

In Memoriam: Robert L Heilbroner The Continuing Relevance of The Worldly Philosophy

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ECONOMISTS, SOCIAL SCIENTISTS, AND MILLIONS OF DEVOTED READERS join together with the family, friends, colleagues, and students of Robert L Heilbroner in mourning his recent passing. Heilbroner, who was Norman Thomas Professor of Economics Emeritus at the Graduate Faculty of Political and Social Science of the New School for Social Research, died on January 4, 2005 in New York City at the age of 85.

For over fifty years, Heilbroner's contributions to economics have inspired and educated students, colleagues, and lay readers perhaps more than any other single individual in the field. Thanks to Heilbroner, it cannot be said that all economists are lousy writers, neglect real world problems, or are incomprehensible to all except a small fraction residing in their ivory towers. But Heilbroner did more than write clear, beautiful prose; he challenged professional and lay readers alike to dig beneath the surface to examine the deep structures of economic and social life. In his prolific career, Heilbroner covered a wide range of subjects, including the history of ideas, methodology, economic history, and economic policy. He was a scholar of capitalism, as both a dynamic economic system and a social regime. Heilbroner was a sharp critic of mainstream economics, but one who is respected by those who have been the object of his scrutiny. His primary task, as he himself saw it, was to ask the hard questions, questions that challenged his colleagues to rethink their assumptions and premises, to make explicit their preconceptions.

Heilbroner's formal introduction to economics came as an undergraduate at Harvard in the 1930s (Heilbroner, 2003). There his biggest influences were Schumpeter, Alvin Hansen, and his major professor, Seymour Harris. His tutor was Paul Sweezy. Heilbroner was at Harvard when *The General Theory* was published, and he often reminisced about the day the book went on sale at the Harvard Coop, followed by endless debates in the hallways among faculty and students with empurpled faces, arguing about whether saving determined investment or the other way round. His senior paper dealt with the question of how it was possible that, on the one hand, investment determines savings through changes in income and, on the other hand, investment and savings are always equal as an accounting identity. His

answer was that they both could be correct if a careful distinction is made between planned and unplanned savings and investment. A version of his paper was published as a note in the *American Economic Review* in 1942, and to this day can be found on the syllabi and bibliographies of Keynesian scholars (Heilbroner, 1942).

During World War II, Heilbroner served for a time in the Office of Price Administration under the direction of John Kenneth Galbraith, and later interrogated prisoners of war in Japan. Following the war, he began to work as a freelance journalist, penning articles for magazines such as *Esquire*, the *New Yorker*, and *Harper's*, a practice he continued throughout his long career, building an audience far beyond the academy. Some of these articles dealt with topics far from those with which he would become associated, such as one in which he was the first to suggest that Shakespeare may have been Christopher Marlowe (he jokingly claimed that he received more responses to this article, mostly from enraged high school English teachers, than any of his writings in economics). But others did provide an indication of what was to come, among them an early and prescient piece on the problems of pollution entitled "What Goes Up the Chimney?," and another the same year on poverty in the United States that anticipated studies such as Michael Harrington's *The Other America* (Heilbroner, 1950a, 1950b).

In the mid 1940s, Heilbroner signed up for a graduate seminar on "Classical Theories of Economic Growth" taught by Adolph Lowe at the New School's Graduate Faculty (see Forstater, 2004a). Lowe was the spiritus rector of the Graduate Faculty, originally the University in Exile, a distinguished group of scholars who had fled Europe with the rise of fascism, and whom New School President Alvin Johnson had brought together to form a unique continental-style interdisciplinary faculty of social sciences. Heilbroner came under the spell of Adolph Lowe, whose fascination with the dynamic social theories of Smith, Ricardo, and Marx was infectious. When Heilbroner first informed Lowe he wanted to write a book about the lives and ideas of the classical authors, Lowe reportedly scolded him, saying 'This you cannot do!' But after reading his draft chapters on Smith and Ricardo, the elder German told him with equal enthusiasm: 'This you must do!' The resulting book, *The Worldly Philosophers* (1953), is one of the best selling economics books in history, and after more than nine revisions and translations into many different languages for over fifty years it continues to entertain and educate readers around the world.

By the time Heilbroner earned his doctorate from the New School in 1963, he had already published three books and had received offers of professorships from Berkeley and other universities and was even offered the job of President of the New School. Heilbroner had found his intellectual home in the New School, but it was in the seminar room that he wanted to spend his time, rather than the President's office. Several years later he would take up the Chair in Economics, and under his direction the department would move

to another stage in its development. The original German refugees were retiring and it was time to hire a new group of economists who would deal with the challenges of political economy in the 1960s and beyond. Over the next decade, the department would hire Edward Nell, David Gordon, Anwar Shaikh, and John Eatwell, making the department one of the premier institutions for political economy in the world (Forstater, 2003).

Meanwhile, Heilbroner was as prolific as ever, writing a new book every year or so, as well as beginning to publish in academic journals. *The Future as History* (1960), *The Making of Economic Society* (1962), *The Great Ascent* (1963), *The Limits of American Capitalism* (1966)-the titles describe Heilbroner's grand, sweeping vision of capitalism as a dynamic historical social system. His work could now be found in many more outlets, such as *The New York Review of Books* and *Dissent*. Heilbroner also addressed and influenced policy issues, for example in his *Primer on Government Spending* (1963, co-authored with Peter Bernstein). President John F Kennedy, who even pointed out a typo to the authors, read the *Primer*, and held the book up during a speech outlining his tax cut plan. Twenty years later, the authors of the *Primer* would write an updated and revised version, entitled *The Debt and the Deficit: False Alarms, Real Possibilities* (1989). This time, though, the book was not embraced by Democrats in Washington, because they had since decided to turn their backs on sensible fiscal policy so they could criticize the huge deficits run during the Reagan Administration.

Heilbroner's success as a textbook author and popular writer often overshadowed his real scholarly achievements, especially in the history of economic thought and economic methodology. One example of his real scholarly achievement in the history of economic thought would be Heilbroner's work on Adam Smith. Here of note are his articles 'The Paradox of Progress: Decline and Decay in the Wealth of Nations' (1973) and 'The Socialization of the Individual in Adam Smith' (1982); his chapter on 'Adam Smith's Vision' in *Behind the Veil of Economics* (1988); his edited, annotated and introduced collection of Smith's writings, *The Essential Adam Smith* (1986); and his entry on Smith in the *Encyclopedia Britannica* (1974a). Heilbroner's interpretation of Smith is probably closest to the modern Scottish school of political economy and Smith scholars such as A L Macfie, D D Raphael, Andrew Skinner, and Ronald Meek. For Heilbroner, Smith is a complex figure, certainly no apologist for free markets. In 'The Paradox of Progress' Heilbroner shows that while Smith clearly saw the benefits of the widening division of labor, he also thought that workers assigned to simplistic, repetitive tasks were subject to a kind of moral decay. He further argues that this is not justified by a trade-off for material progress since Smith's vision of capitalism's terminal state was ultimately one not of economic progress, but of decline. In 'The Socialization of the Individual in Adam Smith' Heilbroner takes up 'Das Adam Smith Problem' once again, showing that *An Inquiry into the Nature and Causes of the Wealth of Nations* (WN) must be read not only alongside *The Theory of Moral*

Sentiments (TMS), but also the *Lectures on Jurisprudence* (LJ), the latter the missing link between WN and TMS. Taken together as one continuous life project, Heilbroner demonstrates that the economic actor in WN assumes an individual already socialized as in TMS and a legal framework of the 'society of perfect liberty' as in LJ. He also shows that there are 'Adam Smith Problems' other than that of reconciling TMS and WN, ones that are relevant to the modern world.

Heilbroner's work on Schumpeter (another of his former professors at Harvard) is also an important scholarly achievement in the history of economic thought. In articles such as 'Analysis and Vision in the History of Modern Economic Thought' (1990a), 'Was Schumpeter Right?' (1981), and 'Was Schumpeter Right After All?' (1993a); his chapter on 'Schumpeter's Vision' in *Behind the Veil of Economics* (1988); and his reviews of Schumpeter's *History of Economic Analysis* (1954, Heilbroner claimed he was the only person to have ever read the entire book cover to cover!) and of books on Schumpeter by Richard Swedburg and others in the *New York Review of Books* (1992a), Heilbroner uses his own versions of Schumpeter's notions of 'vision' and 'analysis' to examine Schumpeter's work itself. Heilbroner finds a tension in Schumpeter's work between his vision of a turbulent and crisis-ridden capitalist system on the one hand and a smooth Walras-inspired 'circular flow' market process on the other. Anticipating later developments in literary criticism as well as drawing on his interest in Freud, Heilbroner roots Schumpeter's ultimate vision in his early life experience, including his rejection by the elite classes after his mother remarried.

Heilbroner's work in economic methodology is also an important part of his scholarly achievements in the history of economics. In articles such as 'Economics as Ideology' (1990b), 'Economics as Universal Science' (1991a), 'Economics as a "Value-Free" Science (1973b), and his many discussions of vision and analysis, Heilbroner deconstructs the discipline, its methodological underpinnings, and its many claims, and develop his own 'hermeneutic' approach to social inquiry. Whereas for Schumpeter, analysis had a kind of 'cleansing' effect, which prevented the necessarily ideological nature of the 'pre-cognitive act' from tainting scientific endeavor, for Heilbroner economic theory is inescapably value-laden. Biases are always present, at times lurking beneath the surface, but often emerging in the form of assumptions that determine the content of the analytical categories and the direction of the prognostications. The distinction between 'vision' and 'ideology' depends on whether one's preconceptions and sociopolitical orientation are made explicit, or whether they are hidden and even denied: "that which we call ideology is therefore perhaps best understood as unrecognized vision, and that which I call vision as consciously embraced ideology" (1994, p. 329). For Heilbroner, the fascination with prediction is rooted in a primal human anxiety concerning the unknown future (1991b).

Heilbroner's initial work on the Worldly Philosophers' prognoses led to

his own analyses of the economic, political, cultural, and socio-psychological drives, motivations, and propensities underlying production, distribution, and exchange (Forstater, 1999a). In works such as *The Nature and Logic of Capitalism* (1985), *An Inquiry into the Human Prospect* (1974b), and *21st Century Capitalism* (1993b), Heilbroner sets out his own vision and analysis of capitalism as a social regime. For Heilbroner, the necessarily interpretive nature of economic inquiry means that the very object of inquiry itself cannot be taken to be self-evident. The 'economy' is an abstraction from the social totality, and thus defining 'the object' is a task that influences the nature and direction of the analysis. Heilbroner long advocated 'material provisioning' — the harnessing of society's material resources to provide for the wants and needs of its members-as the central problem of the political economist, rejecting the conventional definition that focuses on the 'logic of choice' (Heilbroner, 2000). He argues against any notion of universal economic laws, emphasizing the historical specificity of capitalism in human history. His historical approach, rejection of universal laws, and refusal to 'read' markets back into pre-capitalist societies informs his critique of the 'economics imperialism' (Forstater, 1999b). Rather than his discipline being the 'queen' of the social sciences, as some of his colleagues have claimed, he suggests it might perhaps be the 'knave'.

In recent years, Heilbroner questioned whether, under present contemporary circumstances, Worldly Philosophy is still possible. He believed that scenarios and visions do not lend themselves to formal analytical procedures. More importantly, he believed that the economic behaviors that set the system on its path have become less dependable, while political intervention has become more strategic. An 'instrumental' approach, in Adolph Lowe's (1977 [1965]) sense, thus becomes more appropriate, with 'blueprints depicting possible routes from present realities to desired destinations' replacing 'scenarios depicting a future immanent in the present' (Heilbroner, 1992b, p. 381; see also, Heilbroner and Milberg, 1995, pp. 118ff; Forstater, 1999b; 2004b). Despite Heilbroner's skepticism, he continued to express the hope that the 'irrelevant scholasticism' (1994, p. 8) of contemporary neoclassical economics might be replaced with a reinvigorated political economy. Political economy 'may perhaps [be] resurrected by a corps of dissenting economists,' employing a framework that 'take[s] full cognizance of the sociopolitical realities of our time, whatever the difficulties they may pose for the construction of elegant models...[A] rekindling of the tradition of political economy is within the realm of possibility. That would indeed be a happy ending to the teachings of the worldly philosophy' (1996, p. 336).

Robert Heilbroner long ago made a name for himself far outside the confines of our discipline. He nevertheless continued to participate as a teacher and colleague with the utmost grace and humility. His sometime sharp criticisms were softened by his eloquence and charm, and this endeared him to so many of his colleagues. Bob Heilbroner will be sorely missed, but

there is no question about the continuing relevance of his work, and of the worldly philosophy.

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ENDNOTE

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