

**Review of: *Vilfredo Pareto and the Birth of Modern Microeconomics*
Luigino Bruni, Elgar, 2002**

by: Philip Mirowski, University of Notre Dame

Many people, including the author of this book, are justified in their conviction that Vilfredo Pareto has not been the most fortunate of authors in his expositors or critics. First, there is the engineer-turned-economist engaged in projecting physics onto the market; and this requires a familiarity with 19th century mechanics which cannot be acquired simply by prior training in modern physics. And then there is the advocate of neoclassicism in a period when it had not stabilized into any consensus model; the most common error in reading Pareto is the conviction that he must accept what *we* mean by utility, or demand, or production. Further, there is the ‘sociologist’, the inventor of the ambitious attempt in the *Trattato di Sociologia Generale* to regiment all of social science into submission to his own perspective rooted in a late-19th notion of science and politics, including some highly idiosyncratic notions about ‘psychology’. Finally there is the barely repressed philosopher, the interlocutor of Italian positivism and the opponent of Bernadetto Croce. When the revival of non-Marshallian neoclassical project began in the 1930s, its protagonists at first championed Pareto, only to actually read him, and then begin to backpedal furiously, realizing that he did not actually endorse their own positions concerning ‘ordinalism’, the empirical consequences of the theory, the subordinate role of production functions, and indeed much else. And when conservative anti-New Deal movements began to recruit Pareto to their own cynical version of the meaning of socialism in modern politics, as in the Harvard Pareto Circle, they also had to reposition their stance once they became aware of the uses made of the doctrines by Fascist politicians. Pareto’s vast *Oeuvres* are not only weighty, but also highly charged, frequently inducing a shock in those who pick them up in a careless fashion.

I wish I could report that this book provides the historically-sensitive synthesis of all the competencies and perspectives that would be required to really understand Pareto in all his multifarious complexity, but I am unable to do so. Following the above outline, it would appear that Professor Bruni does not aspire to the level of competence in the history of physics of commentators such as Franco Donzelli, and indeed commits some errors in that regard (pp.26, 97). I quite agree with the author that Pareto ultimately failed in his quest to construct a scientific economics and sociology on the model of the natural sciences (p.137), but it is impossible to make that case cogently in the absence of serious consideration of contemporary physical models. But there is also the problem that the author writes excessively vaguely about the technical economics espoused by Pareto, and therefore fails to shed light on the reactions of other neoclassicals to his doctrines. For instance, Chapter 5 notes that Edgeworth in particular disputed Pareto’s models of international exchange and income distribution on technical grounds, but fails to explicate those criticisms, dismissing Edgeworth (perhaps the most sophisticated mathematician of the first two generations of neoclassicals) as misunderstanding general equilibrium theory. Technical aspects of ordinal utility, complementarity, opposition to Marshallian doctrines, Pareto’s general theory of transformations, the eponymous ‘optimum’, and much else are left so opaque as to belie the promise of the book’s title. When it comes to Pareto the sociologist, Bruni (as with economists in general) seems incorrigibly uninterested in the actual doctrines and texts, not even bothering to cite the most significant of modern commentators on the sociological dimension such as Joseph Lopreato and Alan Sica. Perhaps

becoming embroiled in Pareto's 52 varieties of 'sentiments' threatened to reveal just how idiosyncratic Pareto's social theory had become in his old age.

If there is one aspect of Pareto which is favored by the present author, it is the rather neglected side of Pareto as explicit philosopher. But here the book also exhibits worrying flaws. For instance, an entire chapter (2) is devoted to the obscure philosopher Giovanni Vailati. The effort devoted to Vailati is more than a little disconcerting for the reader, for as the author admits, although the two had engaged in scattered correspondence, Pareto never cited Vailati, and more to the point, Bruni posits a "missing dialogue" (p.47) between the two over issues of utility and value. I was left nonplussed as to the significance of this dog that didn't bark. Chapter 3 deals with a more substantial exchange between Pareto and Croce, but curiously ends up illuminating Croce's positions more than those of Pareto. Pareto's own philosophical position remains almost incomprehensible in Bruni's account, setting out from an ill-defined positivism seemingly hostile to metaphysics, yet full of qualifications regarding the constraints of 'reality', psychology and much else, which Bruni attempts to rectify through the imposition of a strained Millian interpretation. I found the latter hermeneutic move both implausible and strangely anachronistic; this impression was not dispelled by another version of the argument presented in a joint article with Francisco Guala in *HOPE* 2001. If we are to judge a philosophical reading by the extent to which it helps rationalize the diverse writings of an important thinker, then this book leaves us hungry for more.

It is one of the ironies of modern economics that the 'Pareto criterion' is treated as the *ne plus ultra* of modern science, while the actual arguments of Pareto are actively repressed. We need a work which would address this neurosis through a well-structured exposition of his thought in all its historical specificity, written in such a fashion that it could speak to the modern economist.