Vision and Analysis in Heilbroner’s Political Economy: Worldly Philosophy and the Nature and Logic of Capitalism

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In his "Preface" to *A Future of Capitalism: The Economic Vision of Robert Heilbroner*, author Michael C. Carroll remarks that while economists have often shared with him their admiration for Robert Heilbroner, they have had little to say about the content of his work. In fact, while it is safe to say that Heilbroner may have single-handedly done more than anyone else to lead young people to the study of economics, one searches in vain for signs that his messages have had any impact on the profession. This applies almost as much to those who dissent from the mainstream as to orthodox economists themselves. As Carroll [p. 1] also notes, Heilbroner’s work, while displaying overlapping characteristics with many alternative schools of economics, does not fit neatly into any one of them. One result is that the work of this much admired and prolific commentator on political economy and economics has gone greatly underexamined.

Carroll’s book thus fills a gap in the literature, especially since it focuses on Heilbroner’s own political economy, rather than on his contributions to the history of economic thought.

Heilbroner’s early work dealt with the dramatic scenarios of the Classical Political Economists, especially the work of Smith, Ricardo and Malthus, Marx, and Mill, as well as Schumpeter, Veblen, and Keynes, whom he regards as continuing the classical tradition of viewing the economy as historically and institutionally situ-

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ated. The classical scenarios depict what they saw as the inexorable movement of the capitalist economic system, with its laws of motion and systematic tendencies leading to some predetermined conclusion. Underlying the system's movements was a variety of factors, both economic and non-economic. In other words, the trajectory of the system was inseparable from both the wider sociopolitical context within which the economy is situated and the subjective drives and behavioral tendencies of historical agents, which both shape and are shaped by changing socioeconomic and political structures.

Throughout his book, Carroll rightly emphasizes the influence of Heilbroner's mentor, Adolph Lowe, on all of his work, and a similar presentation of the classical scenarios is found in Lowe's 1954 article "The Classical Theory of Economic Growth," written during the time when Heilbroner was enrolled in Lowe's seminar on the Classical Political Economists at the Graduate Faculty of the New School and himself writing the first edition of The Worldly Philosophers. In fact, the roots of this approach can be found in Lowe's early work on the methodology of business cycle theory in relation to theories of secular economic change, where he called for uncovering the endogenous determinants of industrial fluctuations [e.g., Lowe 1926], which were later elaborated in his greatly under-appreciated but classic 1935 work, Economics and Sociology. For Lowe, the static equilibrium models of neoclassical economics were inadequate to analyze the "dynamic chain of reciprocal causation" at work in industrial capitalism [Lowe 1935, 138-39]. Instead, what was required was a theoretical approach that could make endogenous the structural factors taken as given in standard presentations. Economic analysis must be accompanied "by a theory of the evolution of its social data" since "the essential variations of those data [are] effected" by economic processes themselves [Lowe 1935, 93-96]. Lowe was dissatisfied with twentieth-century work on economic dynamics precisely because the "time honored distinction between dependent and independent variables—that is, between an economic process and the underlying meta-economic forces which drive it on and change it—is generally maintained" [Lowe 1954, 128]. Even "dynamic process analysis" was "but a dim reflection" of what is found in the classics and Marx [Lowe 1954, 128]. In fact, Lowe argued that it is the "issue of endogeneity versus exogeneity, rather than conflicting theories of value" that separates "genuine classical theory" from "post-Millian economic reasoning, including all versions of neoclassical analysis" [Lowe 1954, 129]. The issue regards:

the entire possible range of deductive reasoning. Let us be quite clear about the disputed region. It concerns the whole natural, social and technical environment of the economic system . . . and . . . the changes in these elements through time. [For the Classical Economists and Marx] the explanation of the order and changes of these data itself formed part of the theoretical work of economists [Lowe 1954, 129-30].
Thus, Carroll [pp. 46-47, 54-55, and passim] is absolutely correct in characterizing Heilbroner’s approach as broader and deeper than traditional economics, for it includes areas we today normally think of as the realms of the sociologist, anthropologist, psychologist, and historian. He is also right to reject the idea that this broad approach means Heilbroner’s is not a rigorous analysis [p. 38] and to highlight the affinities between Heilbroner’s work and Veblen’s evolutionary economics [pp. 94-95].

Heilbroner’s initial fascination with the Worldly Philosopher’s prognoses led to his own analyses of the economic, political, cultural, and socio-psychological drives, motivations, and propensities underlying production, distribution, and exchange. In these investigations, Heilbroner adopted his own versions of Schumpeter’s [1954] notions of “vision” and “analysis.” Whereas for Schumpeter analysis had a kind of “cleansing” effect, which prevented the necessarily ideological nature of the “pre-analytical cognitive act” from tainting the scientific endeavor, for Heilbroner economic theory was inescapably value-laden. Biases are always present, at times lurking just beneath the surface, but often emerging in the form of assumptions that determine the content of their analytical categories and the direction of their prognostications—thus the importance of his notions of scenario, vision, analysis, and ideology. A scenario is a “complex narrative . . . combining many prognoses” [Heilbroner 1990, 1111]. Visions are not scenarios; rather, they are “the source, but not the determinants of social prognoses” [Heilbroner 1990, 1111]. Neither are visions the result of scenarios; they are “pre-analytical.” The direction of the prognoses is the result of logical analysis, which, however, can never be completely independent of either vision or ideology. Scenarios thus “combine powerful analytical frameworks with highly personalized visions concerning the motives and behaviors of the actors within those frameworks” [Heilbroner 1993, 122]. 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” [Heilbroner 1994, 329].

Carroll [pp. 49-51] emphasizes Heilbroner’s relatively recent self-identification with a hermeneutic approach to social inquiry. All inquiry is necessarily interpretive. However, socioeconomic analysis is additionally complicated by the fact that the objects of inquiry are human beings, who must interpret the world that they inhabit and interact with other interpreting human beings. Thus, the social inquirer operates in a context of multiple layers of interpretation, or what Anthony Giddens [1976, 162] has called the “double hermeneutic” of the social sciences. For Heilbroner, following his mentor Lowe’s colleague, the eminent sociologist Karl Mannheim, consideration of human purposiveness and intentionality lead to the conclusion that “the nature of its subject matter . . . necessitates that social science be
conceived of as a hermeneutic and self-reflective discipline" [Simonds 1978, 107; see, e.g., Heilbroner 1973, 133-34; 1991, 468-69].

While the "double hermeneutic" does represent a special problem for the social sciences, this does not mean that the natural sciences have no hermeneutic dimension at all. Carroll does not probe Heilbroner's apparent acceptance of positivism for the natural sciences. This is unfortunate, as the Lowe/Heilbroner approach of endogenizing the data outlined above may have implications for the methodology of the natural sciences as well. Simply put, economic activity transforms the economy and its "data," the "whole natural, social, and technical environment of the economic system." Thus, while the objects of the natural sciences do not display purposive behavior, neither are the problems of investigation constant in the face of ongoing, large-scale, socioeconomic and structural transformation. It is not just the object of the social sciences that changes; economic activity creates, destroys, shapes, and otherwise transforms the natural environment, resulting in crises confronting the natural sciences, too, with serious knowledge problems. As Sandra Harding has pointed out, the social scientist must always look at not only human beings and societies, but at the physical and natural world they inhabit [1986, 44-45].

The implications for the natural sciences of the impact of human activity on the natural environment are particularly striking in the case of issues related to environmental policy, an area of long-time concern for Heilbroner [Funtowicz and Ravetz 1990].

For Heilbroner, the necessarily interpretive nature of economic inquiry means that the very object of inquiry 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 analysis. Heilbroner has long advocated "material provisioning"—the harnessing of society's material resources to provide for the needs and wants of its members—as the central problem of the political economist, rejecting the conventional definition that focuses on the "logic of choice." He argues against any notion of universal economic "laws," emphasizing the historical specificity of capitalism in human history [e.g., 1991]. Heilbroner's historical approach, rejection of universal laws, and refusal to "read" markets back into pre-capitalist societies provide a welcome respite from the "economics imperialism" of modern neoclassical economics. But Carroll's [p. 70] statement that "Heilbroner's reluctance to grant pre-capitalist societies an economy is something unique" leaves this issue underexplored. On the one hand, if the subject of political economy is material provisioning, then it is not clear why political economy should not have something to contribute to the study of non-capitalist modes of production. On the other hand, the "disembodiedness" of the economy in modern capitalism can be overstated. Are relations of production not also embedded in cultural and political institutions in capitalism as well? Is not the point of much of Heilbroner's critique of
modern economics that the supply and demand approach, abstracting from politics and short on institutional analysis, is also inadequate for the study of capitalism?

In recent years, Heilbroner has questioned whether, under present contemporary circumstances, Worldly Philosophy is still possible. He believes that scenarios and visions do not lend themselves to formal analytical procedures. More importantly, he believes 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 Lowe's 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 1992, 381; see also Heilbroner and Milberg 1995, 118ff; Forstater 1999b]. A key issue for Heilbroner is the increasing "openness" of the system. The determinism of the classical system was rooted in "laws" that were seen to govern relations between such factors as population (labor supply), subsistence (wages), natural resources, employment, and technical change. The "iron law of wages," the "law of population," and "the (classical) law of diminishing returns" were seen as natural and therefore unalterable. As Lowe observed, in the classical era, "impersonal forces or 'laws' which might be observed or interpreted, but which could not be altered" appeared to govern such relations, but scientific and technological advance later transformed most of these law-like relations into variable ones, capable of human control: "That which once 'happened,' can now be made to happen, or prevented from happening" [Lowe 1971, 568]. Furthermore, having created the technological potential to both induce and prevent disaster, humankind has "no alternative to accepting the challenge of the new era":

In the face of this tremendous enlargement of human capabilities, there is no possibility of turning away. Even doing nothing, or outlawing the advance of our further capabilities, would be as much an act of intervention as exploiting our newfound capabilities to our utmost [Lowe 1971, 568].

More than anything else, it may be this existential predicament that concerns Heilbroner: "From now on, the future will have to be more and more the result of our deliberate choices, at every level of human activity" [Lowe 1988, 2]. The "end" of the Worldly Philosophy in this sense depends on whether humankind faces up to the challenges that confront society in the age of great technological possibility.

As with many of the questions that Heilbroner has spent his career posing, there is not supposed to be a simple answer; rather, they are intended to spur critical thinking. As Carroll argues, Heilbroner himself is the epitome of the Worldly Philosopher today. Yet, the question remains: will Heilbroner's eventual retirement (he continues to teach courses at the New School and is as prolific as ever) mark the end of Worldly Philosophy? Perhaps we should think not only of "Worldly Philosophy," with capital letters, but also of "worldly philosophies," which are a variety of explorations that might extend and elaborate different aspects of Heilbroner's approach.
Here we can include approaches that "endogenize the data," interpretive methodologies, historical approaches to economics, an approach to the history of thought that emphasizes its relevance for understanding contemporary political economy, the focus on power relations, and the many other approaches that find inspiration in Heilbroner's work. Heilbroner [1994, 8] has expressed the hope that the "irrelevant scholasticism" of contemporary neoclassical economics might be replaced with a re-invigorated political economy. Political economy may "perhaps [be] resurrected by a corps of dissenting economists," employing a framework that:

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\text{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 [Heilbroner 1996, 336].}
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Certainly, as long as students and followers such as Michael Carroll continue to insist on its relevance and necessity, Heilbroner's work will remain alive in much the way that he has kept alive the works of Smith, Marx, Schumpeter, and the other Worldly Philosophers for so many of his readers, students, and colleagues.

**Notes**

1. To his credit, Carroll does not try to force Heilbroner's ideas into a particular school, arguing that to do so might sacrifice an appreciation of the "depth and breadth of . . . 'worldly philosophy'" [p. 1]. This is all the more admirable since Carroll, whose work is based on his dissertation written at Colorado State University under the supervision of J. R. Stanfield, may have had some temptation to interpret Heilbroner as an Original Institutionalist, a position not without some substantial support (Heilbroner and his mentor, Adolph Lowe, were both recipients of the Veblen-Commons Award, the highest award of the Association for Evolutionary Economics).

2. There are important exceptions, but they are certainly exceptions that prove the rule, as they include an Introduction to an edited volume of essays by former students [Nell 1993], a set of introductory remarks to Heilbroner's speech on receiving the Veblen-Commons Award [Clark 1994], a chapter in a reference book on economists of the twentieth century [Evensky and Pollin 1996], and an encyclopedia entry [Forstater 1999a]. To this list should be added Okroi [1988].

3. It should be recognized, however, as Carroll does, that Heilbroner's own thought is itself inseparably intertwined with his interpretation of the history of economic ideas.

4. Heilbroner expressed concerns with the problems of pollution at least as early as 1950, when he wrote an article on the subject in *Harper's* called "What Goes Up the Chimney." Issues of pollution, population, and natural resources play prominently in *An Inquiry Into the Human Prospect* [1974], as well as many articles from the 1960s onward.

5. Marx, of course, saw them as historically relative laws of capitalism, not of nature.
References


