
Read Who’s Who in Economics (1999) sometime. The reader will be struck by how little we learn about the worthy being honored with inclusion. Co-editor William A. Barnett’s entry, for example, lists his degrees, his jobs, his selected papers and books. And that’s it. The reader is left wondering just who these people really are, how they came up with the ideas for which they are lauded, where they see the discipline going in the next little while, and so on. Who’s Who manages, ironically, to strip out the personal in its biographical summary, in essence losing the ‘Who’. The only real information the book provides about these worthies is their personal rankings of their best papers and books in a paragraph asking what they feel is their principal contribution. But even this is almost useless—chances are the reason you know their names and are looking them up is because of their more famous papers anyway.

Nobody goes looking at Who’s Who to find out who Kenneth Arrow is. These are genuinely interesting people, men mostly, of genius, talent and ambition, whose life stories enfold and enrich the reader’s appreciation of their work, as Paul Samuelson mentions in his co-editor’s foreword. Implicitly comparing economists to philosophers, Samuelson finds their life stories enrich one’s appreciation of their work, though in fairness the philosophers’ life stories were not exactly light reading: “an unhappier gaggle of misfits could hardly be imagined. Suicides abounded, melancholies persisted, celibacies and divorces competed for frequencies” (pg. ix). While not quite as depressing, we can all take the point that economists’ lives influence their work, and Inside the Economist’s Mind: Conversations with Eminent Economists (ITEM) will prove an invaluable resource for those wishing to understand the greats and their work.

The economics profession, like any other profession, talks to itself in learned journals and scholarly books. These publications are peer reviewed, in part to strip out the noise of opinion and increase the signal of scholarly ‘fact’, however we choose to define it. The profession rarely talks about itself though. Inside the Economist’s Mind is a collection of interviews commissioned for a journal, Macroeconomic Dynamics, by William Barnett, the co-editor of ITEM and editor of Macroeconomic Dynamics. The idea of the book is to gauge the position in time of the profession by asking the people who invented large swathes of the theory...
what their motivations were for doing what they did, when they did it, and why they did it. Readers find eccentric and irascible characters behind some of the major innovations in economic science, and that is the draw to the book.

The major innovation of the book is its format. There is no peer review system here, because all of the interviews are treated as direct quotations, as Barnett explains in his foreword. Once the interviewees are aware of this, they use the opportunity of unlimited candor in different ways. Barnett bashes the Monetarists (pg. xxvii) for ignoring his Divisia system, to their detriment, Tobin chides the Real Business Cycle theorists (pg. 400). Modigliani takes a swipe at the Monetarists again (pg. 102) and takes a shot at Barro’s Equivalence theorem, which, “despite its elegance, has no substance” (pg. 100, emphasis in original). Robert Aumann muses on religion, David Cass on university politics, Janos Kornai on neoclassical economics and the profession as a whole. Paul Volcker tells us about the Burns era at the Federal Reserve (pg. 175-177) and his own era, but we also learn about fly fishing and the possibility of a world currency (pg. 186). We get insights into economic theory from Samuelson, Fisher, Sargent and Friedman, as well as finding out more about them as people and their approaches to the profession in the process. ITEM allows the reader an appreciation of the interviewees’ depth, with which Who’s Who just can’t compete. ITEM supplies the missing ‘Who’.

The other innovation is the interviewer. Leontief is not interviewed by some graduate student or a Kinsella or a journalist who took a course in economics once. No, Leontief gets Duncan Foley of the New School for Social Research, Modigliani gets Solow and Barnett, Sims gets Lars Peter Hansen, and so on. This is the foie gras of academic journalism, because the interviewee feels no compunction to talk down to their equally esteemed professional colleague. Leontief understands that Foley understands what he is saying, and so the conversation moves along at a higher level than simple journalism might allow. The book could easily have been subtitled Conversations Between Eminent Economists. The format is an innovation because of the tone it evokes in the interviewee.

Because of the format, the profession gets to see its worthies really talking about themselves and their ideas, past works and, possibly most importantly, we hear their reflections on the current and future states of the discipline. We are edified when Paul Samuelson, co-editor of the book, says (pgs. 163—164):

> My notion of a fruitful economic science would be that it can help us explain and understand the course of actual economic history.

We hear Modigliani’s advice to aspiring graduate students in macroeconomics: look to open economy macroeconomics and international finance for the next series of big breakthroughs (pg. 103). Aumann (pgs. 371-372) tells the novice about collaboration with others:

> Beyond mathematics, the arguments [between collaborators] are about identifying the right concept. This is a question of judgment; one cannot prove that this is a good concept and that is not... Everyone brings his own intuitions and ideas.

The reader gets to see some interesting professional sociology through these largely unstructured interviews. In different interviews (pg. 156), we learn, for example, of what has to be one of the worst personnel managers in the history of academia—Professor Harold H. Burbank of Harvard, whose tenure as department chairman saw Samuelson, Solow, Modigliani and Goodwin leave Harvard for MIT and Cambridge. We see the role Carnegie Mellon University and its inspirational academic administrators, like Dick Cyert, played in the genesis of the ideas of many of the interviewees. Lucas, Modigliani, Cass and more were given the freedom at Carnegie Mellon to pursue the ideas that led to their fame, though that fame, once it came, took them elsewhere. Herbert Simon is cited by many of the interviewees as a continuing influence on their work. John Muth, apparently, found inspiration for his rational expectations model in Simon’s work! According to Lucas himself (pg. 61), Simon was palpably offended when he heard of Muth’s claim at inspiration. The reader gets the impression from ITEM that the history of economic thought in the late 20th century can be told through the interactions of young scholars at these centers—Carnegie Mellon, RAND, CORE (which Jacques “of all trades” Dreze began (pg. 299)), and the Cowles Commission. We find little gems interspersed
in the different interviews cross-referencing each other. Lucas was considered a protégé of Uzawa, according to Cass and Lucas himself (pgs. 41 and 60, respectively). The Institute for Mathematical Studies in the Social Sciences at Stanford is credited by Robert Aumann as influencing the development of economic theory for 20 years, using their summer school as a focal point for serious research (pg. 374).

We learn about the greats and their doctoral experiences. As a young economist, it is heartening that even David Cass had some trouble getting his first job, though Uzawa’s idea of promoting his students left a lot to be desired. Uzawa “thought it immoral [for a doctoral student] to have more than one offer” (pg. 39). Cass tells us Uzawa basically rediscovered the calculus of variations himself (pg. 37) and spent years reconstructing the classical economists’ models as growth models using his optimal growth technique. Cass himself rebuilt the Ramsey model in ignorance of Ramsey’s work as the first chapter of his Ph.D at Stanford. Once Cass had found out about Ramsey’s paper, he “was, to be perfectly honest...a bit embarrassed about it”.

There are examples of tension as well in the interviews on certain subjects. In my opinion, and perhaps I’m reading too much into the exchange, when Foley interviews Leontief, we have a great example of how a smart person can change the subject to keep the flow of the conversation going.

Looking closely at the exchange between Foley and Leontief, you can see Foley steering the conversation towards the subject of Richard Goodwin, and then pushing Leontief on the thorny subject of Goodwin’s tenure. First, Foley brings up Goodwin out of nowhere. They spend page 18 talking about the dual nature of input-output analysis and national accounting, when all of a sudden Foley throws in Goodwin’s name in the context of structural change and fluctuations, and Leontief (starting pg. 19) takes the bait:

Leontief Richard Goodwin was my student. He studied with me, he was my assistant. He couldn’t get a permanent appointment at Harvard and then went to England. He was a good friend. He was very interesting.

Foley I talked with Goodwin about this [the tenure review] at one time. He did have a job at Harvard in the late 1940’s, but it was an untenured job, right?

Leontief Yes. He couldn’t get tenure. And this was the reason why he went to England.

Now Foley probes him a little more, before the tone of the conversation changes—Leontief has obviously had enough of this line of questioning, and gets short with Foley right afterward.

Foley Yes, that’s what he told me as well, but I was somewhat puzzled as to why someone who had been doing the kind of work he was doing in the late 1940’s would not have been a shoo-in for tenure.

Leontief I think possibly it was politics. He was on the left.

Foley senses the change in tone and wisely changes tack. After the next comment he begins asking about the role of structural changes again.

Foley So that shaded the evaluation of his scientific work?

Leontief Yes. That was it, frankly.

And the conversation moves on.

Almost every interviewee takes the opportunity of the interview to comment either on the present or future state of the discipline. All of the comments are insightful, and worth repeating in their entirety, but space considerations prevail. Janos Kornai remains disgruntled about the excessive mathematization of the subject. Kornai (pg. 74) feels

Social science, in my view is not a collection of true and exact statements about the world, but a cognitive process...I would separate roughly three stages in the cognitive process: First, one perceives that there is a puzzle and sets out to solve it more or less by common sense and intuition. Then comes the middle stage, where neoclassical theory enters to help make the probably crude
understanding more precise through exact assumptions. The process is rounded off by the third stage, the interpretation of the results... I think what we call mainstream economics is very useful and instrumental in the middle stage, but it doesn’t have much to do in the first and third stages.

Interestingly, MIT’s Olivier Blanchard, Kornai’s interviewer, agrees with him on this point.

Even more oddly, Paul Samuelson echoes Kornai’s sentiment. Hardly an anti-equilibrium economist, Samuelson uses his interview to reject the metaphorical allusion made by Phillip Mirowski in his book More Heat than Light (1991) that economics is simply a social physics that Samuelson helped bring into the world. We find Samuelson refuting his interviewer’s assertion that he had become highly influenced by the work of physical scientists (pg. 157–158, emphasis in original):

    I would be rash to ignore analytical sciences outside of the social sciences. But I would be stupid, if out of “physics envy” or snake oil salesmanship, I would inject into economic theory analytical mathematics that fit only gases and liquids. In my writings, I have criticized wrong analogies to physics by Irving Fisher (whom I admire as a superlative American theorist). Even the genius of von Neumann has not escaped my critical auditings. I have given only qualified approval to Marshall’s hope for a more biological and less physical approach to future economics.... Maybe someday, future Phillip Mirowskis and Roy Weintraubs will better fine-tune their nuances.

Next we find Samuelson’s hope for a truly successful grand theory of economics is rooted in its need to explain the emergence of economic history (pg. 163–164):

    My notion of a fruitful economic science would be that it can help us explain and understand the course of actual economic history.

Echoing Samuelson, Leontief, who sat on Samuelson’s Ph.D committee, appeals for a dynamical answer to the ‘future of economics’ question on page 18:

    My feeling is that the fundamental theoretical understanding of economic fluctuations is as a dynamic process. I still believe, what explains the fluctuations of economies is some kind of difference, differential equations. Of course, structural change is very important; it’s important particularly now. It’s always dynamic. It’s a system of interrelationships, a system of equations, but still the quantitative approach is important.

In future editions of this book and the further volumes to come, I’d love to see a focus on the characters behind different approaches to economics and their reasons for taking their contrarian positions to the mainstream—Foley, Nell, Solow and Velupillai, as well as more traditional mainstays of the profession like Barro, Greenspan and Alesina. A focus on economists regarded primarily as great teachers and their pedagogical strategies would be great as well, not just the theoretical giants.

Inside the Economist’s Mind is a very rare thing—an economic page-turner, like Heilbroner’s The Worldly Philosophers, Foley’s Adam’s Fallacy, and Levitt and Dubner’s Freakonomics. The personalities behind the frontiers of economic research make for compelling reading. I can’t recommend it enough, and I look forward to the next volume.

References
