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DISPUTED (DISCIPLINARY) BOUNDARIES. PHILOSOPHY, ECONOMICS AND VALUE JUDGMENTS

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**DISPUTED (DISCIPLINARY) BOUNDARIES.
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Paolo Silvestri¹

Abstract

The paper aims to address the following two questions: what kind of discourse is that which attempt to found or defend the autonomy or the boundaries of a discipline? Why do such discourses tend to turn into normative, dogmatic-excommunicating discourses between disciplines, schools or scholars? I will argue that an adequate answer may be found if we conceive disciplines as dogmatics, where such discourses often take the form of a discourse on the foundation of a discipline, a foundation in the name of which the scholar speaks and with which he/she entertains an identity relationship. To this purpose I will re-examine the methodological discourses of (and debates between) Pareto, Croce and Einaudi on the demarcation issue between philosophy, economics and value-judgments as highly instructive to understand such issues.

Keywords: philosophy, economics, value-judgments, realism, nominalism, economist's discourse, dogmatics, disciplinary boundaries

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o. Introduction

The present paper aims to address the following two questions: what kind of discourse is that which attempt to found or defend the autonomy or the boundaries of a discipline? Why such discourses, regardless of whether they are methodological or on the object of a discipline, sometimes tend to turn into normative, dogmatic-excommunicating discourses between disciplines, schools or scholars? I will argue that an adequate answer may be found if we conceive disciplines (or knowledges) as dogmatics or dogmatic systems, where methodological debates often take the form of a discourse on the foundation of a discipline, a foundation in the name of which the scholar speaks and with which he/she entertains an identity relationship. To this purpose I will re-examine the methodological discourses of (and debates between) Pareto, Croce and Einaudi – with specific reference to the demarcation issue between philosophy, economics and value-judgments – as highly instructive to understand such issues.

Notwithstanding the great differences between such scholars, I will analyze their respective positions and debates by focusing on that which I consider a common problem faced, implicitly or explicitly, by all of them: a kind of ‘demarcation problem’, though understood from different perspectives and often developed with opposite outcomes: the demarcation between Philosophy and Economics (mainly in Croce’s perspective), (economic) Science and pseudo-sciences (mainly in Pareto’s perspective), and economic science and value-judgments (mainly in Einaudi’s perspective).

The paper, in this regard, is written both as an essay in the history of philosophical and economic ideas – with the aim to cast new light on these disciplinary-methodological debates and their relevance¹ – and as an attempt to re-read them by focusing not so much on their contents but on the structure, purposes and effects of these discourses in their attempt to found, demarcate and/or defend the boundary of a discipline².

I will first provide the reader with the interpretative framework – Institutions and disciplines as dogmatics, and the scholar’s discourse (§1) – through which I will try to re-read such discourses.

I will then focus on the main methodological issues of the Croce-Pareto debate (§2). Moving from the acquisitions of the *Methodenstreit*, and while touching various issues –

theory of action, use of mathematics in economics, abstraction and isolation procedures, the nature of the foundational assumptions –, the debate arises from the outset as a reflection on the “principle” or foundation of economic science. Nevertheless, as a result of mutual accusations of “metaphysical”, and with a crescendo of mutual misunderstandings, the debate came to a halt on the threshold of a crucial issue: the dichotomy Nominalism *versus* Realism (§ 2.1). Later, the paths of the philosopher and the economist parted. Croce, re-reading the empiriocriticism and pragmatism, tried to go beyond this dichotomy by formulating the theory of pseudo-concepts or fictional concepts, aiming to formalize and understand the abstractions of science, the distinction between fiction and reality, name and truth, and to avoid any metaphysical hypostatization of the empirical. However, this ended up with the definitive interruption of the communication routes between Economics and Philosophy (§ 2.2), but also between economists and philosophers. Pareto, on the other hand, many years later and in a different context – the criticism of “literary economists” – seemed to want to resume his professed nominalism, or rather push it to the extreme by claiming a radical thesis: “things are everything, and names nothing”.

I will then show how this debate can be interpreted in terms of a (§ 3) clash between (different) discourses on (the same) fictional foundation – namely, Croce’s “Economic principle” (§ 3.1), and Pareto’s “Pure Economics” (§ 3.2) – and show why both such discourses realizes, contrary to the intentions of their authors, a kind of exchange of fiction with ‘reality’, of name with ‘things’ (§ 4).

After the Croce-Pareto debate, only Einaudi tried to come back to some of its unsettled issues, spurred by both the debate with his pupil Fasiani, become Paretian, and the debate with Croce, on Liberism and Liberalism. These debates led Einaudi to write his most engaging methodological essay, *On Abstract and Historical Hypotheses and on Value-judgments in Economic Sciences*³, and then to rewrite it, in an unpublished rewriting whose meaning is still today to be assessed. In conclusion (§ 5) I will show as parts of this rewriting – with specific reference to Einaudi’s reflection on the distinction between economist *qua* economist and the economist as a whole man – may be interpreted as an attempt to go beyond the abovementioned demarcations between Philosophy and Economics, and Economic science and value-judgments, by explicitly admitting the discursive (and, therefore, always ambiguous) nature, not only of Economics or Philosophy but also of the very discourse on method.

1. An interpretative framework: institutions and disciplines as dogmatics, and the scholar's discourse

To begin with, let me introduce the interpretative framework through which I will attempt to answer the leading issues of this paper and re-read the methodological discourses by Croce, Pareto and Einaudi.

I am referring here to the possibility, sketched elsewhere⁴, of understanding *institutions as knowledges* and *knowledges as institutions* in terms of dogmatics (or also: dogmatic structures or dogmatic systems), being both, and at the same time, instituted and instituting processes, which claim a form of legitimacy and credibility through a specific kind of discourses on the foundation held by its interpreters or scholars⁵. Such discourses often end up in revealing that the legitimacy issue of a knowledge/discipline implies also, at least to some extent, an issue of legitimacy of its scholar (or community of scholars) and, therefore, of the identity of the scholar *qua* scholar.

To our purposes it will be sufficient to recall the analogy I have established between Einaudi's two notions of "dogma" and Pierre Legendre's "dogmatic anthropology".

The first notion of dogma used by Einaudi, arising from a critical reassessment of the tradition of European and Italian political thought in the late nineteenth and early twentieth century, considers "dogmas" – such as legal-political formulas, myths, oaths, images, rituals, ceremonials, symbols etc. – as the ultimate foundation of the legitimacy of juridical-political institutions and the source of normativity. A common example is the dogma of Sovereignty, an enduring construct of the legal dogmatics (Einaudi [1918] 1920). Einaudi's latest reflection on "juridical-political dogmas" aimed to reinterpret them as forces of social cohesion, "*affective* states of mind" (or the unconscious or affective side of institutions) that constitute "the basis of legitimacy" (Einaudi [1946] 2001), but without relegating them, in the name of a claimed superiority of scientific rationality, to the sphere of the irrational (as claimed by Mosca and Pareto's élites theories)⁶.

The second notion of dogma was taken over by the Einaudi-Michels debate "On the method to write the history of economic *dogma*". Einaudi adopted the technical concept of "legal dogmatics" in order to specify the epistemological sense of the abstract and ideal-typical constructs of Economic science

I use the word ‘dogma’ deliberately in order to tease those who, whenever they hear the word ‘dogma’, immediately imagine that the subject being dealt with is a “revealed” truth, assumed as an act of faith, and they presume that economists are some sort of believers in a word, who are determined to impose it on others with the fire and sword of intellectual excommunication for the heretics. [...] Dogma has nothing to do with all this; and it’s high time this word was admitted, as has long been done quite uncontroversially by scholars of law, as meaning the logical framework on the basis of which the concepts used by economists in the attempt to build up a science are provisionally and successively set in a specific order (Einaudi 1932, 214)⁷.

Indeed, by presenting the Economics as a purely “logical”, neutral (or value-free or ideologically-free) construct made up of “concepts”, Einaudi was deliberately trying to excommunicate from (or keep outside the boundaries of) the kingdom of Economics a particular kind of heretics: both the scholars who were depicting Economics (and economists) as ideologically biased or with some kind of ideology at its roots, and the corporatist economists aiming at bending Economics to fascist’s ideology.

Having recalled Einaudi’s two notions of dogma is here important not only because we will return on Einaudi’s methodological discourse in the conclusion, but also because his greatness as man and economist is to be found in his capacity of crossing the disciplinary boundaries, keeping together Moral philosophy, History and Economics (Forte, Marchionatti 2012, 620), but also legal and political thought, well aware that such boundaries are merely conventional. Last but not least, Einaudi had a clear awareness of the discursive nature of Economics and of the economist as “preacher”⁸, in virtue of his position in the public sphere as a journalist-economist, *chierico* or intellectual addressing his discourses to governors and the lay public. Though, in fact, he abandoned the historiographical-methodological criterion of the legal-dogmatics as a criterion to write the history of economic ideas, he never ceased to conceive Economics in analogy to a legal-dogmatic construct, which is inseparable from a certain degree of “*buono e bello ragionare*” [“good and fine argument”], with the further and later *explicitly confessed* awareness that this conception of Economics may be deployed as a rhetoric devise, or a dogmatic-excommunicating strategy in defence of the boundaries of Economics, as he did in the fascist era:

I speak with the knowledge that in no other neighbouring field [to Economics], except perhaps in that of private law of the Roman tradition, the sinners who violates the sacred rules of good and fine argument, will inexorably have the anathema pronounced against him [...] the heretics will not enter the temple and the priests will continue to construct subtle and

rarified theories. Better than if this were their declared purpose, they will thus serve the good of mankind (Einaudi [1950] 1955, 25).

The two sides of “dogma”, present in Einaudian writings, can be re-interpreted through the perspective of “dogmatic anthropology” developed by the historian of law Pierre Legendre (2000, 2005, 2006)⁹. In this perspective the human being is a *homo symbolicus* or a symbolic-metaphysical animal, caught in the web of institutions, where institutions have the anthropological function of instituting us as rational beings by forging a connection between our biological and symbolic dimensions.

Here ‘institutions’ have to be taken in their anthropologically more authentic meaning of *instituting*, in the strict sense of *instituere* [establishing (*statuere*) inside (*in-*)] but also of founding and educating. Such a meaning implies that we can understand legal-political-economic institutions as well as knowledges and sciences as *instituted* and *instituting*, working in the same way as language (Ricoeur 1975).

Legendre’s “dogmatic anthropology” and the articulation between dogma and dogmatics (or dogmatic system) can then be explained as follows. While “A dogmatic system is a system of interpretations” and it is “defined socially as a multi-plane organization of loci of interpreters”; “dogma” is variously defined as the locus of the ‘Founding Reference’ or the locus of the fictional Thirdness, the Mirror, or of the foundational “in the name of”: in other words, it is that Reference in the name of which its interpreters make assertions, whether they be popes, emperors, men holding power in government, scholars of law, economists or scientists (Legendre 2006, 70, 353, 344), according to the specific historical Reference (or References) dominating in a certain society or epoch. In Legendre’s words:

all the political habitats of mankind rest on the same base: the mise-en-scène of the Social Third, or otherwise stated, of a mythic founding entity, having the status of the founding Image, capable of producing [...] the institutional power of attraction. The two complementary sides of this power of attraction can easily be recognized everywhere: on the one hand the power to arouse political love, on the other the power to produce the legal effect (Legendre 2000).

As the ultimate foundation of a dogmatics, the dogma is, in short, the place of our founding beliefs: of the individual, of society, but also of the branches of knowledge. It’s worth noting that, in this regard, dogmatics or a dogmatic system does not (necessarily) imply a form of dogmatism, even though it can (always) turn into it, depending on our relation with such founding beliefs, which is an identity relationships, which, in turn,

may range from a form of dogmatism or idolatry to a complete detachment or even abandonment.

In this broader perspective, institutions (as knowledges) and knowledges (as institutions), works as *mirrors* of (individual and collective) *identity*¹⁰, endowed with a normative structure that is much more profoundly rooted in complex and ambivalent feelings than in instrumental or scientific rationality.

To explain this point, without recurring to the Lacanian background of Legendre and his reference to the devise of Mirror, let's take the common claim according to which the scientist is depicted as unpassionate or detached, in the sense that he does not entertain any emotional relationship with the knowledge, models or the object of his own research¹¹. Indeed, the scholar may also be completely detached from and indifferent to models he deploys in his research, but he cannot completely avoid to be personally involved with his own discipline as a whole (in Weberian terms it is the scientist's *beruf* or vocation). This kind of personal involvement is particularly evident, as we shall see later, when a scholar feels the need of defending his own discipline (or even his own thesis or argument), from an attack or critique coming from another scholar. Indeed, only persons may need to be defended, not disciplines, which are not persons. If scholar were completely indifferent to his discipline, there would be no need to defend it.

Let's have a look now to how this framework can help us to re-read the methodological discourses by (and debates between) Croce, Pareto and Einaudi.

2. The main methodological issues of the Croce-Pareto debate

The debate between Croce and Pareto, sparked by the discussion on the 'economic principle' (Croce [1900] 1953, [1901] 1953; Pareto [1900] 1953, [1901] 1953), constituted a veritable watershed in the history and methodology of economic thought and social sciences in Italy, as Einaudi ([1950] 1955) was to recall in an essay conceived to be a sort of final balance of the history of Italian Economic thought.

Starting out from an examination of the "economic principle", the two contestants addressed some of the foundations of economic science: the problem of value, the theory of action and choice, the use of mathematics in economics, the nature of foundational hypotheses. Nevertheless, the most tricky methodological question, which severely curtailed the Croce-Pareto debate and resulted in the sharpest disputes, was the

opposition between Realism and Nominalism¹². Let us take a look at an outline of its major aspects.

2.1. Realism and Nominalism

Croce's attempt to found the "Economic principle" as an autonomous basis for any study of the economic action¹³ reached a first fundamental conclusion through a process of purification of the human action from any moral consideration¹⁴:

in the concrete every action (volition) of man is either moral or immoral, since no actions are morally indifferent. But both the moral and the immoral are economic actions; which means that the economic action, taken *per se*, is neither moral nor immoral. Strength of character, for example, is found both in the honest man and in the cheat. [...] this then [is the definition of Economic] which I should like to see at the beginning of every economic treatise: THE DATA OF ECONOMICS ARE THE PRACTICAL ACTIVITIES OF MAN IN SO FAR AS THEY ARE CONSIDERED *PER SE*, INDIPENDEND OF ANY MORAL OR IMMORAL DETERMINATION (Croce [1900] 1953, 178 (capital letters in the text)).

In his first reply, *On the economic phenomenon*, Pareto accepts this definition but points out that such definition is born from a "partition of the concrete fact", obtained through a process of *isolation* and *abstraction*, which implies "cutting a slice" of a concrete phenomenon: this is the same procedure that Pareto intends to follow in the construction of "Pure Economics" (Pareto [1900] 1953, 180).

Nevertheless, Pareto does not fail to notice a small difference between his approach and that of Croce, a difference that now seems just a "misunderstanding" and that later will be crucial:

my words purport only to show where I make that arbitrary cut and you consider them as if they had the purpose of investigating what the economic phenomenon is. Now I do not believe that there is objectively an economic phenomenon and therefore it seems a waste of time to investigate what it may be (Pareto [1900] 1953, 194).

Croce, in the second and following letter, soon noticed that their "disagreement" has "two chief sources": a "disagreement on a question of *method* and a disagreement on a question of *postulates* [presupposti]" (Croce [1901] 1953, 197).

As to the issue of *method*, Croce writes:

You [Pareto] talk of cutting away a slice from a concrete phenomenon, and examining this by itself; but I enquire how you manage to cut away that slice? [...] your cutting-off of the slice is indeed an answer to the problem of the *quid* in which an economic fact consists. You assume the existence of a test to distinguish what you take for the subject of your exposition from what you leave aside. But the test or guiding concept must be supplied by the very nature of the thing in question, and must be in conformity with it (Croce [1901] 1953: 197).

As to the issue of *presuppositions*, Croce accused Pareto of trying to found economic science by introducing an implicit “metaphysical” presupposition which held that “the facts of man’s activity are of the same nature as physical facts” (Croce, [1901] 1953, 198).

In this regard, it might be worth noting, that Croce, well before the beginning of the debate with Pareto, was moving within the great methodological divide of his time: that between human sciences and natural sciences, fearing that the understanding of human action into the framework of natural sciences, in which Pareto himself was trying to set up Economics, would have reduced the human to an automaton and human freedom to deterministic or mechanistic conceptions.

Pareto, for his part, returned the charge to its sender and made it clear that their divergences concerning the manner of establishing the autonomy, boundaries or “limits of a science” were to be “traced back to that famous clash between the nominalists and the realists”.

I am the most nominalist of nominalists. For me the only objective cases are concrete cases. Their classifications are man-made and are, therefore, arbitrary, unless we establish – always arbitrarily – the ends of a classification. In this case the letter can be deduced logically from those ends [...] No science has ever been able to give a precise definition (as you would say a definition issuing “from the very nature of the thing” [...] (a nature which I, as an empirical nominalist, admit I do not know). (Pareto [1901] 1953, 203).

Pareto’s contention was that while Croce’s quest for the “economic principle” was a search for the *essence* or “*nature*” of economic facts, economic science starts out from merely fictional “hypotheses” like “*As If*” (Pareto [1901] 1953, 205).

This notwithstanding, there was one question that was still open and which, in the course of their discussions, remained unresolved, namely the link between hypotheses and ‘reality’, together with the related issue of how the reality of empirical facts should be construed. This question was all the more pressing as both Croce and Pareto claimed to concern themselves only with facts, especially since the hypotheses continued to *refer*

to this reality. Was the reality they had in mind that which belongs merely to the empirical sphere or was the Real taken as *founded* and *true* reality?

After Pareto's second and last letter, the debate between the philosopher and the economist seemed to be closed forever.

Indeed, Croce took Pareto's accusations of (metaphysical) realism seriously and the issue nominalism Vs realism became the subject of his following researches in Logic. Comparing his own positions with the epistemology of empiricocriticism, pragmatism and conventionalism (Mach, Poincarè, Avenarius, Rickert, Bergson, Le Roy), Croce developed the theory of *pseudoconcepts* and of their *non cognitive* but, rather, *practical-economic* character.

It is worth noting, however, that in developing this doctrine he was effectively seeking to go beyond the opposition between nominalism and realism. Hence the fundamental issue raised by Croce: empiricism and the "theorists of fictions" overlooked the need to answer the question of "whether their theory of concepts as fictions might not itself be a *fiction*" (Croce [1907] 1964, 11). Empiricism, Croce pointed out, was not capable of giving an account of itself. And every time it attempted to do so, or tried to *justify itself*, it falls back into a foundationalist line of reasoning, thereby bringing about, often unconsciously, a sort of self-transcendence of the empirical, by virtue of which the contingent becomes transformed into the necessary, the empirical into the absolute. In contrast, what Croce was endeavoring to achieve was to give an account of fiction and of the *name*, while avoiding the consequence of making the name coincide with truth. In other words, he sought to avoid asserting that very truth which traditional nominalism was continuing, despite everything, to 'preach': the universal *is* name, nominalism claimed, but the essence of the name was nevertheless predicated in the name of that which is true. Nominalism and realism remained two metaphysical systems, inverted and in a relation of *reciprocal exclusion*.

The crucial point of Croce's argument resides in his aim of avoiding any form of hypostatization or entification of the empirical. In order for the empirical to continue to be coherent with itself, it must continue to be empirical. And this meant, as Croce constantly repeated, that one must not mistake one thing for another: the name for that which is true, the contingent for the necessary, fiction for reality. These are the pairs that define the macro-distinction between *Science* and *Philosophy*.

From this line of argument there follows the fundamental distinction between pseudoconcept and pure concept. The pseudoconcept is not truth but imitation of the truth or concept. The doctrine of the pure concept is, for Croce, *realism*; in the sense that it is founded (= true) reality. But it is a doctrine that does not deny nominalism, inasmuch as the name, the fiction, the *étiquettes* and the *symboles*, belong – precisely because they are useful – to the category of the *Useful* and not to that of the *True* (in other words, two of the four categories of the *Philosophy of the Spirit*, corresponding to Economics and Logic).

2.2. *Philosophy and Economic Science*

Croce had put forward these positions in an article, *Economia filosofica ed economia naturalistica* [*Philosophic economics and naturalistic economics*] (1906)¹⁵, devoted to a critical examination of Pareto's *Manual* (1906)¹⁶. He subsequently systematized them in *Logica* (1907) [Logic] and in *Filosofia della pratica. Economia ed etica* (1909) [The Philosophy of the Practical. Economics and Ethics], by means of the distinction between Philosophy and Economic Science.

In *Economia filosofica ed economia naturalistica* Croce expressed appreciation both of the gradual liberation of economic studies from the “burden of all the questions of a practical or political character”, and also of the resulting “*theoretical or scientific*” character of economic science. In this regard, Croce praised Pareto for his ability to keep science and social programs distinct, and for his “firm but equally righteous proposal to repress and regulate his own *feelings* as a combative writer on political affairs, sacrificing sentiment to the severity of science every time that a scientific, and not political, inspiration lay at the root of his hypothesis” (Croce [1906] 1961, 265). At the same time, however, Croce criticized Pareto for the first two chapters of the *Manual* that contained a “bad philosophy” and a form of empiricism that was dogmatic and at times naïve (Ivi, 267).

In Croce's view, Philosophy and Economic Science can be distinguished on the basis of the “different manner of treatment” (Ivi, 266), in reference, respectively, to the True and the Useful, where the *schemata*, laws and models of economic science are of the pseudoconceptual order and can thus be regarded as having the function not of

acquiring knowledge but of creating an order in the world for practical and operative purposes.

While one may state that Economics [i.e. economic *science*] does not give either the universal truth of Philosophy or the particular truth of History, it is nevertheless the case that Philosophy and History, for their part, are unable to carry out the smallest calculation; while Economics has no eye for the truth, Philosophy and History have no weapons to smash and dominate the surging wave of facts [...]. And we see now in Economics a tendency, which cannot but be sound, to constitute itself as pure Economics, that is to say, free from practical questions, the latter likewise being historical questions (Croce [1909] 1945, 256).

And as he added a few pages later:

accordingly, as far as concerns the interaction between the Philosophy of Economics, delineated above, and Economic Science or Calculation, whose nature we have defined, there is no disagreement, nor can there be between two formations that are altogether *heterogeneous*, one of which moves within the categories of truth, while the other operates outside of these, guided by intentions of a practical order (Ivi, 261).

Though there is an evident contradiction in depicting Economic Science as “free from practical questions” and, at the same time, “guided by intentions of a practical order”, the distinction between Philosophy and Economic Science would eventually be fixed by Croce in a negative perspective as well, criticizing the “confusions between economic science and the philosophy of economics”, and the “mistakes deriving therefrom”. The three most common errors springing from this confusion were, he argued:

1) Ending up by “denying philosophy for economics”. This was the approach adopted by economists who “mock” philosophy as “empty prattle” and who

even seek to destroy and replace the methods of empirical observation and of mathematical construction, and who, as they attempt to carry out this deed, go so far as to parade (however much they may protest the contrary) a particular and poorly self-aware empiricist and mathematical philosophy of theirs.

These economists Croce famously demolished with the verdict or injunction: “save yourselves the trouble of philosophizing. Calculate and don’t bother to think!” – and, at the same time, admonishing philosophers with an equal and opposite injunction;

2) Awarding “universal value to empirical concepts”, such as the conceptions of “liberism” that elevate the latter to a “law of nature”, or those that hypostatize “historical and contingent facts”;

3) Transforming “the fictions of calculation into reality” (Ivi, pp. 262-65).

Now, it is precisely this injunction by Croce that is conventionally held, in Italy, to mark the breakdown of the communication routes between philosophy on the one hand, and economics (and social sciences) on the other, and, at the same time, between philosophers and economists.

The crucial question then become: what is the foundation of that injunction? Or, rather, in the name of what does such an injunction establish a boundary between philosophy and economics, which, in turn, establish a reciprocal *exclusion* between philosophers and economists?

3. The clash between (different) discourses on (the same) fictional foundation

I would now like to show how and why, against the background of the introductory framework (§ 1.1), and beyond the huge differences between Pareto and Croce, they were carrying out a same *discourse on the principle*, to such an extent that their debate can also be read as a fight for the *legitimacy* of their respective founding *references* (*Philosophy* and *Economic Science*). However, while Pareto’s principle could be ‘founded’ only through a *fictional hypothesis*, Croce continued to think that the economic principle could be caught in itself and *per se*.

3.1. Croce’s foundation of “economic principle”

We should now go back to the moment when the philosopher founds the economic and wonder if he really succeeds in this attempt of foundation. Let’s take again Croce’s definition of the “economic principle”: “in the *concrete* every action (volition) of man is either moral or immoral, since no actions are morally indifferent. But both the moral and the immoral are economic actions; which means that the economic action, taken *per se*, is neither moral nor immoral”. Therefore, economic action must be considered “as a practical action, as it is, by *abstraction*, emptied of all moral or immoral contents”.

Hence the definition of Economic that Croce “should like to see at the beginning [*capo*: head] of every economic treatise: THE DATA OF ECONOMICS ARE THE PRACTICAL ACTIVITIES OF MAN IN SO FAR AS THEY ARE CONSIDERED *PER SE*, INDIPENDEND OF ANY MORAL OR IMMORAL DETERMINATION” (Croce [1900] 1953, 178).

In these passages we find one of the persistent ambiguity of Croce’s Economic, encapsulated in the polarity expressed by the two phrases “in concrete” and “taken *per se*”. One of two things: either “in the *concrete* every action (volition) of man is either moral or immoral, since no actions are morally indifferent”, and then the economic action cannot but be, in the concrete, moral, but in this case one loses the distinctiveness of economic from morality; or, if one must consider economic action “taken *per se*”, then the Economic is inevitably *abstract*; but Croce cannot account for an abstract thus conceived, especially if, in opposition to any intellectualism or abstract rationalism, he sought to establish the *Reality* of the Spirit on the category of Economic, which, considered as an abstract, turn out to be a *pseudoconcept*. This would imply to acknowledge that the entire Spirit is a pseudoconcept, an abstraction or a fiction (taken in the negative sense attributed to fictions by Croce himself).

What’s more, we might even ask if Croce really succeeds to think of an Economic in the “abstract” or “taken *per se*”. The abstract, if it is abstract, is *ex-tract* from something *else*, and therefore it is in relation with this ‘else’. The abstract, then, to the extent that implies such relation, cannot even be considered, as Croce says, as a “taken *per se*”, as if the *per se* were a pure identity. Indeed, if the *per se* is a pure identity, a pure *unrelated*, it is such only *in words and through words* (and so it seems from Croce’s words). A pure unrelated does not exist. As soon as we think an object, we put it immediately in connection with itself – as evidenced by the *per* [for] of the ‘per se’ –, as well as with the thought that has thought it (Visentin 2005, 71). The claim to found the *auto-nomy* of the category of Utile [Economic], or even the *auto-nomy* of a discipline, is, at least in this sense, a claim doomed to fail.

To come back to the issue of fictional foundation of Croce’s discourse, we should now ask why Croce, by founding the Economic, says that he would like to see that definition right at the “head of the Treaties of Economics”. Note that the *head* of the Treaties, that is, the *principle* of treatment, is itself a metaphor that speaks of the beginning, and that among other things cannot avoid the task of *introducing* the reader into the treatment or the Treatise. And we note also the fictional, aesthetical or

rhetorical-communicative strategy inherent in the use of capital letters to emphasize just that principle or beginning.

The issue is: who has the right to talk about or, rather, *in the name of* that principle? To understand this last point, let's come back again on the Crocean distinction between Philosophy and Economics.

Apparently, Croce's goal is to reach a truce in the methodological conflict with Pareto – and, in general, with natural and social sciences – in stating that philosophical Economics and naturalistic Economics, “*although armed against each other, will not have to go to war against each other, sufficing to each one to jealously watch their borders*” (Croce, [1906] 1961, 267 (italics mine)).

But the truce is, in fact, only apparent. For, as Croce adds, “Pareto falls into the error – which is common to all naturalists and phenomenists and mathematicians – to deny *the right of that [philosophical] treatment*”. Moreover, they contradict themselves because, “after *excluding* philosophy from their purposes, they introduce, now stealthily now violently, a bad philosophy” (*ibidem*), as often happens in the introductory chapters or “prefaces” of their “treaties”, as Pareto did with the first two chapters of his *Manual*.

In other words, Croce advances an instance of a mutual “vigilance” between Philosophy and Economics, taken as if they were of equal rank. But the issue arises: is this instance really nothing but a claim of a “right” to a different “way of treatment” (of the same subject)? Or, rather, this instance hides Croce's attempt to claim a *higher* point of view, that of Philosophy, in terms of a claim of the *principle of (economic) principle(s)*, namely, of that principle that he would like to see at the “head” of the Treaties of economy?

If this is true, it is nothing more than a classic attempt *to replace an authority with another authority*. The replacement of the Philosophy to Science. But if this is once again true, then the charges that Croce addresses to Pareto backfire. It is in this sense that their debate is based on a substantial and mutual incomprehension of the struggle that they were leading for the affirmation of a founding reference – Philosophy *versus* Science – each supposedly, or rather, fictionally placed higher than, and as such *exclusionary of* the other, or higher than that of the other knowledge or discipline.

3.2. Pareto's foundation of pure Economics

Even Pareto had pursued an attempt to “institute” a “new theory” on a more rigorous and scientific basis than those attempted so far⁷, as he wrote in his first letter to Croce (Pareto [1900] 1953). Such an attempt implied founding the autonomy of Economic science, by cutting the umbilical cord that still bound Political Economy to the “metaphysics” of the “natural law”.

In this regard, the criticism that Pareto addressed to the Walras of *Études d'économie social* (1896)⁸ is emblematic, since it is itself a *maneuver* of replacement of an authority with another authority, an approach avowedly “scientific”, where Pareto nevertheless cannot avoid to confess of being a “believer”:

professor Walras thinks it possible to draw certain economic deductions from metaphysical principles of jurisprudence. This opinion is worthy of respect but I am unable to accept it. I am a believer in the efficiency of experimental methods to the exclusion of all others. For me there exist no valuable demonstrations except those that are based on facts (Pareto 1897, 491).

Once again, the crucial question is to understand the foundation of that “exclusion”. In this regard, we can also remember Pareto's *Discorso per il Giubileo* (1917), in which he reaffirms the reference to the model of the natural sciences, and, especially, to the experimental method, stating his intent to “banish from the social sciences [...] *sentimental* and *metaphysical* considerations”.

To understand the foundation of that “exclusion”, It is worth reading carefully, weighting almost each word of a comment by Bobbio on Pareto's *Discorso*:

Throughout his life the *image* of himself that Pareto like to convey was that of a man who *dispassionately* lambasted all the human *passions* that had hindered the path of society's scientific knowledge; a man who voiced his *disbelief* of all the most absurd *beliefs* that had fuelled social metaphysics (which many had seized for themselves and passed off as science); a discerning, *always clear-thinking, impassive* observer of the recurrent and - execrated though it was - constantly resurgent human folly. One of his favorite *antitheses* was that between the *dogmatism of all faiths* and “*scientific skepticism*” (Bobbio 1973, 6 (italics mine)).

Here it is not so much a question of noting the contradiction, albeit fairly marked, inherent in Pareto the sociologist, as for instance was underlined by Raymond Aron, who regarded the thousands of pages penned by the Lausanne professor as “laden with passion and value judgments” (Aron 1981, 428). Much less will we aim to argue, along

with the Schumpeter of the *Epochen der Dogmen*, that one should cast doubt on the “correctness of the *professiones fidei* in a *scientific* treatise.” (Schumpeter 1953, 275). For while the latter warning referred to Marshall’s ‘preachings’, a not dissimilar problem also arose for Pareto’s sociology, which “is not, like his economic theory, a first-class *technical* performance; it is something quite different. It is an attempt to preach a homily” (Ivi, 310).

In effect, if we continue to reason along these lines based on oppositions, and even if the above noted contradictions are pointed out, our approach still remains within that same epistemological-anthropological *antithesis* of modernity, testified by the Paretian statements, namely: Science, Reason, Experience *versus* faiths, religions, dogmatism, metaphysical investigations, irrationalism, passions, sentiments, emotions, value judgments, etc., which, in turn, is also reflected in Pareto’s action theory through the logical/non-logical categories¹⁹.

In contrast, what eludes the Paretian manner of thinking is that science itself, as noted earlier by Weber, is *founded* on a “*Beruf*”, a vocation, a passion, a faith (Weber [1919] 2004, 13-14, 26) In effect, “An atheist of all religions’, according to his own definition of himself: yet by making this declaration [...] Pareto was actually making his profession of faith” (Bobbio 1973, 6). In other words, Science had become his *religion: the Authority in the name of* which he spoke. Thus Pareto was effectively reproducing the mechanism of replacing one authority by another, perpetuating a device that was no less *dogmatic* (in the Paretian negative sense) or censorious than that which he was criticizing. So much so that, Bobbio concluded, according to Pareto

the path of science would be open only to someone who was prepared to recognize no other authority than that of reason and experience, and who would be willing, in the name of this authority, to continually call into question his own discoveries (Bobbio 1973, 6).

Accordingly, in this perspective, it is possible to call into question one’s own discoveries, but not to call into question or criticize the Authority of Science.

Pushing further and further Bobbio’s comment, and taking another look at his *incipit*, we might even ask: from where, from what place or Mirror, did Pareto derive that *image* of himself as “one who *dispassionately* lambasted all the human *passions*”? And above all, why did he have such a liking for this “image”?

It was precisely the *discourse* on method, with reference to ‘objective’ and ‘dispassionate’ knowledge, to *institute in* the Pareto-scientist the split between reason

and passions, to the point to make him *believe* that he “*dispassionately* lambasted all the human *passions*, thus reflecting that proud image of himself. But Pareto, not without contradiction, was a “believer” in science, he loved science as much as he loved passionately that image of himself that science reflected to him, and that (perhaps) gave meaning to his action in the public sphere as an economic *Scientist*. With (and through) this image Pareto presented, represented, recognized himself.

4. On the exchange of fiction with ‘reality’, of name with ‘things’

We can now come back, on one hand, on Croce’s concern about the exchange of *fictions* with *reality*, trying to understand the reasons for this concern, and, on the other, on a reflection by Pareto on *names* and *things*, where he seems to lead his nominalism to extreme consequences.

If we re-read carefully the thought of Croce, one could argue that his real concern is not so much fictions – types, laws, schemata or models of natural and social science – as such, to which he (at least) try to recognize some positive function, but the fact that these pseudo-concepts are *fixed*, that is, that are hypostatized, universalized or even idolized, clipping the wings of free action.

If so, as I believe it is, then Croce, in his epistemological reflection, confuses two kinds of problems. He moves from the concern that the *schemata*, fictionally taken *sub species aeternitatis*, and as peculiar figure of the immutable, risks to choke or kill life and its flow. But he ends up with projecting this concern on the reflection about the epistemological status of science and the models used by it, not realizing that models are only fictionally taken as fixed. If then in reality it happens that the hypotheses, fictions or foundational fictions are loaded with an absolute value, this is a problem that concerns not so much the ‘nature’ or the epistemological status of fictions, but rather *the relationship between the scholar and the knowledge (or discipline), or the relationship between the knowledge and those to whom this knowledge is transmitted*.

Therefore Croce, by projecting his concerns on his epistemological reflection, ends up with attributing to pseudoconcepts a negative connotations. Fictions are, from the very outset, assumed as *pseudo-concepts*, that is, false, fake, fictitious. Indeed even the *pure* concept is and remain a fiction, a name articulated by Croce’s discourse.

As to Pareto's discourse, we have to take into account that which seems to be (to my knowledge) his last reflection on nominalism, or rather on names and things. This reflection is developed in paragraph 118 of his *Treatise* (1916), where he also seems to be willing to reformulates the issues emerged in the hot polemic on the so called "*Paretaio*" and the contrast between "literary economists" and "mathematical economists"²⁰. Pareto's stance, however, is formulated not in terms of opposition between literary economists and mathematical economists, but rather by re-examining and retracing the road of the purification of political economy towards a Pure Economics and radicalizing his nominalism, albeit with contradictory outcomes.

Pareto looked favorably on the process of purifying political economy by freeing it from the "words of vulgar language" to the benefit of greater precision, as for instance was done by Jevons, who abandoned the term "value" and substituted it with "rate of exchange". But

the literary economists did not follow him along this path, and they are still indulging their fancy in seeking to find out the nature of value, or of capital, etc. It is impossible to get it into their heads that things are everything and names nothing; consequently they have the power to give the names of *value* and *capital* to whatever they please, provided they deign to indicate them to us quite precisely, which, however, they fail to do. If their arguments concerned experimental science, then the arguments would still stand up once the names of value and capital were removed, because once names have been removed, the things still remain, and it is only the latter that are the focus of interest of experimental science. But since, on the other hand, these arguments are predominantly rhetorical, they are strictly dependent on the words designed to kindle feelings that help to persuade those who are listening to them. For this very reason, literary economists should be extremely careful when it is a questio of words, and much less in the case of things (Pareto, 1916, §118, trans. mine).

In this regard Pareto added a note (note 1) where he reiterated that literary economists were aiming to engage in persuasion: it is "through sentiment that one can persuade others".

According to Pareto, the mistake made by literary economists resided in an assumption forming part of their line of reasoning, which he summarizes as follows:

there exists an unknown thing that operates on language and gives birth to the word 'capital'; *since the vernacular language is the absolutely exact copy of the things it represents*, by studying the word we will be able to acquire knowledge of the thing, and by investigating the nature of capital, we will understand this unknown thing". The defect of this justification lies in the underlined proposition, which is false (*Ibidem*).

Pareto is right to underline the falsity of the argument which holds that a name is a copy of a thing, but he falls into an error of the opposite type: namely, once note has been taken of the ineliminable gap between the name and the thing, he wants to disencumber himself of the name completely in order to possess the thing at first hand, without mediations – “things are everything, names nothing”. What Pareto seems to overlook is that in order to support these arguments, he nevertheless has to use names throughout his entire line of reasoning. In absolutizing the “thing”, he forgets that the name is the *sign* of the thing. He seems to seek the death of the word, or at least to eliminate any ambiguity of the language so as to replace it with symbols and mathematical numbers, as he claims to have done in the *Manuale*, yet these are still *signs* of the thing and not the thing in itself.

All this might also depend on Pareto’s negative conception of *persuasion* and *rhetoric* and, above all, of the sentiments through which suasive action is assumed to take effect. Pareto wishes to replace persuasion and rhetoric with scientific argument, yet despite his constant assertion that he has no aim of persuading anyone at all, he seems somewhat disappointed by his inability to “*get it into the heads of literary economists* that things are everything and names nothing”. But how was Pareto to get this argument, which is not a “thing”, into the head of someone who failed to understand it? Furthermore, the example of water described shortly thereafter begins, quite paradoxically, in precisely the following manner: “Whoever wishes to *persuade* himself of this...”. Why this attempt at persuasion? For Pareto, “scientifically [...] first you pay attention to the thing, then you try to find a name for it”. This is the manner of proceeding adopted for instance, in chemistry to define the properties of “water”. “First you consider the body formed by the combination of oxygen and hydrogen, and then you search around for how to indicate it” (*Ibidem*). But, once again, ‘oxygen’ and ‘hydrogen’ are names. ‘Chemistry’ is not a thing. And his very field of study, ‘political economy’, is not a thing.

It has been said that Pareto tended to confuse two different planes when expounding his ideas: the analysis of action and its representation (Bobbio 1964, XXII). Naturally, this need be no cause for surprise, as it follows necessarily from the removal of language in accordance with the belief that “things are everything and names nothing”. But how to argue this thesis if not by words and names?

5. An Einaudian conclusion: the economist *qua* economist and the whole man

After the Croce-Pareto debate, only Einaudi tried to come back to some of its unsettled issues, spurred by both the debate with his pupil Fasiani and the debate with Croce. For our purposes it is worth noting, not without some simplification, that the Einaudi-Fasiani debate²¹ was sparked by Einaudi's critique, in *Myths and paradoxes of justice in taxation*, of Pareto's "indecent contempt" against literary economists (Einaudi 1938, 257), a critique that was perceived by Fasiani as an attack to his own 'scientific self' (Fasiani's letter to Einaudi, June 1938, in Fossati, Silvestri 2012: 72 (italic mine)), as well as it is worth noting that Fasiani elaborated his counter-critique to Einaudi as a "defense" of his own scientific self. Fasiani, who identified and recognized himself in Pareto's methodological position and in the Paretian positivist notion of Science, counterattacked Einaudi's work claiming that it went beyond the boundaries of Science being deeply affected by value-judgements, counsels, projects and precepts. On the other hand, in the Einaudi-Croce debate on "Liberism and Liberalisms" (Croce, Einaudi, 1957) the separation between Philosophy and Economics reappeared, affecting heavily their misunderstandings²². These debates led Einaudi to write his most engaging methodological essay, *On Abstract and Historical Hypotheses and on Value-judgments in Economic Sciences*, and then to rewrite it, in an unpublished rewriting whose meaning is still today to be assessed²³.

Given the complexity of the whole essay and of its rewriting, I will limit myself, as a way of concluding remarks, to show how some parts of it may be interpreted (among the many interpretations that may be drawn from it) as an attempt to overcome some of the abovementioned divides, first of all those between Philosophy and Economics, and Economic science and value-judgments, but also other divides between theory and counsels, rational and irrational, abstraction and reality, theoretical and applied economics, by explicitly admitting the discursive (and, therefore, always ambiguous) nature, not only of Economics or Philosophy but also of the very 'discourse' on method.

Einaudi faces the issue of the origins and reasons of the alleged indifference of the economist towards the ends of action and choices made by both the ruling class and the economic agents, as well as, and above all, towards his own moral ends, which, in turn, raises the issue of whether the economist *qua* economist may pronounce value judgments²⁴.

First of all, Einaudi took on, once again, his critique of Pareto and (now) Fasiani's contempt against "*literary economists*" for having "contemptuously belittling the other and perhaps better part of themselves" (Einaudi [1942-43] 2014, 25), namely, passions and sentiments which are at the origin of any authentic research (Einaudi 1941, 1942): those who are "incapable of perceiving the links between the two aspects of the whole person, construct insipid theory and supply the counsels they know will find favor with the powerful" (Einaudi [1942-43] 2014, 25). As we shall see soon, this issue of the "whole person" was developed in the rewriting of the conclusions.

For Einaudi such an indifference is possible only by assuming the nexus means-ends from an 'external' point of view and by fictionally putting in brackets the reign of ends. Nevertheless,

There exists no plausible reason why scientific research should come to a halt when beholding ... the ideals and reasons of life, almost as if these were untouchable concepts . . . If what follows likewise influences the choices that have already been made, if the results of such choices and the choices themselves have an effect on the actual reasons for these choices, then how can one say: this is where science starts; and before this there is. . . what? (Einaudi [1942-43] 2014, 53).

In Einaudi's view, the economist's abstention from passing value judgments is "legitimate" only "for reasons of the division of labor" among disciplines and scholars, division that, in turn, has a "practical utility", but is nothing but merely "conventional", and in any case does not give to any scholar the "right to excommunicate" other scholars (ivi, 51-63).

In the last paragraph of the previous version of the essay, this point was further developed, with the added awareness that even science, and not only the legal-political dogmas²⁵, may turn into a form of idolatry or dogmatism:

there exists no plausible reason for setting the boundaries of any scientific territory according to one line rather than another, there may be someone whose curiosity is aroused by a different range of phenomena. Thus an inquiring mind little swayed by any urge to take up a position in this or that particular column of the table of scientific classifications may quite legitimately study the links between ends and choices, if for no other reason than to investigate whether by consecrating himself to a particular science he might not be performing a sacrifice to an idol devoid of soul (ivi, 65).

In the rewriting of the conclusions, Einaudi faces thoroughly, and in a wider context, the issue of the distinction between the economist *qua* economist and the economist as a

whole man: the critique to the Paretian (and Fasiani's) distinction Science/non-science – which Einaudi traces back to the anthropological-hierarchical division Rational/irrational – and, above all, the critique to the Crocean distinction between Philosophy and Economics – in terms of Reality (True) and abstraction (Useful).

The question arises of whether, once the economist has completed his analytical task of highlighting that what follows from *a* is *b* and not *c*, so that *a* is an appropriate means for obtaining the end *b* and inappropriate for obtaining the end *c*, and once he has stripped himself of the mantle that robes the economist and has become a simple man again, a whole man, he can justifiably pronounce moral judgments on *a*, *b* and *c*. That he can - and indeed *as a whole man* he must - express these value judgments is perfectly plain and there need be no discussion on this point²⁶.

The true issue for Einaudi “is whether an economist, *specifically as an economist*, should issue judgments on values and whether he should do so on the basis of the tools that are proper to his discipline”. In other words, what is that *institute* the economist *qua* economist?

If the economist *qua* economist identifies himself with the alleged indifference, “this indifference, which is the essence of the scientist's garb, is the most fundamental – indeed I would say the one and only – defense available to economists in their attempt to impede charlatans and lackeys from bursting into their field”, but is and remains a “garb” or, as he said before, a “mantle that robes the economist”, which can only be rhetorically used as a mere defense.

Nevertheless, Einaudi also asserts that “this science [Economics] would cease to exist if it were to forsake reasoning with its own methods”. By ‘method’ here Einaudi simply means the unavoidable abstract nature of Economics and economic reasoning, as compared to the Croce's Reality. But this does not imply a form of “dualism” between philosophy and economics:

since the aim of their [economist's] research is one and one alone, namely knowledge of the full extent of the whole of reality, it is logically inconceivable to argue that there is a fundamental, irreducible dualism between the logical position of the scientist, who aspires to acquire knowledge on reality through abstractions that successively draw closer to reality, and the historian-philosopher who aims to engage with the world of the whole of reality. Accordingly, this scenario cannot be portrayed as a contrast, but should instead be seen as different modes of conquering truth.

Moreover, “dualism cannot be founded on the contrast between the rational and the irrational” since the irrational is nothing but the unknown.

In the conclusion, where Einaudi tries to sum up the long reasoning, he goes so far as to say that “*even the very separation between the whole man and man as a scientist, between reality and abstraction, between concrete action and pure reasoning is shown to be an abstraction*” (italics mine).

Contrarily to the Crocean devaluation of the abstractions of sciences as merely fictitious in the name of a true and founded Reality, Einaudi claims that the very distinction between abstraction (science) and reality (history-philosophy) is and cannot but be an abstraction in itself, namely a product of the scholar’s language and discourse.

All in all, it is always the discourse, our discourse that articulates names and things, definitions and relations, thresholds and boundaries.

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Notes

¹ This paper is a re-thinking and a further development of the major philosophical and methodological issues I have been facing in analysing some suppressed epistemological and interdisciplinary debates occurred in Italy in the first half of the twentieth Century: Silvestri (2008), Silvestri (2010a, 2010b), Fossati, Silvestri (2013), and above all, as to the Croce-Pareto debate: Silvestri (2012b, 55-95). This research also led me to the discovery of an unpublished rewritings by Einaudi, currently in course of publication as a critical edition: L. Einaudi, *On Abstract and Historical Hypotheses and on Value-judgments in Economic Sciences*, edited with an Introduction and an Afterword by Paolo Silvestri (Routledge: Forthcoming 2016). The paragraphs 2 and 3.1 of this paper are a synthesis and a re-elaboration of Silvestri (2010a) and (2012b, 55-95).

² Here I am using the expression 'demarcation problem' in a broad meaning, without any pretence to solve such a problem (which, as known, is far from being settled). I am mainly interested in understanding why scholars' discourses on the demarcation criteria turn out to be *machines de guerre*, as claimed by Laudan's (1983, 119): "No one can look at the history of debates between scientists and 'pseudo-scientists' without realizing that

demarcation criteria are used as *machines de guerre* in a polemical battle between rival camps”.

³ See note 2.

⁴ In particular in Silvestri (2010, 2012b), starting from the two notions of dogma used by Einaudi, I have reinterpreted and compared them with the positions of different scholars such as Legendre (2000, 2001, 2006), Di Robilant (1974), Heritier (2007), Ricoeur (1975), Borutti (1999).

⁵ This perspective can also be paralleled to Economics as discourse: see, at least, McCloskey (1985), Samuels (1990), Backhouse, Dudley-Evans, Henderson W. (1993). Nevertheless, the perspective here outlined, by stressing the analogy between institutions and knowledges, aims to stress the normative implications and effects of such disciplinary discourses.

⁶ On this point see Silvestri (2012a), and Silvestri, Forte (2013).

⁷ On Einaudi’s “history of economic dogma” see also Barucci (1974), who, nevertheless, does not notice the double side of the Einaudian notion of dogma (legal-political and epistemological), nor the relevance of its derivation from the legal-dogmatics. Such an analogy between the legal-dogmatics, with specific reference to the concept of State, and ideal-types is likewise implied by Weber (2003 [1904]: 60, n.25, 71-72) but for different purposes (see Mardellat (2009: 614-620)), and also alluded to by Schumpeter (1914) in the title of his *Epochen der dogmen und Methodengeschichte*.

⁸ Well before than the famous essay by Stigler (1986), Einaudi was the first, to my knowledge, to adopt the category of *Preachings* for the titles of three collections of essays; see, at least, Einaudi (1920).

⁹ I also re-read Legendre’s dogmatic anthropology through the re-interpretation made by Heritier in terms of “anthropology of freedom” and “legal aesthetics” (Heritier 2007, 2013a, 2013b), and Supiot’s homo juridicus (2006).

¹⁰ For an analysis of the relation between disciplines and identity in academic discourses see Hyland (2012).

¹¹ See, for example, Mirrlees (1973, XXI) “one should not fully believe in models – one can use a model without being committed to it [...] for workers in the scientific tradition it makes sense to entertain a model and use it without being committed to it; while the scientist cannot imagine why mere models should be the object of passion. I think that, in this, the scientists are right”. Indeed, if the scientist’s unpassionate behaviour were so obvious, there would be no need to re-assert it, as Mirrlees does.

¹² On the Croce-Pareto debate, with specific reference to the fundamental issue Realism Vs Nominalism here analysed, there is a substantial lack of international literature. Among the Italian contributions see Busino (1973) [1975], Bruni (2002, Ch. 3),

Faucci (2014: 130-151). I have provided an extensive analysis of this issue in Silvestri (2012b), from which this paragraph 2 is mainly drawn.

Naturally, the Croce-Pareto debate on Realism and Nominalism might be re-read (as to its limits) through the epistemological lens of the new realism (in science, philosophy and economics). As to the “critical” realism in Economics see Lawson (1994, 1997, 2003) and the following scholarly debates; among them see those collected in Fleetwood (1999) and Fullbrook (2009). For a different perspective on realism, anti-realism and “realisticness” see at least Mäki (1998, 2000, 2012). Nevertheless, it is worth repeating that my aim is to understand the nature and significance of the methodological discourses claimed by Croce and Pareto in their attempts to establish the boundaries between Economic (Science) and Philosophy.

¹³ For a recent reappraisal of Croce’s economic thought see Cutrona (1998) and Montesano (2003), Faucci (2003), Bodei (2003).

¹⁴ Gramsci noticed the similarity between Croce’s action philosophy and Robbins’ (1932) action theory as to the “rational nexus between means and ends” (Gramsci, 1991, 339). On this see also Cutrona (1998). Indeed, it is a misunderstanding of the idealistic immanentism of Croce’s “philosophy of the practical” where the end is not *external* to the action, as in Robbins’ action theory and as already emerged in Croce’s critique to Pareto’s choice theory, but is *immanent* to action.

In my view the analogy between Croce and Robbins (and in this respect also between them and Pareto) is true only as to their respective attempts to found the so called ‘autonomy’ of *the* ‘economic’ so to free it from any moral, political or ideological consideration.

¹⁵ For the sake of clarity, it’s worth noting that Croce’s ‘philosophy of economic’ is only partially coinciding with the current “Philosophy of Economics”, not only because of the Crocean separation between Philosophy and Economics. Take, for example, the standard tripartitions of the current Philosophy of Economics, in terms of 1) Action theory, 2) Ethics (or normative social and political philosophy), 3) Philosophy of science (Hausman 2013) or (to consider a slightly different one) 1) Political economy as political philosophy, 2) the methodology and epistemology of economics, 3) Social ontology and the ontology of economics (Davis, Marciano, Runde 2004). We can see that Croce’s category of the *Utile* is the category of the economic action (or, rather, “economic volition”) and, at the same time and not without unresolved ambiguities, the category aimed at explaining the *useful* nature of abstractions and representations made by sciences as well as by the language. In any case, Croce’s category of *Utile* has nothing to do with Ethics or normative considerations, or with the ontology, as the Real (or, rather, the history) was the subject of Philosophy.

¹⁶ On the epistemological genesis of Pareto’s *Manual* see Mornati (2006).

¹⁷ On Pareto’s early development of pure Economics see Marchionatti, Mornati (2000); Baranzini, Bridel (1997).

¹⁸ On the methodological differences between Pareto and Warlas see Marchionatti, Gambino (1997) and Marchionatti (2000).

¹⁹ On the structural analogy between Pareto's demarcation Science/metaphysics and logical/non-logical categories see Albert (2004).

²⁰ The issue arose from the polemics between Pantaleoni and Sensini (a pupil of Pareto's); the dispute then became fiercer with the publication of Sensini's book *La teoria della rendita* [The Theory of Rent] (Sensini 1910), where the author played on the polemical opposition between 'literary economists' and 'mathematical economists', arguing that Pantaleoni understood nothing of mathematics. The clash came to a head with the article by Jannacone (1912) bearing the title *Il paretaio*, which was published in the journal of which Einaudi was the editor-in-chief: it was an article that accused Pareto's followers, Sensini in particular, of aping, slavishly imitating or even plagiarizing their master. Pareto himself was then obliged to mediate between his pupil, Sensini, and his friend Pantaleoni. On this debate see: Magnani (2005), McLure (2007, ch. 6), Mornati (2004).

²¹ On this debate see: Fossati, Silvestri (2013), Fossati (2014).

²² I have analysed both the anthropological assumptions and the epistemological aspects of the Croce-Einaudi debate respectively in Silvestri (2007) and Silvestri (2010a).

²³ The first version of this essay is now translated in Einaudi ([1942-43] 2014). A synthesis of Einaudi's vision and method related to the first version of this essay is in Forte, Marchionatti (2012, 593-95).

²⁴ Einaudi's position as to the economist's value judgments can be paralleled to Myrdal's (1953) claims of implicit value judgments. For a recent reappraisal of the issue and a better analytical distinction of value judgments see Mongin (2006). The issue of the legitimacy of Economics and economist (in terms of expertise) when dealing with the issue of value judgments is clearly grasped by Baujard (2013).

²⁵ See Einaudi (1945). On Einaudi's awareness of the subtle threshold between dogma and dogmatism as to the issue of the dogma of Sovereignty see Oddenino, Silvestri (2011, 131).

²⁶ The following quotes *without references* are drawn by the translation (in course of publication: Einaudi, 2016) of the handwritten integrations/modifications made by Einaudi to the first version of his *Ipotesi astratte ed ipotesi storiche e dei giudizi di valore nelle scienze economiche* (in Luigi Einaudi's Archive, Fondazione Luigi Einaudi, Torino).