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Author(s): Duncan K. Foley

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Vice-Presidential Address

Lineages of Crisis Economics from the 1930s: Keynes, Hayek, and Schumpeter

Duncan K. Foley[a,b]
[a]Department of Economics, New School for Social Research, 6 East 16th, New York, NY 10003, USA.
E-mail: foleyd@newschool.edu
[b]Santa Fe Institute, 1399 Hyde Park Road, Santa Fe, NM 87501, USA.

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Many of the debates and controversies over the causes and cures of financial-economic crisis of 2007–2008 that continues to plague the world economy in 2010 echo ideas put forth in the 1930s by John Maynard Keynes, Friedrich von Hayek, and Joseph Schumpeter. As capitalism reconstituted itself in the aftermath of the Second World War it was their ideas which molded institutions and attitudes.

WORLD CAPITALISM IN KEYNES' TIME

Keynes' adult life spanned a period of wrenching crisis for the world capitalist system centered in Europe.[1] The themes of Keynes' major work were shaped by this distinctive period in capitalist development. Before the economic and financial crisis of 2008, it appeared that the inter-war turmoil was an unusual break in the pattern of capitalist economic development, but from our current perspective it looks, as it did to people at the time, as if these problems are inherent in capitalism and will recur.

To contemporary observers in the 1930s, laissez-faire policy seemed to be unable to cope with the problems of advanced industrial capitalism. Without the anchor of gold, speculation in currencies produced pressures for inflation or deflation in national economies which destabilized them politically and led to chronic unemployment. The forces leading to classical equilibrium appeared to be weak or inoperative for much of this period. Many people during this crisis argued that socialism along the communist model of the Soviet Union was the only workable alternative. Keynes was a strong critic of central-planning socialism, and aimed rather at reforming capitalism to make it function better through a great expansion of the economic role of national governments and central banks.

Say's Law and laissez-faire

Keynes argues that Say's Law is irrelevant to economies with a highly developed financial system. When there are numerous and varied financial instruments, the sale of one commodity may be separated by a long and variable period from the purchase of another. If the lag between sale and purchase lengthens, there may be insufficient monetary demand to buy back all the commodities produced and offered for sale on the market. In this case some firms and households are "liquidity constrained," rationing their purchases of commodities because they simply do not have the financial resources to buy.

Under these circumstances, the decision to spend money has a positive externality for the economic system as a whole. The spender has the private advantage of purchasing the commodity she wants, but she also increases the money balances of

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another agent, which permits that agent to make a desired purchase that was previously impossible because of financial constraints. Because individual spenders do not take into account the external impact of their decisions, the volume of spending may be too small to employ all the resources of the economy, and there is a case for government intervention to subsidize spending (or spend itself) to make up the difference.

In the 1940s, when Keynes' ideas were coming to dominate economic theory in the United States and Britain, this problem was addressed by a compromise, enunciated by Paul Samuelson, among others, the "neoclassical synthesis." The neoclassical synthesis held, in agreement with Keynes, that free markets cannot guarantee the full employment of productive resources (or at least not very fast), so that governments and central banks have to adjust fiscal and monetary policy to ensure full, or close to, full employment. Once full employment demand has been achieved, however, the basic force of the laissez-faire analysis comes back into play, and markets should be largely free to allocate resources without further government intervention. Ingenious as it was, the idea of the neoclassical synthesis proved to be unstable ideologically. In the 1970s monetarist and rational expectations theory in economics insisted on the need to return to the full Classical and neoclassical orthodoxy, including the assumption of Say's Law, and, to a considerable extent, they captured the high ground in economic theory (if not in economic policy). Many of our current dilemmas stem from the evolution of the neoclassical synthesis into a dogmatic belief that an inflation-targeting monetary policy could be counted on to eliminate the problem of aggregate demand management.

Wages and unemployment

In the marginalist conception of equilibrium in the labor market, firms hire workers up to the point where the wage equals the value of the goods one more worker can produce (the marginal product of labor). Workers in turn supply labor up to the point where the marginal utility of the goods and services the wage can buy is equal to the negative marginal utility of working an extra hour (the marginal disutility of labor). Equilibrium in the labor market is defined by the equality of the marginal product and the marginal disutility of labor.

Marginalists can conceive of the labor market being in *disequilibrium*. But they believe that at a disequilibrium with excess supply of labor there are forces tending to lower the real wage. Keynes argues that the only way workers could respond to the excess supply of labor would be by cutting the *money* wage, since actual wage bargains are made in terms of money, not real goods and services. Keynes agrees that there might be a sharp fall in money wages in the presence of involuntary unemployment, though he does not think this is a good thing for the economy by any means. (In the early 1930s when unemployment was very high, money wages in the US did drop rapidly.) He points out, however, that cuts in money wages cannot bring about a fall in the real wage, because money wages are such a large part of the costs of production. As money wages fall in the economy, all producers find their costs lowered, and competition will force them to lower the money prices of goods and services in proportion. This keeps the real wage constant, and leaves the economy with involuntary unemployment.

Keynes argues persuasively that a downward spiral of money wages and money prices is the last thing an economy suffering from substantial unemployment needs. The deflation of money prices and wages increases the real interest rate and burden

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of servicing existing debts, and thus may discourage businesses from undertaking new investment, thereby making the liquidity constraints in the economy even more severe.

Keynes' stated position on unemployment and money wages makes clear how far his thinking was from the versions of what Joan Robinson called "Bastard Keynesianism" that interpret it as neoclassical economics under the assumption of "sticky" money wages.

Expectations and money

Neoclassical economics argues that the evaluation and allocation of risk is the function of freely operating asset markets. The paradigmatic case of market allocation of risks for neoclassical economics is insurance. Financial theory tends to treat all risk as being of a statistically predictable character, and sees the continuing development of financial markets as the best way for the economy to cope with risk.

Keynes emphasized the difference, also noted by other economists such as Frank Knight, between calculable and therefore insurable risks, and unresolvable uncertainties about which we can form no coherent statistical opinion. He argues that while financial assets and markets can allocate insurable risks, the more important economic risks are unresolvable uncertainties which financial markets may in fact make worse. The problem is that macroeconomic uncertainty is largely generated within the economic system, unlike the risk of individual death or fire. For example, the risk that an economy will plunge into recession does not arise from uncertainty about external factors like weather, but from uncertainty about the interaction of capitalist expectations. If everyone comes to believe that a recession is imminent, they will reduce their investment expenditure and production levels, thereby reducing incomes and making the expectations come true in a self-fulfilling way. Since the recession is not the manifestation of calculable risks, but of essentially incalculable dynamic interactions of human beings, asset markets cannot allocate or hedge this type of risk.

Furthermore, Keynes sees considerable danger in entrusting the allocation of investment entirely to financial markets. When risks are incalculable there is no rational basis on which to value assets, and market valuations can swing wildly with fashion, herd instincts, and panic, destabilizing investment and the real economy in the process. Keynes argues that in this situation the financial markets are like a type of beauty contest run by British newspapers in which the aim is not to choose which entrant is most attractive, but which one will get the most votes from the public. To guard against the instability of financial markets Keynes recommends a "somewhat comprehensive socialization of investment," assigning to the political process the role of economic balance wheel in relation to financial markets.

Long-term expectation

The heart of the capitalist system, in Keynes' vision, is the willingness of wealth-holders to speculate on the profitability of the future by making long-term investments. Keynes worried that this speculation depends on a fragile and unstable psychology of investors, who are prone to a kind of manic-depression syndrome, oscillating between extreme optimism about the future, which leads to high investment and a self-fulfilling boom in aggregate demand and employment, and extreme pessimism, leading to low investment, and a self-fulfilling depression of

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aggregate demand and employment. Keynesians refer to this psychological element in the formation of long-term expectations as the "animal spirits" of capitalists.

Keynes thought that the solution to the inherent instability of long-term expectation was for the government to adopt fiscal and monetary policies which would stabilize aggregate demand, and to take on a much larger share of the total investment of the economy. This would reduce the anxiety of investors about the possibility of catastrophic depressions.

In the years since the Second World War, advanced capitalist economies have indeed worked on both these strategies. Government spending and taxation now represent one-third to one-half of GDP in most advanced capitalist countries. As a result the effects of liquidity constraints are sharply reduced, since a fall of output and incomes in recession throws government budgets into deficit, and maintains spending streams. At the same time there has been an explosive growth of financial markets and in the spectrum of available financial instruments, which presumably strengthens the ability of wealth-holders to hedge risks and form a more consistent view of the future path of the economy.

But the economic future is not predetermined nor completely predictable, so that it is unlikely that futures markets can completely eliminate the instabilities of expectation Keynes identified. Governments may be no better than markets at predicting the future, but the collective action of society can stabilize some of the key boundary conditions in which capitalist investment takes place, and thus strengthen the animal spirits on which the system rests.

Social coordination problems

In retrospect it is clearer that Keynes' thought centered on what recent economics calls "social coordination" problems, when external effects of privately motivated decisions lead to powerful but often unwelcome social outcomes. Keynes did not come up with a memorable phrase to encapsulate this general idea, but it is clear enough in his discussion of key topics. The "beauty contest" metaphor for financial markets is one example. The issue here is that the asset-holding and pricing decisions of individual wealth-holders depend in an important way on their assessment of the average decisions of all other wealth-holders. This type of interdependence leads to an externality and a social coordination problem, which in turn can imply multiple equilibria and instability. A second important example of a social coordination problem in Keynes' thought is the consumption function and multiplier analysis, which, as I described above, arises when liquidity constraints in the economy as a whole mean that the decision of each agent to spend has an externality in improving the liquidity of other agents. A third is apparent in Keynes' speculation that workers may be more interested in *relative* money wages than in real wages. This side of Keynes' thought is worth more attention than it has received theoretically, certainly at least as much attention as the dubious hypothesis of sticky wages and prices.

Keynes and behavioral economics

From the perspective of post-2008 crisis capitalism, it is also clear that Keynes was a precursor of what we now call "behavioral economics," not surprisingly, since the crucible of behavioral economics is the wide range of anomalous behavior we observe in financial markets. The same wealth-holders whose attempts to guess each other's behavior creates a social coordination problem in financial markets are

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deviating significantly from the rational ideal of *homo economicus*. Keynes had puzzled over these types of behavior in his own speculative encounters with financial markets. They were empirical facts in his experience, not abstract hypotheses.

The presence of these elements of social coordination failure and behavioral anomalies in Keynes' thinking is presumably one reason why his work has been "rediscovered" by such one-time supporters of market solutions as Richard Posner in the aftermath of the current crisis.

HAYEK: COMPLEXITY *VS* COLLECTIVISM

Friedrich von Hayek had little luck in his attempt to confront Keynes over the possibility of activist government policy during the depression in the 1930s, but his influence began to rise in the last quarter of the 20th century, and, up to the crisis of 2008, threatened to eclipse Keynes'. The "Austrian" school of economic theory in which Hayek was educated were defenders of private property, decentralized control of economic resources, and sharp critics of collectivist and socialist aspirations.

The depression-dominated atmosphere of the 1930s posed a frightening threat to these core Austrian economic beliefs. Even normally reliable centrists wavered in their allegiance to laissez-faire economic ideas. The idea that society has some obligation to secure the economic well-being of its members began to spread widely, opening the door to a host of "collectivist" initiatives, including social welfare legislation, guarantees of labor's right to organize, income redistribution, central planning of industry, state direction of investment, and intentional deficit spending to prop up aggregate demand. While Keynes was a stronger advocate of some of these measures than others, the thrust of his thinking definitely accepted an activist role for the state to redress major failings of markets, and contemptuously rejected Victorian laissez-faire theory. At the same time a significant fraction of the European and American political elite, without actually knowing much about it, saw the Soviet Union as building a credible alternative economic model to capitalism. Much of what Austrian economists saw as the precious legacy of European liberalism appeared to be at real risk of submergence in a confused embrace of collectivist and socialist fantasies.

Hayek attempted to head off the growing political pressure for the state to do something about the depression and high unemployment by developing a compelling Austrian theory of the business cycle which would support the extension of laissez-faire concepts to deficit and interest rate policy.

Business cycle or capitalist crisis?

Hayek's theory of what has come to be called "macroeconomics," the study of economy-wide phenomena such as the level of national income, unemployment, inflation, interest rates, and money is presented in the book *Prices and Production*.

Hayek takes the position that business cycle fluctuations are a rationally explicable feature of industrial capitalism, not a sign of fundamental crisis. The source of these fluctuations lies in the incomplete application of liberal principles to the organization and governance of the financial system, which allows and encourages "over-investment" in periods of economic boom and a predictable reaction of "under-investment," leading to unemployment in the succeeding slumps. Any attempt by the government to intervene in these fluctuations, except to extend

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the general liberal principles of private ownership, commodity logic, and market discipline more consistently to financial markets and institutions, will just make matters worse.

Hayek's attempt to flesh this general argument out in a detailed technical economic analysis ran aground on his failure to set out a consistent, transparent framework of analysis. A devastating review of the book by Keynes' associate Piero Sraffa, centered on the weakness of the theory of capital Hayek put forward, sank it pretty much without trace, leaving the field clear for the triumphant advance of Keynes' own quite interventionist ideas for addressing the problems of the depression.

What does the market do?

On another flank Austrian economics was engaged in challenging the feasibility of running an economy through socialist central planning institutions. The Austrian economists held that the concept of socialism was not just bad or inexpedient, but doomed by the existence of economic laws which have the same force as natural laws.

The initial Austrian strategy in this debate started with the observation that the capitalist market, in arriving at an equilibrium price system, effectively computes the solution to an enormous number of mathematical conditions characterizing a Pareto-optimum. The claim then was that no central planning bureaucracy could feasibly solve this same system because of its mathematical complexity. To those Austrian economists who held that the realization of potential economic surpluses was the ultimate purpose of economic life, this seemed to be an unanswerable criticism of socialist central planning.

The defenders of the socialist ideal managed to turn the Austrian critique of socialism back on itself in a devastating maneuver. Following on the early observations of Enrico Barone, Oskar Lange and Abba Lerner argued that there was no reason why a socialist economy could not use market methods to find the equilibrium prices just as effectively as a capitalist economy. If socialist managers were instructed to compete just as if they were capitalists (even though the state would own the means of production, and no private profit would be at stake) they could reach the same market equilibrium as a capitalist economy with the same resources and technology. This concept of market socialism had an enormous impact on the development of political economy, for example in the shaping of mathematical general equilibrium theory in the 1930s and 1940s.

Hayek saw disaster looming for the liberal cause in this episode. He did not believe that socialist managers could ever mimic capitalist entrepreneurs well enough to make socialist markets function. Thus, he was led to shift the focus of this debate in a profound, fateful and fruitful direction. It is not, according to Hayek, the market form that is critical to organizing the division of labor; it is the content of the market as a clash of personal interests that actually drives things forward. The antagonistic relations of the market are no longer a necessary evil to be tolerated for the sake of getting our dinner (and a better one) out of the butcher and baker, nor even an ingenious game we might play to squeeze out potential economic surpluses. In Hayek's vision the antagonistic relations of the market are the existential core of human existence, the ground from which everything else emerges.

Hayek thought that the real metabolism of the market rests on its ability to force everyone to reveal their private information about needs, technology, and resources, whether they want to or not, and whether they participate in the market enthusiastically seeking profit or grudgingly to defend their conditions of existence.

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The market forces people to "put their money where their mouth is" in the actual exchange of commodities to form market prices. Hayek puts this informational aspect of the market in the central position. The capitalist market now appears as a critical component of a complex system of information revelation and exchange. The division of labor itself becomes a by-product and side effect of this play of information. The reason the socialist managers cannot mimic the market is that they have no direct existential interest to defend and assert in making market exchanges. Socialism fancies that economic life is a means to an end, a method of supplying the material needs without which human life and human social life cannot function. The conceit of socialism is that supplying this material basis is just a matter of getting necessary productive work done. In fact, according to Hayek's way of thinking, the central problem is to know *what the necessary productive work actually is*. Even the best-intentioned and most self-disciplined socialist worker-citizens would find themselves helpless to know where to expend their labor effort, or even whether what looks like an obvious social need (building the steel mill or the ecology-destroying hydroelectric dam) may not be doing more harm than good.

The informational vision of the capitalist market undermines the "objective" conception of markets as realizing potential economic surpluses that exist whether the market finds them or not. Hayek's market is decisively *inter-subjective*, a reality that is sustained through and only through the communication of information. Of course it gives rise to the objective phenomena of production and consumption. It would be a mistake, however, to think that these metabolic social processes could continue without the market's constant elicitation and dissemination of information, any more than the body could continue to respire and digest in the absence of neural function. (The socialist experiment might be likened from this perspective to a human being in a persistent vegetative state, metabolically functioning, but brain dead.)

Resurrecting liberalism

After the Second World War, Hayek turned his attention from doomed experiments in central planning to a much tougher and more powerful opponent, the mixed economy, which incorporated many of what Hayek regarded as misguided ideas of Keynes.

Hayek in his political tract, *The Road to Serfdom*, put forward the rather implausible claim that government intervention to stabilize and regulate the capitalist economy represented as much a threat to the freedom and dignity of the individual as totalitarian dictatorships. Keynes' on the whole pragmatic program of government stabilization of investment, regulation of financial markets, and provision of a social safety-net was in Hayek's eyes a stalking-horse for collectivism. Once people bought the false idea that government could do anything to meet their real needs, they would contaminate and destroy the spontaneous order of the market, and wind up dependents of a collective leviathan.

Hayek exaggerates the spontaneity of market organization of the division of labor. Economic history shows how laborious and uncertain the process of establishing and enforcing property rights actually was, and what a key role centralized political power played. The development of the market is as much a reflection of the development of the underlying division of labor and productive power as the other way around. Market organization without the push of productivity and political organization tends to produce stagnation, not wealth. It is one thing to recognize the power of market forces to elicit and combine private information about productive

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opportunities, but quite another to deprecate all other forms of social organization of information, from government bureaucracy to legal systems to political life itself.

The positive economic power of collective political action escaped Hayek's attention. This blind spot is related to the relative inattention Hayek gives to problems of social coordination and externalities.

Hayek's views have increasingly shaped ideological debates in political economy since the 1970s. Hayek himself arranged the stage for these developments, devoting much energy to the elaboration of a viable neoliberal political program and to the nurturing of institutions to disseminate it. American political economy debate is awash with versions of Hayek's liberal vision promulgated by think-tanks and talk-radio funded by enthusiastic capitalist boosters. Hayek emerged from his bruising theoretical defeats at Keynes' hands in the dark days of the depression to fight again and climb back to occupy the ideological high ground of capitalist society.

SCHUMPETER: THE PROPHET OF TECHNOLOGY

Approaching capitalism with a worldly realism bordering on cynicism, Joseph Schumpeter devoted his considerable rhetorical and analytical powers to injecting Marx's theory of technical change into the marginalist framework as a corrective to the equilibrium-fetish of neoclassical economics.

In Schumpeter's view, Walras' equilibrium was an outstanding intellectual achievement, but a developmental disaster insofar as real economies ever came close to it. In Walras' equilibrium capital appropriates a uniform normal profit rate, taking account of expectations. While this arrangement succeeds in squeezing out all of the economic surplus available, given tastes and technology, from a developmental point of view it lacks the life of innovation, and hence fails to express the inner spirit of capitalism.

In Schumpeter's view it is the innovative entrepreneur, whose life-work is precisely to disrupt Walras' equilibrium by introducing new products, new technology, and new forms of productive organization, who embodies this inner spirit. Following Ricardo and Marx, Schumpeter identifies the motive for entrepreneurial restlessness as the super-profits above the normal profit rate successful innovators carry off. These super-profits are inconsistent with equilibrium. Innovation destroys equilibrium and its prices, upsetting the apple-cart again and again.

Walrasian equilibrium, in this view, is the preferred territory of the Invisible Hand. But it is precisely in its creative and disruptive moment that entrepreneurial capitalism escapes the Invisible Hand. It is in this process, the development of new products, new industries, and new methods of labor organization, that state intervention can and does play a critical role in directing, encouraging, and securing nascent initiatives as we have seen in the statist policies behind developmental success stories.

Schumpeter called entrepreneurial innovation *creative destruction*, and saw it as the critical moment in the real historical evolution of capitalism. Schumpeter developed his own account of the instability of capitalism, centered on the process of creative destruction, with elements that strongly echo Keynes' and Hayek's conceptions. For Schumpeter the role of banks, and finance in general, was to bankroll innovation. Expansions of credit unleash a boom founded on the investments of innovating entrepreneurs. Eventually the destructive moment of their innovation comes to predominate, as less-innovative capitals fall by the wayside, creating unemployment and financial distress. But this constant pummeling and defeating of

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expectations is the goose that lays the golden eggs of productivity increase and advances in the material standard of living. For a 21st century that is overwhelmingly preoccupied by innovation and advances in productivity, Schumpeter is a prophet.

Schumpeter thus sees a more optimistic side to financial boom and bust, in his claim that it is the actual mechanism that permits and reflects entrepreneurial innovation.

Schumpeter is, however, pessimistic about the long-run viability of capitalist social institutions. He does not doubt that there is an endless supply of new ideas leading to potentially successful innovations. But he doubts that Western civilization (still the focus of thinking during Schumpeter's lifetime) will tolerate the suffering in the form of mass unemployment, inequality of wealth, and economic insecurity the god of capitalism demands as its human sacrifice. Schumpeter thinks that capitalism will work itself out of its historical job. As material levels of well-being rise and productive power becomes available to provide a high standard of living to everyone, people will institute some type of rational socialism in the place of the creative anarchy of the market. Thus Schumpeter saw the ideological tide that horrified Hayek, but judged it to be an irresistible historical tendency which would succeed in strangling innovative capitalism.

CONCLUSION

I doubt that the crisis of 2008 would have surprised Keynes or Schumpeter but it would likely have dismayed Hayek.

It is hard to imagine Schumpeter seduced by the idea of a Great Moderation in which the turbulent process of capitalist development through wrenching technological and social change would have been tamed and regulated. Keynes did not have much confidence in the efficacy of financial market speculation to guide economic investment to socially beneficial ends. We can imagine Keynes casting a baleful eye on the deregulation of banking, shift of power from industrial to financial capitalists, innovation of derivative instruments, and bubbles in asset prices which led up to the 2008 crisis (even as he speculated profitably on these same developments). For Hayek, on the other hand, the dramatic collapse of financial prices and institutions and the wrenching rise in unemployment in advanced capitalist countries would re-awaken the specter of political collectivism he worked so hard to combat.

In looking back to these seminal debates of the 1930s, we can see the roots of the political debate we are experiencing in the wake of the 2008 crisis. There are, however, some significant differences.

The growth paradigm

In the 1930s no one questioned that the goal of policy, whether interventionist or laissez-faire, was to revive and encourage economic growth. This point of view took hold of the core of the economics profession after the Second World War. There is a reflexive tendency for contemporary economists to think and speak in the same way. "Recovery" becomes synonymous with "growth."

But what kind of "growth"? We know now that at the global scale we are pressing in several dimensions on limits to economic growth, or at least economic growth in

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its traditional capitalist form based primarily on the accumulation of material capital and a rising output of material goods. The fossil-fuel reserves which fostered the industrial revolution and the subsequent surge of capital accumulation are finite, and even thought their ultimate depletion may be many decades in the future, we do not know how to burn them without doing immense damage to the earth. World population is stabilizing, though in a pattern that will create immense incentives for movement of people and capital among countries and regions.

One important way in which current policy debates about recovery have to diverge from those of the 1930s is by explicitly addressing these issues of growth.

The fate of capitalism

A second characteristic of the debates of the 1930s was the hovering question of whether capitalism would survive at all. The view today is quite different. Except on the extreme left there are few people who seriously worry about the survival of the basic institutions of capitalism such as wage labor and production organized around the profit motive. This complacency may turn out historically to be ill-founded. As financial commentators are fond of observing, broadly based consensus views are almost always wrong.

Nonetheless, one thing we learn from the experience of the 1930s is that capitalism can take significantly different shapes. The "Golden Age" capitalism of the 1940s–1970s, with its relatively equal sharing of productivity gains between workers and capitalists, regulated and unexciting financial system, and active aggregate demand management is quite different from the financialized global capitalism of the past 30 years, with its huge increases in inequality, recurring financial crises and bubbles, and privatization of large chunks of public expenditure.

Thus, the debate today will likely center more on the type of capitalism society can live with than on the basic institutions of capitalism *per se*.

Paths to recovery

A broadly held consensus of economists expects some kind of recovery in the world and US economies to succeed the years of crisis we have experienced since 2008. There are credible signs of such a recovery particularly in Asia, though the prospects in the core advanced capitalist economies of Europe, North America, and Japan are considerably more mixed.

At the moment of crisis policymakers tended to retreat to Keynesian tools of demand management without much hesitation. The consensus view is that this was the "only" available policy choice given the depth of the financial crisis and its impact on aggregate demand.

Now, the further path to recovery is likely to be subject to much more vigorous debate, in which Hayek's formulation of laissez-faire ideas will again play a prominent part. The debates of the 1930s are far from exhausted as a model and guide to our current perplexities.

Note

1. Vice Presidential Address, Eastern Economics Association Meetings, February 27, 2010, Philadelphia. This talk draws extensively on Chapter 5 of my book *Adam's Fallacy*, Harvard University Press, 2006.

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