being, that is, that individuals engage in self-referent behaviour, which is one kind of social behaviour, and it is this kind of – empirically testable – behaviour, not free will, agency, or transcendental power to act, postulated arbitrarily and in an ad hoc manner, what provides a basis for claiming that individuals do influence social structure.

Ch. 7, "Individuation", argues that socially embedded individuals can be distinguished and individuated from one another, and that the socially-embedded-individuals views does better than the atomistic view in this respect. Ch. 8, "Reidentification" argues that the same view does better than the atomistic model also in accounting for reidentification of the individual through time.

Ch 9, "Before the Fall" discusses the place of value in economics and defends the classical view of Adam Smith of a world where both a Newtonian set of unintended mechanisms and a sympathetic set of moral standards regulate society and the market adding that individual and social values cannot be eliminated from explanation of the economic world.

The general conclusion of the book is that an unorthodox, non-atomistic and yet not holistic, account is able to carry out the self-assigned task of individualistic liberal mainstream thinking; or that in order to promote the values of individual rights and freedom we need a non individualist and non value-free kind of economic theory. Davis concludes:

The approach that strikes me as more reasonable is to pursue better accounts of the nature of individual life as socially embedded in an effort to preserve the individual as an object of theoretical and moral concern… If the individual is to remain a theoretical and moral center to our world, arguments and efforts to produce that outcome will have to be advanced and promoted. The socially embedded individual conception, it seems, offers one basis on which this might occur (p. 193).

It is a reviewer's putative task that of making at least one criticism. The task may be unpleasant in cases when the reviewer is inclined to share the mood of a book and tends to agree with much of its contents. I will try to do my best *malgré tout*.

A few minor remarks concern authors that have been neglected and yet could have offered something useful to Davis's attempt. The first is Louis Dumont's diagnosis of the specific role played by an individualist and non-hierarchical "representation" of the social world in constituting the modern western civilization and in making room for the economy and for economics as something specific within the framework of such a civilization (See Dumont 1977).

The second concerns the treatment, or better the lack of treatment of Edgeworth in the context of the reconstruction of the evolution of neoclassical thinking on utility (pp. 27-30). I would say that Edgeworth offered the most sophisticated defence of an atomistic and subjectivist view of utility, and that it would make Davis's argument stronger trying to attack its enemies at their strongest points.

The third is lack of treatment of Wicksteed within the context of discussion of altruism and ethics (pp. 31-33). About the latter I would say that he represented the most plausible version of a defence of self-interest in economic life, since it was a defence depurated of any moral apology of selfishness (Wicksteed's well-known thesis of *non-tuism*) and, as for Edgeworth, a discussion in depth of the most sophisticated defence of non-altruism in economics would have helped in making the book stronger.

One more real criticism concerns Davis's main positive proposal, namely, that of studying complex behaviour on the basis of a combination of instrumental and deontological behaviour (p. 192 and 173-180). I would object that number 2 is most of the time a somewhat suspect number and so is it here. Human behaviour is – pace Bentham – *de facto* ruled by more than two sovereigns, and most of the time by a combination of other factors, intermediate between instrumental and deontological reasons. This is a point that has been made by Amartya Sen more than once (see for ex. Sen 1987, I.5). Thus, besides making room for the role of values in accounting for social behaviour, we need perhaps also making room for a number of other factors, that are indeed value-laden but not so strongly as deontological reasons or "altruistic" behaviour, such as semi-social reasons as being true to one's commitments and loyalty to a group, or expressive rationality that is mentioned by Davis himself elsewhere (pp. 123-124).

Another criticism concerns the treatment of Adam Smith. Chapter 6 of the book starts with an epigraph taken from *The Theory of Moral Sentiments*, namely a passage on the nature of sympathy, and at pp. 182-183 Davis argues that Smith's view of the social world partially resolved Locke's dilemma (se also pp. 24-26). Being myself slightly more faithful to the original version of the Enlightenment project than Davis is, I tend to think that Adam Smith (his unresolved conundrums notwithstanding: see Cremaschi 1989) presented a picture of social life that was more balanced than that of most of his followers, Malthus, Ricardo and Mill included. I would thus dare something more than Davis does, namely claiming that the most faithful followers of Adam Smith, the alleged forefather of all economists, are precisely heterodox economists of various descriptions, and that Adam Smith's work is both an attempt at carrying out the project of modernity and a fine display of the hidden tensions of such a project (See Cremaschi 1989; 1998; 2003). The point at stake here is that the most significant authors – and Adam Smith was one – most of the time are not easily reduced to puppets of a play with a fixed script and, while some part of their work fits well in a chain of steps from a set of premises to the unavoidable unhappy end of the final collapse of the program that had been based on such premises, there are other parts of their work where the seeds of alternative developments are embedded at variable depths. In this case, it is true that Adam Smith's commercial society is a *theatre* where the actors play a *role* they did not chose and obey *laws* they did not enact, a theatre where hidden mechanisms work to produce admirable effects – and this is the invisible-hand story (See Cremaschi 2002); but it is also true that the kind of play constantly staged is *tragedy*, since the passions harmonized by the hidden mechanism are some of the worst out of a number of passions included in human psychology. This is not made clear enough to the reader. I would say that Smith does more than providing "an account of competitive behavior loosely linked to an underlying psychology" (p. 21) since the joint between the complex psychology of *The Theory of Moral Sentiments* and the invisible hand pages in *The Wealth of Nations* is the rest of the latter work, that explains why some of the basest affections, greed and ambition, prevail over other tendencies in certain social groups in one kind of society, namely merchants and manufacturers in a commercial and urban society (See Cremaschi 2003). What is left out of the scope of invisible hand mechanisms is the rest of human psychology, with a wide gamut of passions, emotions, imaginative states and sympathetic mechanisms, and this part of human psychology is the space where Adam Smith pins up his hopes for a not too barbarous development of human society. And Adam Smith's individual, when read in most of the *Theory of the Moral Sentiments* and in several parts of *The Wealth of Nations* looks rather like that kind of *thick* and *embedded* self that non-mainstream economics (in Davis's reading) is unavowedly pregnant with. In a word, history is less unidirectional than it looks, mainstream economics has somewhat less deeper roots than most people believe, and Adam was a really universal forefather, a no less legitimate grandfather of Marx, Schmoller, Weber, Veblen, and Polanyi than of most mainstream economists.

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