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## **THE END OF LAISSEZ-FAIRE, THE END OF HISTORY, AND THE STRUCTURE OF SCIENTIFIC REVOLUTIONS**

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# The End of Laissez-Faire, The End of History, and The Structure of Scientific Revolutions

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## Abstract

The subject of this essay is formed from three classic pieces of writing: *The End of Laissez-Faire* by John Maynard Keynes, *The End of History?* by Francis Fukuyama, and *The Structure of Scientific Revolutions* by Thomas Kuhn. All three essays were concerned with the evolution of ideas, with Keynes and Fukuyama additionally arguing for the centrality of ideas and consciousness in determining material outcomes and government policy. I wish to argue that neither Kuhn's nor Fukuyama's "revolutionary" account fits the bill for the path of change in the ideas of political economy. Rather, despite the title of his essay, the gradual and multilayered process described in Keynes's account of the emergence and then questioning of laissez-faire is a better guide to the likely path of the evolution of this key doctrine of political economy in the coming decades.

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## 1. Introduction

“The disposition towards public affairs, which we conveniently sum up as individualism and *laissez-faire*, drew its sustenance from many different rivulets of thought and springs of feeling. For more than a hundred years our philosophers ruled us because, by a miracle, they nearly all agreed or seemed to agree on this one thing. . . . But a change is in the air.”<sup>1</sup>

John Maynard Keynes, *The End of Laissez-Faire*, 1926

“And yet, all of these people sense dimly that there is some larger process at work, a process that gives coherence and order to the daily headlines. . . . [T]he century that began full of self-confidence in the ultimate triumph of Western liberal democracy seems at its close to be returning full circle to where it started: not to an "end of ideology" or a convergence between capitalism and socialism, as earlier predicted, but to an unabashed victory of economic and political liberalism.”<sup>2</sup>

Francis Fukuyama, *The End of History?* 1989

"Probably the single most prevalent claim advanced by the proponents of a new paradigm is that they can solve the problems that have led the old one to a crisis. . . . Copernicus thus claimed that he had solved the long-vexing problem of the length of the calendar year, Newton that he had reconciled terrestrial and celestial mechanics, Lavoisier that he had solved the problems of gas-identity and of weight relations, and Einstein that he had made electrodynamics compatible with a revised science of motion."

Thomas Kuhn, *The Structure of Scientific Revolutions*, 1962.<sup>3</sup>

The subject of my essay is formed from three pieces of writing: *The End of Laissez-Faire* by John Maynard Keynes, *The End of History?* by Francis Fukuyama, and *The Structure of Scientific Revolutions* by Thomas Kuhn. All three essays were concerned with the evolution of ideas, with Keynes and Fukuyama additionally arguing for the centrality of ideas and consciousness in determining material outcomes and government policy. Indeed, in his essay Fukuyama approvingly refers to Keynes “when he said that the views of men of affairs were usually derived from defunct economists and academic scribblers of earlier generations.”<sup>4</sup> I wish to argue here that neither Kuhn’s nor Fukuyama’s “revolutionary” account fits the bill for the path of change in the ideas of political economy. Rather, despite the title of his essay, the gradual and multilayered process described in Keynes’s account of the emergence and then questioning of *laissez-faire* is a better guide to the likely path of the evolution of political economy in the coming decades.

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<sup>1</sup> Keynes (1926, p. 272)

<sup>2</sup> Fukuyama (1989, p. 1)

<sup>3</sup> Kuhn (1962, p. 153)

<sup>4</sup> Fukuyama (1989, p. 3)

Keynes described the long path of the emergence of laissez-faire and predicted the beginning of its end in 1926. But in 1989 Fukuyama loudly proclaimed the victory of economic and political liberalism as “the end of history as such: that is, the end point of mankind's ideological evolution....”<sup>5</sup> Fukuyama’s characterization is close to Kuhn’s scientific revolutions, which are “non-cumulative developmental episodes in which an older paradigm is replaced in whole or in part by an incompatible new one.” Interestingly, Kuhn himself goes on to make the link with the social when he says: “Like the choice between competing political institutions, that between competing paradigms proves to be a choice between incompatible modes of community life.”<sup>6</sup>

But does “paradigm shift” really capture the actual process of change in the ideas of political economy, with one big idea or another sweeping all that came before it? I follow Bronfenbrenner (1971) in his early critique of Kuhn in arguing that there are no equivalents of “Ptolemaic astronomy, phlogistic chemistry, and humoral medicine” in political economy; “Economic paradigms, economic “normal science”, both display a certain tenacity Kuhn has not found in the natural sciences....”<sup>7</sup> In this world view, “the end of history” in 1989 was unlikely, indeed impossible. Fukuyama himself can be argued to have retreated from his strong iconic position at the end of the cold war. In any event, as I noted in 2001, “The end of history lasted for such a short time.”<sup>8</sup> In the present paper I argue that the framework provided by Keynes for an organic evolution of ideas in political economy is a better guide to what the ideological landscape will look like going ahead from 2026, the hundredth anniversary of the publication of *The End of Laissez-Faire*.

My plan is as follows. Section 2 describes the bare bones of Fukuyama’s thesis and its roots in Hegelian idealism. I focus on the original essay of 1989 rather than later developments in long form in the 1990 book because I find it to be a sharper statement of the basic thesis. Section 3 links the paradigm shift announced by Fukuyama in the victory of economic liberalism to the Kuhnian thesis of a paradigm shift in ideas. I argue that such shifts are rare in political economy. In light of this, Section 4 turns to the more nuanced evolutionary account given by Keynes of the emergence of laissez-faire as an ideology, and his predictions on its future. Section 5 concludes by using his framework to speculate about the future of the laissez-faire doctrine in the coming decades.

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<sup>5</sup> Fukuyama (1989, p. 1)

<sup>6</sup> Kuhn (1962, p. 94)

<sup>7</sup> Bronfenbrenner (1971, p. 2)

<sup>8</sup> Kanbur (2001, p. 1083). I have developed the evolutionary perspective with respect to the markets versus state debates in Kanbur (2009); see also Devarajan and Kanbur (2014).

## 2. The End of History?

It is somewhat embarrassing to begin to give an account of Fukuyama's thesis in his 1989 essay. So much has been written about it and all of us have read about it in one form or another in countless popular pieces. The phrase itself has entered common parlance, albeit interpreted in many different ways. And it has been given an ongoing life because of its myriad critics, and the critics of these critics. What more is there to say other than that it proclaimed, in effect, absolute victory of a particular ideology at a particular point in time, and claimed that this victory was forever?

There is, in fact, much to be learnt from a close reading of Fukuyama's original essay, not least about the depth of its Hegelian roots. As Fukuyama notes:

"The notion of the end of history is not an original one. Its best known propagator was Karl Marx, who believed that the direction of historical development was a purposeful one determined by the interplay of material forces, and would come to an end only with the achievement of a communist utopia that would finally resolve all prior contradictions. But the concept of history as a dialectical process with a beginning, a middle, and an end was borrowed by Marx from his great German predecessor, Georg Wilhelm Friedrich Hegel."<sup>9</sup> But going beyond historicism, and Fukuyama in any case applauds attempts to "save Hegel from his Marxist interpreters", for Fukuyama a key feature is that in Hegel "the contradictions that drive history exist first of all in the realm of human consciousness, i.e. on the level of ideas...[A]ll human behavior in the material world, and hence all human history, is rooted in a prior state of consciousness." This is Hegelian "idealism" and the dominance of "ideology."

As noted in the introduction, Fukuyama makes the link, approvingly, between this Hegelian precept and Keynes's warnings on the influence of academic scribblers on economic policy. But he combines both Hegelian idealism and the Hegelian dialectical perspective to arrive at his characteristic pronouncement on the end of history and the triumph of the "liberal idea." Indeed, the first step in the argument is that the primary victory is in the realm of ideas, not just in terms of material progress:

"...[I]t is commonplace in the West to interpret the reform movements first in China and most recently in the Soviet Union as the victory of the material over the ideal....But the deep defects of socialist economies were evident thirty or forty years ago to anyone who chose to look. Why was it that these countries moved away from central planning only in the 1980s? The answer must be found in the consciousness of the elites and leaders ruling them.....That change was in no way made inevitable by the material conditions in which either country found itself on the eve of the reform, but instead came about as the result of the victory of one idea over another."<sup>10</sup>

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<sup>9</sup> Fukuyama (1989, p. 1)

<sup>10</sup> Fukuyama (1989, p. 4)

After arguing for this as a victory of ideas, Fukuyama goes on to make his case for absolute victory and permanent victory. While much of the specifics of what Fukuyama writes now reads as very dated, the core of his argument is clearly visible, and involves an interplay between the ideological and the material. He is also aware that the end of history is too tidy a characterization for the messy reality of outcomes on the ground. While discussing the state of the Soviet Union and its demise he notes: “But at the end of history it is not necessary that all societies become successful liberal societies, merely that they end their ideological pretensions of representing different and higher forms of human society.”

However, the victory of liberalism over both fascism and over communism is evidence enough for Fukuyama that there are no further “fundamental ‘contradictions’ in human life that cannot be resolved in the context of modern liberalism,” and he dismisses both religious fundamentalism and nationalism as being serious threats. Of course it is precisely these factors, alongside the newly emerging economic and political contradictions of a globalized economy (for example Dani Rodrik’s (2007) famous trilemma, “democracy, national sovereignty and global economic integration are mutually incompatible: we can combine any two of the three, but never have all three simultaneously and in full”), which have animated the debates on political economy in the last quarter century, some of it in the form of critiques of Fukuyama’s end of history thesis. Fukuyama himself appears to have moved away from his earlier stridency towards a more nuanced perspective on the evolution of political economy. But should he perhaps have started with such a perspective to begin with?

### 3. Paradigm Shifts in Political Economy

Some of Fukuyama’s writing, especially on the absolute and permanent victory of one set of ideas over another, evokes a debate which took place in the social sciences after the appearance of Thomas Kuhn’s *The Structure of Scientific Revolutions* in 1962. Kuhn’s thesis, no less iconic than Fukuyama’s at the time, was that there are periodic scientific revolutions which sweep all before them. Examples of paradigms are those encapsulated in great works such as Copernicus’s *De Revolutionibus* or Newton’s *Principia*, which are “sufficiently unprecedented to attract an enduring group of adherents away from competing modes of scientific activity.”<sup>11</sup> Kuhn describes the process of buildup of anomalies of evidence, for example in Ptolemaic astronomy, which eventually lead to a crisis of the dominant paradigm and thence a “paradigm shift”. This shift leads to the complete and absolute disappearance of old modes of thought and a reorientation towards the new framework.<sup>12</sup>

The appearance of Kuhn’s book had quite an impact on the intellectual history and on the study of the history of ideas, especially in the natural sciences which was Kuhn’s focus. But, perhaps not surprisingly, the question arose as to the possible application of Kuhn’s thesis to the social sciences in general, and to political economy and economics in particular. Coats (1969) was among the first to study this question for economics, and

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<sup>11</sup> Kuhn (1962, p. 10)

<sup>12</sup> Along with Kuhn’s book, I have also relied on an excellent summary and interpretation by Forster (1998).

concluded that although “the structure of scientific revolutions is much less readily discernible in economics than in the natural sciences,”<sup>13</sup> nevertheless an application of Kuhn was possible, the leading candidate being of course the Keynesian revolution:

“...the most striking example of paradigm-change in economics, the Keynesian revolution of the 1930’s, possessed many of the characteristics associated with Kuhn’s scientific revolutions. There were unrecognized precursors of Keynes, a growing concern about the inadequacy of existing theory, and a change of psychological outlook on the part of many economists virtually amounting to a ‘conversion experience’.”<sup>14</sup>

Although he classed these as less significant events, Coats (1969) also said that “earlier revolutions have occurred, each of which has exhibited points of similarity with Kuhn’s revolutions--much as the victory of classical economics via the Political Economy Club; the *Methodenstreit* between German and Austrian economists ; and the more purely cognitive marginal utility revolution.”<sup>15</sup>

Doubts about the application of the “revolution” concept in political economy were raised very soon after the initial attempts at transference from the Kuhnian paradigm shift model. Blaug (1972) asked “Was there a Marginal Revolution?” and answered with great caution: “the ‘marginal revolution’ was a process, not an event.”<sup>16</sup> But the major contribution in this area was that of Bronfenbrenner (1971) who concluded that:

“...neither conventional incrementalism or “uniformitarianism” on the one hand, nor Thomas Kuhn's “catastrophic” theory of scientific revolution on the other, fits the broad sweep of economic doctrinal history particularly well, over its quarter-millennium of relative independence from ‘moral philosophy’. Furthermore, a crude Hegelian dialectic of thesis-antithesis-synthesis may fit the principal facts of that history less badly than either of the two rivals I have mentioned.”<sup>17</sup>

Before considering Bronfenbrenner’s argument in detail it is interesting to see the alternative use of the Hegelian dialectic compared to Fukuyama. For Fukuyama, the end of history resolves all fundamental contradictions once and for all—at least he argued that it did so for the case of the victory of economic and political liberalism. For Bronfenbrenner, the evolution of ideas is an ever ongoing process with established ones (the thesis) being challenged by new ones (the antithesis), leading to a synthesis which then awaits its own challenges—perhaps including from some of the discarded past ideas.

Bronfenbrenner offers three possible candidates for revolutions, Kuhnian paradigm shifts, in political economy “over its quarter-millennium of relative independence from ‘moral philosophy’”:

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<sup>13</sup> Coats (1969, p. 293)

<sup>14</sup> Coats (1969, p. 293)

<sup>15</sup> Coats (1969, p. 294)

<sup>16</sup> Blaug (1972, p. 280)

<sup>17</sup> Bronfenbrenner (1971, p. 1)



“The first is a laissez-faire revolution. .... A conventional date is 1776, when Adam Smith's *Wealth of Nations* was published. .... The second possible revolution is the breakup of the classical school which followed Smith, and which was led in turn by David Ricardo and John Stuart Mill. A conventional date for this second, or “utility”, revolution is 1870. The third possible revolution is the breakup of the neoclassical Cambridge School which arose from the utility revolution under the aegis of Alfred Marshall and his successor A. C. Pigou. This revolution occurred during the Great Depression. A conventional date is 1936, the appearance of J. M. Keynes's *General Theory*.”<sup>18</sup>

Before proceeding with his analysis, Bronfenbrenner does note that “None of these three revolutions would rank—for a noneconomist, at least—with the Copernican, Newtonian, and Darwinian revolutions in astronomy, physics, and biology, but they are the best economics has to offer.”<sup>19</sup> But Bronfenbrenner goes further and argues that each of these three candidates were less like Kuhnian paradigm shifts and more like syntheses between earlier theses and their antitheses. The famous “Marshallian scissors” bringing together classical supply side and the demand side from utility diminishes the claim of the utility revolution to in fact be a revolution. On this interpretation the “Keynesian revolution” was also not a revolution but an antithesis to the ruling thesis which then led in the post-war period to the Hicks-Samuelson synthesis, represented now by the intersection between the IS and LM curves.

Why, then, the difficulty in establishing convincingly the presence of revolutions and paradigm shifts in the history of political economic thought? Bronfenbrenner offers two suggestions. First, “outmoded” ideas tend to live on in political economy—the persistence of mercantilist ideas despite their periodic drubbing is given as an example. Secondly and relatedly, “important advances tend to be major *accretions* without any corresponding rejections of existing paradigms. Utility theories of value did not displace cost theories. .... Marxian economics has not, after all, displaced bourgeois economics in any country which preserves a free market in ideas. .... It is even difficult to think of an important tenet of pre-Keynesian economics that Keynes displaced permanently. ....; yet no one denies the importance of the *General Theory*.”<sup>20</sup>

Thus Kuhn's revolutions and paradigm shifts, and Fukuyama's end of history finality, seem to be inappropriate and unsuited to the evolution of ideas in political economy, and this includes the Keynesian revolution. In fact, Keynes had given a brilliant account of the evolution of the laissez faire doctrine which I would argue, despite the title of Keynes's essay, makes clear why we would not see the absolute end of the laissez-faire doctrine--why it was likely to survive in a mix of competing ideas in the years to come, and even win victories which would allow Fukuyama to use it as one component of his end of history doctrine.

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<sup>18</sup> Bronfenbrenner (1971, p. 2)

<sup>19</sup> Bronfenbrenner (1971, p. 3)

<sup>20</sup> Bronfenbrenner (1971, p. 11)

#### 4. The End of Laissez-Faire, 1926

Keynes's essay is a beautifully written account of the "many different rivulets of thought and springs of feeling" which fed into the development of the laissez-faire doctrine. The dominance of this doctrine in the 19<sup>th</sup> century is highlighted by Keynes with the example of an extract from an 1850 pamphlet *Easy Lessons for the Use of Young People*, by Archbishop Whately, distributed by the Society for Promoting Christian Knowledge: "More harm than good is likely to be done by almost any interference of Government with men's money transactions, whether letting and leasing, or buying and selling of any kind.' *True* liberty is 'that every man should be left free to dispose of his own property, his own time, and strength, and skill, in whatever way he himself may think fit, provided he does no wrong to his neighbours".<sup>21</sup> This is of course a very English version of the famous late 17th century exchange between Colbert and the merchant Legendre: "Que faut-il faire pour vous aider?---Nous laisser faire." But in England by the mid 19<sup>th</sup> century, according to Keynes's acerbic commentary, "the dogma had got hold of the educational machine; it had become a copybook maxim. The political philosophy, which the seventeenth and eighteenth centuries had forged in order to throw down kings and prelates, had been made milk for babes, and had literally entered the nursery."<sup>22</sup>

How this happened, indeed how laissez-faire was "forged in order to throw down kings and prelates," and the role economists played in this evolution, constitutes the fascinating first part of Keynes's essay. The route to challenging kings and prelates was through individualism of Locke and Hume:

"The purpose of promoting the individual was to depose the monarch and the church; the effect through the new ethical significance attributed to contract was to buttress property and prescriptions. But it was not long before the claims of society raised themselves anew against the individual. Paley and Bentham accepted utilitarian hedonism from the hands of Hume and his predecessors, but enlarged it into social utility.... Rousseau took the Social Contract from Locke and drew out of it the General Will. Paley and Bentham reached the same destination, but by different routes. Paley avoided an egoistic conclusion to his hedonism by a God from the machine... Bentham reached the same result by pure reason. There is no rational ground, he argued, for preferring the happiness of one individual, even oneself, to that of any other. Hence the greatest happiness of the greatest number is the sole rational object of conduct taking... Rousseau derived equality from the state of nature, Paley from the will of God, Bentham from a mathematical law of indifference. Equality and altruism had thus entered political philosophy, and from Rousseau and Bentham sprang both democracy and utilitarian socialism."<sup>23</sup>

However, Keynes argued, the task could not have been completed without economists, "who sprang into prominence just at the right moment."<sup>24</sup> This was the idea that individual pursuing their own interest would advance the general interest: "The

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<sup>21</sup> Keynes (1926, p. 280)

<sup>22</sup> Keynes (1926, p. 280)

<sup>23</sup> Keynes (1926, p. 273)

<sup>24</sup> Keynes (1926, p. 274)

principle of *laissez-faire* had arrived to harmonise individualism and socialism, and to make at one Hume's egoism with the greatest good of the greatest number."<sup>25</sup> While Adam Smith is the best known to current generations as the proponent of this position, Keynes produces a long list of economists and men of affairs who were equally important at the time in developing and pushing the idea. Further, the advent of Darwin led to a further strand and strengthening of the argument:

"The economists were teaching that wealth, commerce, and machinery were the children of free competition--that free competition built London. But the Darwinians could go one better than that --free competition had built man. The human eye was no longer the demonstration of design, miraculously contriving all things for the best; it was the supreme achievement of chance, operating under conditions of free competition and *laissez-faire*."<sup>26</sup>

But, of course, the economists' teachings, which were so important in bolstering the move to individualism, were based on assumptions that were not necessarily valid:

"Let us clear from the ground the metaphysical or general principles upon which, from time to time, *laissez-faire* has been founded. It is *not* true that individuals possess a prescriptive 'natural liberty' in their economic activities. There is *no* 'compact' conferring perpetual rights on those who Have or on those who Acquire. The world is *not* so governed from above that private and social interest always coincide. It is *not* so managed here below that in practice they coincide. It is *not* a correct deduction from the principles of economics that enlightened self-interest always operates in the public interest. Nor is it true that self-interest generally *is* enlightened; more often individuals acting separately to promote their own ends are too ignorant or too weak to attain even these. Experience does *not* show that individuals, when they make up a social unit, are always less clear sighted than when they act separately."<sup>27</sup>

So we come to a point in the evolution of ideas where, having passed through a number of stages—individualism to challenge monarch and church; the social challenge to this individualism; the entry of economists with a theory and a set of assumptions which aligned private and general interest; and these assumptions not being ones "nearest to the facts"—Keynes now poses a fundamental issue in political economy:

"We cannot therefore settle on abstract grounds, but must handle on its merits in detail what Burke termed 'one of the finest problems in legislation, namely, to determine what the State ought to take upon itself to direct by the public wisdom, and what it ought to leave, with as little interference as possible, to individual exertion.'"<sup>28</sup>

Indeed, Keynes further specifies the problem as follows, using terms from Bentham:  
"Perhaps the chief task of economists at this hour is to distinguish afresh the *Agenda* of

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<sup>25</sup> Keynes (1926, p. 275).

<sup>26</sup> Keynes (1926, p. 276).

<sup>27</sup> Keynes (1926, pp. 287-288).

<sup>28</sup> Keynes (1926, p. 288).

government from the *Non Agenda*.”<sup>29</sup> And his famous and well known statement follows from this: “The important thing for government is not to do things which individuals are doing already, and to do them a little better or a little worse; but to do those things which at present are not done at all.”<sup>30</sup> Keynes then goes on to identify three problems which he thinks are on the *Agenda* list: (i) addressing the consequences of risk, uncertainty and ignorance; (ii) coordination of saving and investment; and (iii) population policy. And he clearly sees government action on these *Agenda* items as being contrary to the *laissez-faire* doctrine.

## 5. **Laissez-Faire in 2026**

Keynes’s announcement of the end of *laissez-faire* in 1926 seems an altogether more muted affair than Fukuyama’s declaration of the victory of economic liberalism in 1989 at the end of the cold war. Keynes’s account of the emergence of *laissez-faire* through the sparks of individualism in the seventeenth century, its battles with social perspectives of Rousseau, Paley and Bentham, its eventual dominance in the nineteenth century helped along by economics and economists, and its eventual questioning including by Keynes himself in the essay, seems to have more in common with Bronfenbrenner’s account of the evolution of ideas in political economy as a Hegelian dialectic between thesis, antithesis and synthesis, than it does with Kuhn’s sharp and permanent paradigm shifts, in which the Fukuyama of the end of history would be a kindred spirit.

Equally, Keynes’s account of the central issue of political economy as being to “distinguish afresh the *Agenda* of government from the *Non Agenda*” also supports Bronfenbrenner’s reasoning on why sharp paradigm shifts in the Kuhnian sense are not seen in the ideas of political economy. Bronfenbrenner’s reasoning was that in political economy, ideas are not displaced permanently, and ideas which were once outmoded reappear. This is perhaps not surprising if the charge to political economy is, as Burke said, “to determine what the State ought to take upon itself to direct by the public wisdom, and what it ought to leave, with as little interference as possible, to individual exertion.” It is this question which is eternal, and it will have to be answered afresh by every generation of political economists. The balance may move this way and that, depending on the material circumstances and, yes, the ideological map. *Laissez-faire* did emerge as a challenge to monarchy and church, was challenged, became dominant, was questioned again and, if Fukuyama was to be believed in 1989, triumphed unequivocally.

But the Fukuyama triumph of *laissez-faire* was short lived as new problems arose and the balance between state and individual had to be recalibrated for the new realities of a globalized world. Indeed, reading both Keynes and Fukuyama it is striking how “Westphalian” their perspectives are on the state. The theatre in which “the government is not to do things which individuals are doing already, and to do them a little better or a little worse; but to do those things which at present are not done at all,” is that of the Westphalian nation state. But this conception of the nation state itself has come under

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<sup>29</sup> Keynes (1926, p. 288).

<sup>30</sup> Keynes (1926, p. 291)

strain, both in terms of sub-national and supra-national pressures. The Keynes of 1926 shows himself to be aware of the sub-national when he writes: “I believe that in many cases the ideal size for the unit of control and organisation lies somewhere between the individual and the modern State. I suggest, therefore, that progress lies in the growth and the recognition of semiautonomous bodies within the State.” But this Keynes is not yet the Keynes of the 1940s, the Keynes of the Clearing Union and Bretton Woods, battling to design a system of coordination between nation states facing supra-national interactions and problems. He would, however, have felt further vindicated in questioning the doctrine of laissez-faire in the international arena.

So, what might an essay entitled *The End of Laissez-Faire* look like if it were to be written in 2026, a hundred years after Keynes first penned the title? Surely we would cover the history of thought of the seventeenth, eighteenth and nineteenth centuries, and it is doubtful if we could do a better job than Keynes did. We would have the last three quarters of the twentieth century and the first quarter of the twenty first to cover in addition. We would no doubt highlight the remarkable expansion of state regulation and state expenditure especially after the Second World War, and the countries where the state owned all means of production.

We would then of course discuss the end of the cold war and Fukuyama’s declaration of the victory of laissez-faire as an idea, followed rapidly by the global financial crises of the 1990s and the 2000s, and rising inequalities, in parallel with unprecedented growth and prosperity in previously poor countries. These problems at the end of the first quarter of the twenty first century would have called into question the laissez-faire a l’outrance of the supposed end of history at the end of the twentieth century. But wasn’t this the same laissez-faire which Keynes called into question at the end of the first quarter of the twentieth century? Surely yes, but now broadened into the global arena, with global and cross-border issues to the fore. And might there not be yet more declarations of the victory of laissez-faire as the pendulum shifts back and forth again, as it has done ever since it emerged as a doctrine to “throw down kings and prelates”? Again, surely yes. Keynes’s masterful account of the history of the doctrine, the history of the following century, and the fundamental problematic of political economy as the balance between state and individual, will all ensure that the end of laissez-faire will be pronounced periodically but, whenever it is pronounced, the end will only last for a short time.

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