OTHER THINGS EQUAL

Career Courage

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Amartya Sen as you know won the Nobel Prize. About time. It put me in mind of something I've noticed about the Prize: that many of the winners (need I mention the scandal that they have all been men?) have shown courage in their careers. Maurice Allais (1988), Herbert Simon (1979), Friedrich von Hayek (1974), to name three. Because they took intellectual chances they spent time in the wilderness. Unlike the sleek imitators and A-primers who fill the Best Journals, they were not always rewarded with the best jobs: Allais was not at the center of French academic life, Hayek could not get hired by the Department of Economics at Chicago, Simon worked in Pittsburgh.

Imagine a swiggly curve, not necessarily dffferentiable, plotting some index, any index, of economic ideas against time. I dunno. Prevalence of nonequilibrium arguments. Mathematization. Belief in state action. Attention to historical context. Whatever. If you like, think of it as a vector. The A-primers the curve. If they have the Best Jobs, the undignified offers from Columbia or the crazy advances on a textbook they haven't started, they are epsilon behind it. Some Nobel Prize winners, I admit, have been A-primers. When you look down the list, though, not many. The original minds in economics—the Coases (1991) or Alchians, the Buchanans (1986) or Tullocks, the Nashes (1994) or Schellings, the Beckers (1992) or Hirschmans, the Robert Fogels (1993) or Vernon Smiths—don't follow the curve. They leave it. They anticipate it by decades, or return boldly to themes long forgotten. They use their tenure for something more noble, and Nobel, than a good raise at salary time and the accolades of the ignorant. Sometimes they lose. One of the most original minds I know in economics has spent his career at a major department without having had the slightest impact on the discipline, chiefly because he kept inventing it before the letter and writes very poorly. He did game theory, for example, fifteen years before its recent rise and fall. But the courageous scholars, whether they receive the laurel wreath or not, have the satisfaction of virtue, which as you know is its own reward.

Take Milton Friedman (1976). We now think of Milton as a globe-straddling colossus (well, a 5' 1" colossus), the Moses of modern macro (with Bob Lucas as Aaron), above all the prophet of pro-market politics, guru to Thatcher and Reagan, our age's leading "liberal" in the nineteenth-century and European sense. Think of the past twenty-five years without Milton. He mattered, within economics and without.

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Yet the best way for a professor to raise a laugh in a Harvard classroom in the early 1960s was to mention the name of Milton Friedman. Just mention. He didn't have to have any actual *arguments* against the Little Giant. Sneering sufficed, and protected the Harvard faculty of economics during its historic low point as an intellectual center (which is why I made sure to study there) from having to think through flexible exchange rates or no minimum wage or school vouchers or $MV = PT$. (Admittedly, when I decamped to Chicago in 1968 I found that the mere name of Ken Galbraith or Bob Solow (1987) or, to mention the scandal of the woman who first should have got the Prize, Joan Robinson had the same effect there. George Stigler (1982) didn't have to have *arguments* against Robinson's Marxist work, or for that matter her work on imperfect competition. He needed merely to sneer, and the students and assistant professors would join in the fun.

Milton Friedman was for many years a laughingstock in economics, the anti-Keynesian fanatic from Rutgers and Chicago. That the economists were laughing at an original statistician, a devoted empiricist, and the author of *A Theory of the Consumption Function* (1957), which no economist of taste can read without thinking, "Wow: this guy is good," just shows how stupid the conventional wisdom can be and how important it is to read before sneering. When Milton finally got his Prize, in 1976, his wife and fellow economist Rose Director Friedman (whose brother Aaron at the Law School really was an Aaron to Milton's Moses) said to me that nice as it was to get the Big One, a smaller prize and a modicum of warranted respect twenty years earlier would have meant more.

Or take the entire Chicago School (please?). I won't remind Princeton (one, in 1979, shared) or Stanford (one half, in 1972, shared, if Arrow is assigned half to Stanford and half to Harvard) that cranky little Chicago has been a more courageously innovative place for economics than they (1976, 1979, 1982, 1990, 1992, 1993, 1995). When I was at Chicago in the 1970s it was pound-for-pound the best collection of economists ever assembled (assembled in Economics itself by Theodore Schultz, laureate 1979, who had done the same trick in his youth at Iowa State; since I left in 1980 Bob and Gary have done a job of disassembly, staffing the department with A-primers; Chicago will have no more Nobel prizes). It the 1970s it was: Bob Mundell. Harry Johnson. Buz Brock. Sherwin Rosen. And that was the second string.

But in 1968 the place was under siege. Everyone hated the Chicago School. I admit I have been amazed how well a little group of Scandinavians have chosen the Prize (though I would prefer see it lapse, because its existence combined with its scarcity blights the declining years of so many economists). It's almost a test of real intellectual merit that people get angry at you, sneer at you, write you out of the game: thus Bob Lucas (1995) in the wilderness at Carnegie-Mellon. It's not sufficient, which is what confuses monetary cranks and others, this time of scorn. But it's something like necessary. Normal science is so often so idiotically wrong (need I mention statistical significance, class?) that the A-primers and curve-huggers almost never generate real intellectual merit.

What about Sen? He got the prize, according to the muddled citation, for his early work in social choice, such as *Collective Choice and Social Welfare* (1970), and for his later work on poverty and ethics, such as *On Ethics and Economics* (1997). Courage or curve-hugging?

Both. Sen's early work is strikingly unoriginal. It dots the Is and crosses the Ts on Arrow's Impossibility Theorem. It looked unlikely in 1970 that Sen would ever be worthy of the glittering prize. A good, womanlike job, yes, and a smooth path in his career, because second-raters can get most enthusiastic about second-rate work done beautifully, and the second-rate provide most of the votes and the deans. That's what makes Schultz' double performance as chair at Iowa State in the 1930s and 1940s and at Chicago in the 1950s and early 1960s so astounding. He could pick 'em, and the kind of people he picked were first-raters like George Stigler (whom he hired in 1936) and Margaret Reid (who was at Iowa State from 1930, but whom Schultz encouraged when in 1934 he became chair, and then brought to Chicago; she invented permanent income and co-invented household economics: another feminist scandal).

Sen, however, proceeded to do something with his tenure and his A-prime eminence, and beginning with his little essay in the Journal of Political Economy in 1970, "The Impossibility of a Paretian Liberal," he embarked courageously on a program of reminding economists that we live in an ethical universe. Not that best of all possible worlds that Stigler liked to suppose, but a universe of good and evil, a universe in which ruled the Coase Theorem (not Stigler's So-Called Coase Theorem, but the real one, remember), under which human arrangements can have inefficient outcomes. People can starve in the midst of plenty, and did, Sen argued, in his native Bengal in 1943.

It is a great accomplishment, though only just beginning, to get economics off the Benthamite line that any evaluation outside of money is sinful. My evaluation of Sen's work is that up to 1970 it is A-prime and after 1970 it is prime. It is for books like Ethics and Economics that he deserves the money.

If your reaction is, "What is she talking about? That's normative economics. I do positive economics" I suggest you grow up and start reading ethical philosophy more serious than "De Gustibus Non Disputandum Est." What Sen has shown is that you are already doing ethical thinking. You might as well get serious.

In the fall of 1997 I started to read C. S. Lewis again. As a bookish adolescent I had read *The Screwtape Letters* (1942), and much later as an adult his autobiography, *Surprised by Joy* (1956). Lewis, you know, was a professor of literature at Oxbridge, a writer of children's books, and a Christian apologist, specifically Anglican, active in the 1940s and mid-1950s. *In Mere Christianity* (1952), based on lectures published (1943-45) Lewis was arguing for the existence of a Moral Law, beyond convention or evolutionary prudence, and points out that

> there is one thing, and one only, in the whole universe which we know more about than we could learn from external observation. That one thing is Man (Humanity, if you please!...] In this case we have, so to speak, inside information; we are in the know. And because of that, we know that men find themselves under a moral law, which they did not make, and cannot quite forget even when they try, and which

> they know they ought to obey.... Anyone studying Man from the outside as we study electricity or cabbages, not knowing our language,.. would never get the slightest evidence that we had this moral law.... His observations would only show what we did, and the moral law is about what we ought to do. [Lewis 1952 (1996), 35]

What we really, truly know, Lewis is arguing, is this the extra-behaviorist fact about our ethical selves. I think therefore I judge.

As you would expect, on the same page Lewis drew theistic conclusions from the fact of the moral law: "We want to know whether the universe simply happens to be what it is for no reason or whether there is a power behind it that makes it what it is. . . . There is only one case in which we can know whether there is anything more, namely our own case. And in that one case we find there is." Eerie. But the way I am using Lewis' argument (he elaborates it on pages 17-39. Lewis was not the originator of the argument; I believe it is found in Augustine, for example) does not depend on a belief in God. A prejudice against belief in God need not stand in the way of admitting Lewis' original observation: what we Know is ethical.

What we know together as reality, small k and small r, is what we should agree on for practical purposes (you see the intrusion of ethics into knowledge in that "should"). What we Know as Reality, capital K and capital R, if we know anything at that exalted level, is only ethical. Ought, not Is. So it is silly to think of ethical thought as something non-scientific. This we know.

Prudence is a virtue. We do want to have people around us who can take care of themselves. But there are other virtues, which economics should acknowledge, operating in the economy, and which in any case work in the lives of our ethical heroes. Nobels do not come only from Prudence (Debreu) but from Love (Solow), Temperance (Coase), Faith (Buchanan), Hope (Hayek), Courage (Friedman), and Justice (Sen). And there's Courage in it all, to leave the curve of dull-normal science.

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