

# Sraffa's Constructive Scepticism

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## I

Piero Sraffa was not yet thirty when he moved from Italy to England in 1927, but he was already well-known in Britain as well as in Italy as a powerful and original economist.

He did his doctoral research at the University of Turin on monetary economics, but it was an article on the foundations of theory of prices and values that he published in 1925 in *Annali di Economia* (a journal based in Milan) that made him a major celebrity in Italy and in Britain. In that essay Sraffa demonstrated — surprisingly but convincingly — that the foundations of the established price theory, crafted by Alfred Marshall (the leader of the then-dominant ‘Cambridge School’), were incurably defective. An English version of this essay appeared next year in *The Economic Journal* and had an immediate impact.

If the interest in Sraffa’s economic work generated the desire to get him to Cambridge (John Maynard Keynes led the initiative), it was Sraffa’s political predicament in Mussolini’s Italy that made him keen on moving. Although Sraffa had obtained the position of a lecturer at the University of Perugia in 1923, and then a Professorship in Cagliari in Sardinia in 1926, fascist persecution of the young economist was relentless.

Already in 1922, when Piero was no more than 24, Mussolini had decided that it was important to silence his powerful voice. Piero’s father, Angelo Sraffa, who was the Rector of the Bocconi University, received two telegrams from Il Duce, demanding that his son should immediately retract a critical account of Italian financial policies that he had published in *The Manchester Guardian* (as it happens, on Keynes’s invitation). It was ‘spreading mistrust’, Mussolini complained, and was ‘an act of true and real sabotage’. Angelo Sraffa, who was a man of courage in addition to being a fine academic, replied that Piero’s article had only stated ‘known facts’, and there was nothing there for his son to retract. Several other confrontations with the Italian government followed, which made Piero warm to the invitation conveyed by Keynes, in a letter in January 1927. It was an offer of a lectureship in economics in Cambridge. Sraffa moved in September of that year.

Sraffa was meant to lecture on the theory of value, developing his critique of Marshallian economics, in the Michaelmas Term of 1927. However, while his questioning of on-going economics was firm, he decided that he was not quite ready yet to deliver the lectures he was hoping to give. He was to start from the Lent Term in January 1928, but when the time came, he found — as he wrote to the Secretary of the General Board of Cambridge — that he was ‘still not ready to give’ the planned lectures. With further postponement of the beginning of this great event in Cambridge to Michaelmas Term 1928, Sraffa’s reputation as an elusive genius began to take root.

What had actually happened was that Sraffa had gone on to broaden his critical enquiry, and was considering, among other subjects, the right way of understanding the lessons to be drawn from the works of the great classical economist, David Ricardo. Sraffa’s life-long enquiry into the foundations of standard economic theory was already beginning to take shape in his mind. The redoubtable Alfred Marshall, the Cambridge Guru, was becoming only a part of a much larger story. He told the General Board, ‘I have been engaged in a piece of research which has so much occupied my mind as to interfere with everything else’.

## 2

Looking back at Sraffa’s life and academic contributions, it is difficult not to be surprised by how deeply as well as widely he influenced contemporary economics and philosophy, on the basis of very little writing. There were various stories around about Sraffa’s reluctance to write. When I arrived in Cambridge, I was told that when another famous economist, Nicholas Kaldor, who was agreeably sedate, had complained to his doctor that he was developing ‘athlete’s foot’, the doctor had observed, drawing on local knowledge, that this would be as unlikely as Mr Sraffa’s developing ‘writer’s cramp’.

I was privileged to have Sraffa as my Director of Studies throughout my undergraduate years in Trinity. He duly dispatched me to my supervisors — Maurice Dobb, Joan Robinson, Kenneth Berrill, and Aubrey Silberston at different stages of my undergraduate days — but encouraged me to come and talk with him whenever I wanted. The frequency of my visits must have initially surprised Sraffa, but it soon became clear to me that he enjoyed chatting, and talking about a variety of subjects, varying from abstract economics and philosophy to concrete ways of making ristretto coffee (even a single espresso is much too ‘lungo’, I learned).

If Sraffa’s willingness to chat was one thing I quickly learned about him, another — more surprising — discovery was that this extraordinarily original and questioning intellectual really enjoyed working with others in some big and consequential mission. After I became a research fellow and then a lecturer at the College, I had much greater opportunity of hanging around with him (to use a contemporary expression), and between 1958 and 1963 we had long walks after lunch on a fairly regular basis. Among other things I came to recognize how important to Sraffa were the deep political interests and commitments that went back to his student days in Italy. He had been active in the Socialist Students’ Group there, and became a part of the circle of young intellectuals surrounding *L’Ordine Nuovo*, a journal founded and edited by Antonio Gramsci in 1919 (it would later be banned by the fascist government). Sraffa wrote regularly in its pages

and joined its editorial board in 1921. By the time he moved to Britain in 1927, he had already become a substantial figure among Italian leftist intellectuals, and was close to — but not a member of — the Italian Communist Party founded and led by Gramsci. However, just as Sraffa's political sympathies never reduced his ability to teach economics of all schools of thought with enviable objectivity, they did not overwhelm at all the independence of his own political and economic thinking.

On particular occasions, he also strongly dissented from the policies over which his friend — and Communist leader — Gramsci was presiding. In 1924 in a powerful critique of the unilateralism favoured by the Communist Party in battling fascism in Italy, Sraffa argued for giving priority to a united 'democratic opposition'. Rejecting also the Party's dismissal of what it called 'bourgeois liberty', Sraffa argued, 'whether it is thought to be beautiful or ugly, this is what the workers need most at the moment and it is an indispensable condition of all further conquests'. Gramsci and Sraffa did not have to agree on everything to remain close friends.

### 3

Sraffa's intellectual impact includes many really new ideas in economic theory, as well as a reassessment of the history of political economy (starting with the complete works of David Ricardo, which he edited, in collaboration with Maurice Dobb, another leading economist in Trinity). It also includes the devastating effect of the telling questions Sraffa asked about the cogency of the widely accepted economic theories of the valuation of capital, along with disputing the allegedly secure intellectual basis of the contemporary theories of production and prices. In addition, Sraffa had a critically important influence in bringing about one of the major departures in contemporary philosophy, namely Ludwig Wittgenstein's momentous movement from his early position in *Tractatus Logico-Philosophicus* to his later philosophy, published among other works in *Philosophical Investigations*.

How could this happen? It was the force of Sraffa's foundational questions that upset substantial parts of standard economic and philosophical thinking, leading to new departures. Let me begin with philosophy, in which Sraffa's disputation is less technical and easier to follow, though afterwards I shall come back briefly to Sraffa's critique of mainstream economics.

Wittgenstein had been a student of Bertrand Russell earlier on, and when he left Trinity and Cambridge in 1913 he had already established his reputation as one of the foremost philosophers in the world. By the time Wittgenstein returned again to Cambridge in January 1929 (shortly after Sraffa had arrived), his path-breaking *Tractatus*, published in 1921, had become a much celebrated classic. The formidable demands on the logical structure of statements on which the book insisted were known and immensely influential across the world. Given Wittgenstein's reputation, his return to Cambridge was quite an event. John Maynard Keynes wrote immediately to his wife, Lydia Lopokova, about the arrival of the genius philosopher: 'Well, God has arrived. I met him on the 5.15 train.' Cambridge was excited. The last sentence of the *Tractatus* was an imperative that was exacting enough to stop informal speech in its track: 'Of that of which you cannot speak, you must remain silent.' There was a lot of fear of 'loose talk'. Sraffa had no disagreement

about the demands made by Wittgenstein's imperative, but argued that we could speak and communicate perfectly well without following Wittgenstein's austere, and ultimately artificial, rules.

In the *Tractatus*, Wittgenstein used an approach that is sometimes called 'the picture theory of meaning', which sees a sentence as representing a state of affairs by being a kind of a picture of it, mirroring the structure of the state of affairs it portrays. There is an insistence here — it can be said at the risk of some unavoidable oversimplification — that a proposition and what it describes must have the same logical form. Sraffa found this philosophical position to be altogether erroneous, and tried to convince Wittgenstein of this in the frequent conversations he had with him. That is not how people communicate with each other, and there was no reason why they should. We speak according to rules of communication — mostly implicit — that others know, and these rules need not have the logical form on which Wittgenstein was insisting.

According to a famous anecdote, Sraffa conveyed his scepticism of Wittgenstein's demands, about a strictly specified logical form, by brushing his chin with his fingertips. That Neapolitan gesture of scepticism was understood clearly enough by Wittgenstein, and so Sraffa asked, 'What is the logical form of this communication?' When I asked Piero about this in the 1950s, he insisted that this account, if not entirely apocryphal ('I can't remember any such specific occasion'), was more of a tale with a moral than an actual event. 'I argued with Ludwig so often and so much', he said, 'that my fingertips did not need to do much talking.' But the story does illustrate graphically the force of Sraffa's questioning and the nature of his scepticism of the philosophy of the *Tractatus*, and how social conventions about words and expressions help us to communicate well with each other (without our having to conform to the strict logical forms that the *Tractatus* demanded).

The conversations with Sraffa were evidently momentous for Wittgenstein. He would later describe to Henrik von Wright, the distinguished Finnish philosopher (also at Trinity) that these conversations made him feel 'like a tree from which all branches have been cut'. It is conventional to divide Wittgenstein's work into 'early' and 'late' phases, and the year 1929 was clearly the dividing line that separated them. Sraffa's criticisms were not in fact the only disputations that Wittgenstein faced around that time. Frank Ramsey, a young mathematical prodigy in Cambridge, offered other critiques. Wittgenstein thanked Ramsey in the Preface to his *Philosophical Investigations*, but recorded that he was 'even more' indebted to the criticism that 'a teacher of this university, Mr P. Sraffa, for many years unceasingly practised on my thoughts', adding that he was 'indebted to *this* stimulus for the most consequential ideas of this book'.

In explaining Sraffa's critique, Wittgenstein told a friend (Rush Rhees, another philosopher) that the most important thing that Sraffa taught him was an 'anthropological way' of seeing philosophical problems. While the *Tractatus* tried to see language in isolation from the social circumstances in which it is used, the *Philosophical Investigations* emphasises the conventions and rules that give the utterances particular meaning. The connection of this perspective with what came to be known as 'ordinary language philosophy', which would flourish in the period that followed Wittgenstein's changed understanding of communication, is easy to see.

The scepticism that is conveyed by the Neapolitan brushing of chin with fingertips (even when done by a Tuscan boy from Pisa, born in Turin) can be interpreted in terms of established rules and conventions — indeed the ‘stream of life’ — in the Neapolitan world. Wittgenstein used the expression ‘language-game’ to illustrate how people learn the use of language and the meaning of words and gestures (even though, ultimately, there is much more in any actual language than what can be seen as just language-games).

#### 4

Was Piero Sraffa thrilled by the impact that his ideas had on, arguably, the leading philosopher of our times (‘the God’ whom Keynes met on the 5.15 train)? When I asked Sraffa that question — in fact more than once — in our regular afternoon walks, he said, no, he was not. When pressed, he explained, ‘Because the point I was making was rather obvious.’

When I arrived in Trinity in 1953, shortly after Wittgenstein’s death, I was aware that there had been something of a rift between the two friends. In response to my questions, Sraffa was most reluctant to go into what actually happened. ‘I had to stop our regular conversations — I was somewhat bored’, was the closest to an account I ever obtained. However, the events have been later described by Ray Monk in rather greater detail in his biography of Wittgenstein (*Ludwig Wittgenstein: The Duty of Genius*, 1991, p. 487):

In May 1946 Piero Sraffa decided he no longer wished to have conversations with Wittgenstein, saying that he could no longer give his time and attention to the matters Wittgenstein wished to discuss. This came as a great blow to Wittgenstein. He pleaded with Sraffa to continue their weekly conversations, even if it meant staying away from philosophical subjects. ‘I will talk about anything’, he told him. ‘Yes’, Sraffa replied, ‘but in *your* way.’

There are many puzzling features in the Sraffa-Wittgenstein relationship. How could Sraffa, who loved dialogues and arguments (I was one of the many beneficiaries from Sraffa’s inclination), become so reluctant to talk with one of the finest minds of the twentieth century? Furthermore, how could those conversations, which were so consequential for Wittgenstein and made him feel ‘like a tree from which all branches have been cut’ (and which proved to have such momentous implications for mainstream philosophy) seem ‘rather obvious’ to this young economist from Tuscany?

I doubt that we shall ever be sure of knowing the answers to these questions. Perhaps at least part of the explanation lies in the fact that what appeared to Wittgenstein as new wisdom was a common subject of discussion in the intellectual circle in Italy — initially clustered around *L’Ordine Nuovo* — to which Sraffa belonged, along with Gramsci.

Gramsci wrote about his philosophical ideas more readily than did Sraffa. Or, strictly speaking, more of Gramsci’s philosophical writings are available in print now than Sraffa’s writings on the subject. (I have, incidentally, been trying to persuade Trinity to arrange a serious examination of the philosophical content of the large set of unpublished writings that Sraffa left to the College — enough to give us a better understanding of his philosophical thinking, if not quite enough to generate a writer’s cramp.) When Keynes wrote to Sraffa in January 1927 communicating the willingness of Cambridge University to offer him a lecturing position, Antonio Gramsci had just been arrested (on 8 November

1926 to be precise). After some harrowing experiences of imprisonment, not least in Milan, Gramsci faced a trial, along with a number of other political prisoners, in Rome in the summer of 1928. Gramsci received a sentence of twenty years in jail ('for twenty years we must stop this brain from functioning', said the Public Prosecutor in a statement that achieved some fame of its own), and was sent to a prison in Turi, about twenty miles from Bari. From February 1929 Gramsci was engaged in writing essays and notes that would later be famous as his *Prison Notebooks* (1971). They add to other writings of Gramsci and help us to get an understanding of Gramsci's perspectives on philosophy.

Gramsci's notes also open a window on what he, along with Sraffa and that circle of friends, were interested in. If they had an immediate and strong involvement in practical politics, the conceptual world beyond immediate politics was also much in their focus. Sraffa was very keen that Gramsci should write down his thoughts while in prison, and to help him, Sraffa opened an unlimited account with a Milan bookshop ('Sperling and Kupfer') in the name of Gramsci, to be settled by Sraffa.

In an essay on 'the study of philosophy' Gramsci discusses 'some preliminary points of reference', which include the bold claim that 'it is essential to destroy the widespread prejudice that philosophy is a strange and difficult thing just because it is the specific intellectual activity of a particular category of specialists or of professional and systematic philosophers'. Rather, argued Gramsci, 'it must first be shown that all men are 'philosophers', by defining the limits and characteristics of the "spontaneous philosophy" which is proper to everybody.'

What kind of an object, then, is this 'spontaneous philosophy'? The first item that Gramsci lists under this heading is 'language itself, which is a totality of determined notions and concepts and not just of words grammatically devoid of content'. The role of conventions and rules, including what Wittgenstein came to call 'language games', and the relevance of what has been called 'the anthropological way' which Sraffa championed to Wittgenstein, all seem to figure quite prominently in what Gramsci was putting down as his understanding of the world — an understanding that he and Sraffa, there is every reason to think, strongly shared.

It is possible that Piero Sraffa had come to regard the so-called 'anthropological' roots of rules of communication to be 'rather obvious' on the basis of ideas that were shared and much discussed in Sraffa's Italian circle (this is also a subject on which more probing research is needed). It might well have given Piero Sraffa only a limited amount of thrill to have to explain to the great philosopher what was wrong with his 'picture theory of meaning'. And yet the impact of the scepticism that Sraffa conveyed to Wittgenstein would end up generating a huge new departure in mainstream philosophy, and it would be hard to overestimate the creativity of the scepticism that Sraffa conveyed to Wittgenstein.

## 5

Something rather similar to that can be said about Sraffa's scepticism of on-going economics. I may be mistaken, but if I am right in thinking that the readers of the *Annual Record* would be less interested (I should perhaps say, *even less* interested) in getting into the intricacies of economic theory than into the broad currents of general philosophy, I should keep my comments on Sraffa's economics quite short. Sraffa's early critique of

Marshallian theory of prices and values, presented in his *Economic Journal* article of 1926 — which brought out, among other things, the need to avoid the inconsistency of assuming a perfectly competitive market equilibrium in a world with increasing returns to scale and diminishing costs of production — was followed by the development of major studies of imperfect competition of various kinds. Joan Robinson's *The Economics of Imperfect Competition* (1933) is a classic example of such a study.

Another distinguished — and dialectically engaging — literature originated in Sraffa's scepticism of the belief, common enough at one time in parts of mainstream economics, that profits and interests can be seen as the productive contribution of capital. Sraffa discussed the internal contradictions involved in the way that type of reasoning used to proceed. There were a number of other such departures, as outlined in the special number of the *Cambridge Journal of Economics* on 'New Perspectives on the Work of Piero Sraffa' (2013), which has opened up other areas of significant investigation. Sraffa's short book *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory* (1960) may not have yet led to the definitive critique to which the book was seen as a prelude, but there is considerable debate right now about how such a critique could be advanced and what it could be expected to achieve.

Since I was privileged to read the manuscript of that book as it was being finalised, I know that Piero was anxious to find out how the arguments looked to others. I was allowed to read the manuscript only in his rooms in Nevile's Court in Trinity after dinner, with him watching me, even as he read Italian newspapers, with his eyes carefully protected from light from above with an elegant green eyeshade. If I lifted my eyes and had a short reflection on what I had just read, he would ask me such questions as: 'Why did you pause? Are you worried about something I said? Which section are you reading now?' It was an experience that was for me harrowing and thrilling at the same time.

Sraffa's way of making a difference to the intellectual world typically took the form of his following up on his own extraordinarily imaginative and original thinking — done individually or jointly with others — involving momentarily new ideas, by briefly expressing his scepticism of established convictions that he argued needed replacement. The rest of the work was mainly for others to do, sooner or later. We see this again and again. Some of those departures have come to successful completion, but there are others that are still being actively pursued (such as producing the 'critique of economic theory' of which his own short book was meant to have been a 'prelude'). In Wittgenstein Sraffa found an ideal pupil. If we are ready to see the genius philosopher as learning something from Sraffa that would help to usher in the most constructive phase in Wittgenstein's hugely creative life, we could see how productive Sraffa's scepticism really was. Scepticism, to be sure, cannot be its own reward. But creative scepticism can generate rewards in plenty.

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