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978-1-107-04053-3 - Eminent Economists II: Their Life and Work Philosophies

Edited by Michael Szenberg and Lall B. Ramrattan

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EMINENT ECONOMISTS II

The sequel to *Eminent Economists*, this book presents the ideas of some of the most outstanding economists of the past half-century. The contributors, representing divergent points of the ideological compass, present their life philosophies and reflect on their conceptions of human nature, society, justice, and the source of creative impulse. These self-portraits reveal details of the economists' personal and professional lives that capture the significance of the total person. The essays represent streams of thought that lead to the vast ocean of economics, where gems of the discipline lie, and the volume will appeal to a wide array of readers, including professional economists, students, and laypersons who seek a window into the heart of this complex field.

Michael Szenberg is Distinguished Professor of Economics and Chair, Business and Economics department, Touro College and University System. He is Distinguished Professor Emeritus, Lubin School of Business, Pace University. Professor Szenberg is the recipient of many awards, including the 2013 John R. Commons Award, 2013 Homer and Charles Pace Award, 1983 Kenan Award for excellence in teaching, and the 1971 Irving Fisher Monograph Award. He also served as the editor-in-chief, Emeritus, of *The American Economist* (1973–2011). Professor Szenberg is the author or coauthor with Lall B. Ramrattan of more than seventeen books and many journal articles and encyclopedia entries.

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B'H

Once again, to my mother, Sara, who gave birth to me – twice;

my father, Henoch, for his wisdom;

my sister, Esther, for bringing me to these shores;

my two children, Naomi and Avi, and

their spouses, Marc and Tova;

and my wife, Miriam

And most of all to my grandchildren,

Elki and now Chaim, Batya, Chanoch, Devorah, Ephraim, Ayala, and Jacob

And to the Righteous Anonymous Austrian-German Officer who took my

immediate family to a hiding place just days before the last transport to

Auschwitz, where most of my family perished

In Memoriam

To my late elder sister, Balwanty Deolall,

and brother, Deonarine Ramrattan,

who have always directed me on the traditional path

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No bird soars too high, if he soars with his own wings.

William Blake

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Foreword

Only the oldest readers and perhaps a few antiquarians will remember Helen Hokanson. She was a cartoonist for *The New Yorker* long ago whose specialty was suburban matrons in flowered dresses saying things that we, but not they, found funny. The particular cartoon I have in mind shows a typical Helen Hokanson lady in conversation with several Navy sailors, all in blue uniforms and round white caps. She is saying, “How do you tell one another apart?” What brought all this to mind was reading the autobiographical essays in this book. There is no such problem for economists: they come in enormous variety, apparently no two alike. Some are breezy, some formal, some in between; some are technical, some are meditative; some are men and some, at last, are women. They are very easy to tell apart.

They do, however, have rather similar ideas. Economists and civilians come at problems in distinct, recognizable, even stereotypical ways. That is not incompatible with great diversity within the profession. We call it a “discipline” for a reason, after all. It is supposed to put some limits on “anything goes.” From the outside, some of those limits seem pretty narrow.

What struck me particularly is that most or all of these (“eminent”) economists seem to be skeptical about the same limitations in conventional economics: especially rigid assumptions about greed, rationality, and the ubiquity of equilibrium. They seem to treat them not as assertions to be uncritically believed, but rather as convenient, simplifying starting points. Presumably they should be abandoned when they begin to cost more than the benefits they confer. Not always, though: you and I, who are always paragons of intellectual detachment, know that even economists are subject to waves of belief. As Robert Frost observed (in “The Black Cottage”): “Most of the change we think we see in life / Is due to truths being in and out of favor.” This is, of course, a complicated matter. It is interesting to follow, in these essays, the various ways in which their eminent authors deal with the

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interplay between the conventions of the “discipline” and their own observations, intuitions, and analytical needs.

Maybe the picture that emerges from these autobiographies is a bit too optimistic. The institutions of academic life, especially the appointment process, do create pressure for uniformity. Frost was right but, to coin a phrase, there can be long and variable lags.

Here are some not quite random observations that bubble up from the reading of these stories.

One is about the changing role of women in the profession. The older women were clearly victims of overt and covert discrimination, conscious and unconscious, usually casual. My wife, who is slightly older, remembers the same or even worse: there were leading law schools that did not accept women as students, let alone as faculty. There is much less of that now, and what remains is at least shamefaced, in considerable part because of the achievements of the cohort represented in this book. Here is a lead back to what I was saying earlier. There are alternative interpretations of this piece of progress.

One school of thought might say: there you see the market having its usual benign effect. Another school of thought replies: the market didn't jump, it was pushed. Also half-truths come in and out of favor.

Another observation: I was struck by the important role that policy applications (and other applications) play in the work even of those whose mark has been made primarily in theory. It rings true.

In my own experience, involvement with policy issues has been a fertile source of research questions, even fairly abstract questions, to be thought about later. One has to hope that this is one of the mechanisms that warns many active economists not to take those simplifying assumptions too seriously.

I suspect that outside critics of economics are generically unaware of all this; they are forever beating a dead horse, at least partially dead. I suppose it is natural that graduate students start off by reacting to the literature instead of to the world. The literature is what they know about. Eventually that changes.

Lastly, this sample of successful careers suggests that there is no single path to success. Some of the protagonists just started off well and went from one good idea to the next, with only a rare dead end. Others didn't stumble onto pay dirt until considerably later, and sometimes in unexpected places.

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Some are hedgehogs, some are foxes. My impression is that talent (or good luck) in choosing promising problems to work on is just about as important as talent (or good luck) in finding solutions. Of course that insight, if it is an insight, does not offer a lot of practical help in the How to Make Good department.

There are many interesting stories here, many people worth getting to know, even apart from their published work. I can think of some missing tales that I would like to hear. So can you. Maybe they will come along in due course. Let's hope so.

Robert Solow

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Preface and Acknowledgments

Some time ago we came across Paul Sartre's play *Huis-clos* (*No Exit*), which contains the famous line "L'enfer c'est les autres": "Hell is other people."¹ This is only half true. Rereading the essays that appear in this volume and interacting with the contributors, we suggest a complementary line, "Heaven is other people." Juxtaposing both lines forms one of life's great equations.

Our contributors traverse continents and cultures and disciplines, and ultimately end up making major inroads in economics by cultivating their own garden. They heed Voltaire's wise words expressed in *Candide*, "Il faut cultiver notre jardin." Our interest in learning, analyzing the various paths the contributors have taken is to discover the wellspring of creative impulses in order to cultivate our own garden. Besides being scholarly, the vivid mosaic essays presented here are inspiring, engaging, meditative, affecting, and even entertaining. They point the path to scholarly success. The scholars presented here are "round" in the way E. M. Forster describes in *Aspects of the Novel*. Such characters are dynamic and "capable of surprising in a convincing way." Robert Frost noted that "[p]oetry begins in delight and ends in wisdom." The same can be said about reading the essays written for this volume: they make us well aware how wisdom is gained in the scholarly world. Given the turbulent times of the world we live in, we are reminded of Anatole Frances's line: "He is a truly great historian; he has enriched his subject with a new uncertainty."

This volume owes a great debt to Scott Parris, former senior editor of Cambridge University Press, for his belief in the project and constant encouragement. Thank you, Scott. *Eminent Economists II: Their Life and Work Philosophies* is a sequel to the 1992 volume, still in print, which was translated into many languages. This is the third book coming to fruition under Scott's stewardship. Also, we would like to acknowledge the cooperativeness of the contributors to this volume with thanks and gratitude.

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We are grateful to Bob Solow, who adorns this work with an encore foreword after he did the same for our *Franco Modigliani: A Mind That Never Rests*, which was also translated into several languages.

Szenberg is profoundly grateful to Ben Friedman and Victor Fuchs for being his champions.

Our intellectual debt continues with the members of the Executive Board of Omicron Delta Epsilon, the Honor Society in Economics, for being an important source of inspiration, encouragement, and support – Professors Mary Ellen Benedict, Tina Das, Alan Grant, Paul W. Grimes, Katherine A. Nantz, Farhang Niroomand, Robert Rycroft, Joseph M. Santos, and Ali Zadeh – and the Coordinator of the ODE Central Office, Phyllis Carter. We are grateful for their collegiality and deep friendship.

Pace's library is a superbly run unit where efficiency and kindness dwell together. We are grateful to the librarians of Pace University – Adele Artola, Yakov Bibichkov, Steve Bobich, Wanda Castaner, Amernal Denton, Michelle Fanelli, Gladys Gonzalo, Alicia Joseph, Sanda Petre, Chloe Pinera, Rey Racelis, and Ann Wilberton – for being extraordinarily supportive.

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Lastly, Szenberg's deep gratitude is expressed to Stephen J. Friedman, President of Pace University, for his rare combination of effective leadership, efficiency, humility, kindness, and cheerfulness.

Notes

- 1 It is important to note that in 1964 Sartre refused the Nobel Prize in literature. Boris Pasternak was the only other winner in literature who declined the Nobel, in 1958. However, he was forced to do so by the Soviet authorities.