Samuel BOWLES (born 1939)
The first year I taught introductory economics, one of my students asked me something like this: in view of the fact that scientific knowledge is freely available and people’s biology is relatively similar around the world, why is it that some nations are so rich and others so poor? Another wanted to know whether this came about because ‘they’ were incompetent or because ‘we’ exploited ‘them’. I had no answer; my training in neoclassical economics had left me totally unprepared to address these questions.

My students were surprised and mildly annoyed when I professed ignorance on issues which seemed to them exceptionally important and obviously economic in nature. They continued to press me, but they were leaning on an open door. It was 1965. With the civil rights movement in full swing, the Vietnam war escalating, and student power struggles erupting at schools and universities around the world, the chasm between the important issues of the day and what economists taught was simply too gaping for many of my generation to tolerate. I decided that I could not face my students unless I re-educated myself.

The problems of human agency, learning and the concentration of economic power and privilege became and have remained the primary foci of my research, from my early work on the economics of education in the mid-1960s to my current writing on agency theory and economic democracy. The resulting publications, most of them undertaken jointly with my colleague and friend Herbert Gintis, are united by a conviction that the concentration of power and privilege in the capitalist economy is an impediment to democracy: the authoritarian political structure of the enterprise, economic insecurity, as well as the unequal economic rewards characteristic of the capitalist economy make a mockery of political equality and obstruct the free and equal development of the individual. A major concern in this research has been to provide a coherent microeconomic foundation for a political economy committed to both democracy and economic justice. Gintis’s and my recent research has developed an agency theoretic post-Walrasian value theory – which we term the ‘theory of contested exchange’ – an approach we have used to explore democratic alternatives to capitalism.

My political concerns have also led me to pursue research and popular writing on questions of macroeconomic theory, economic policy and the structure of the US economy. With David M. Gordon and Thomas E. Weisskopf, I have sought to understand the underlying dynamic propelling the evolution of the post-World War II US economy, to explore the logic and consequences of right-wing economic policies, and to amend macroeconomic theories to take account of the role of class and other institutional relationships in the determination of productivity growth, profitability and investment. With Robert Boyer I have developed macroeconomic models of both Keynesian and Marxist inspiration to explore the relationship between the distribution of income, labour relations, class conflict, aggregate demand and the demand for labour.

With these and other co-authors I have sought to contribute to the development of democratic and egalitarian alternatives to right-wing economic policy and to identify steps leading towards distributive justice and popular participation in economic decision-making. These would enhance opportunities for human development, extend free time and provide a better quality of life through the elimination of the waste entailed by the enforcement of authoritarian and unfair social relationships.

This research has been essential to my political work which started with a modest project writing background papers for Dr Martin Luther King’s poor people’s march in 1968. More recent work has been with labour, peace, feminist and environmental activists through the Center for Popular Economics (which I helped to found in 1979), as well as involvement in Reverend Jesse Jackson’s 1988 campaign for the Democratic party’s presidential nomination. The relationship between my research and politics has been a two-way street: these political involvements, along with the questions of my students, have been the most important impetuses to the direction of my research and writing.

One cannot claim to understand fully the influences on one’s political and professional trajectory, but for me the following stand out. My parents were exemplars of the democratic liberal political tradition – politically active, fair-minded and tolerant. They accepted unquestioningly the capitalist economy, while opposed to racism, sexism and great power domination of the Third World. Early in my university studies at Yale I began to suspect that their implicit support of capitalism might make their convictions contradictory.

My varied political education included an upbringing in rural New England as well as in India in the early 1950s. Thomas Paine and Mahatma Gandhi, not Marx or Lenin, were the political heroes of my early life; I worshipped Rosa Parks before I had even heard of Rosa Luxemburg. Though Marxism was not part of my childhood education, I rejected early on the Cold War politics of the 1950s, in part under the influence of friendships with Russians whom I met while touring the Soviet Union as a (not very good) musician in 1958 and 1959. Other lessons in my early political educa-
tion included three years in Nigeria (teaching high school as a civil servant of the government of Northern Nigeria); involvement in the civil rights movement in the early 1960s; my firing from Harvard University (where I was a newly hired member of the economics faculty) for my refusal to sign an oath of loyalty to the US constitution, and the successful legal campaign to overturn both the firing and the oath; community organizing and other activism against the US intervention in Vietnam, and raising my children (for many years as a single parent).

Among the most important influences was my good fortune as a doctoral candidate and later as a faculty member at Harvard University to find as colleagues a remarkable group of leftist economists – among them Arthur MacEwan, Thomas Weisskopf, Richard Edwards, Michael Reich, Stephen Marglin, Herbert Gintis and Paddy Quick. Like others around the country who joined to found the Union for Radical Political Economics in 1968, we sought in seemingly endless seminars and conversations to develop an approach to economics which, unlike the dominant neoclassical paradigm, could illuminate rather than ignore or obfuscate our political concerns with racism, sexism, imperialist, injustice and the alienation of labour. Not surprisingly, Marxism was an important intellectual guidepost in this quest. Ironically, I was teaching at this time a thoroughly neoclassical course in advanced microeconomic theory to doctoral candidates at Harvard, the notes for which I published with David Kendrick as Notes and Problems in Microeconomic Theory (second edition with Peter Dixon, North Holland, 1980).

I began my collaboration with Herbert Gintis during the late 1960s, our first project being to fashion a neo-Marxian approach to the economics of education. Our research produced a series of econometric and other studies published singly and jointly (1972, 1974). This collaboration eventually resulted in the publication of Schooling in Capitalist America (1976), in which we explored the relationship between the evolution of capitalist class structure and the school system. In this work we empirically documented what we termed the ‘correspondence principle’: the tendency of the school system to adopt an hierarchical structure, class inequality and alienated systems of motivation characteristic of the capitalist economy. We also sought to understand the mechanisms underlying the correspondence principle through a reinterpretation of the history of US education. The correspondence principle became the basis for our critique of liberal educational philosophy: we argued, in short, that given the hierarchical and alienated nature of the labour process, the goals of free and equal human development and preparation for work were inconsistent in a capitalist society.

In 1973 I left Harvard, having been denied tenure (some thought on political grounds) and, with Herbert Gintis, Richard Edwards, Stephen Resnick and Richard Wolff, I relocated at the University of Massachusetts in Amherst. With Leonard Rapping, James Crotty, Michael Best, Jane Humphries and our other new colleagues, we established an unusual doctoral programme offering students a variety of perspectives including post-Keynesian and Marxian economics, institutionalism and other variants of political economy in addition to neoclassical economics.

In 1979 I began working with David Gordon and Thomas Weisskopf, initially brought together at the request of a coalition of labour unions and progressive political groups to suggest a response by labour to the instability and stagnation of the US economy in the 1970s and to the drift to the right in public policy. Our first project, a theoretical and econometric explanation of the post-1965 productivity slowdown (using a microeconomic model of class relationships in the production process) appeared in 1983. Later studies built on the concept of a social structure of accumulation, earlier developed by Gordon in conjunction with Michael Reich and Richard Edwards, to model and econometrically explain long-term movements in the profit rate and the rate of accumulation, as well as trends in the cyclical variability of wages.

A central concept in this work was the cost of job loss – the income loss experienced by a worker as the result of the termination of his or her job. We used the cost of job loss as a measure of the effective threat exercised by employers over employees and, with Juliet Schor, documented its covariation over time with the rate of unemployment and the level of unemployment insurance and other income-replacing government transfers. In addition to being a robust predictor of movements in labour productivity and profitability, the cost of job loss also provided a compelling econometric account of the incidence of strikes (1987).

As well as a series of academic publications, Gordon, Weisskopf and I also developed for the US what might be described as a left-social democratic programme with a strong element of workplace democracy, published in two volumes entitled Beyond the Waste Land (1983b) and After the Waste Land (1991b).

After publication of Schooling in Capitalist America, Gintis and I turned to what became a decade-long study of the relationship between liberalism, Marxism and democratic theory, resulting in the publication of Democracy and Capitalism (1986). In this work we explored the difficulties of grounding democratic theory on either liberalism (due to its tendency to overlook power relations in the economy and the family, and its pre-social concept of the individual endowed with exogenously given wants and capacities) or Marxism (due to its tendency to underrate the despotic potential of the state, and its underdeveloped theory of individual choice). We proposed instead a grounding for democratic theory based on a political conception of markets and economic organizations and a model of individual action and human development in
which both choice and social influences on individual development are given prominence. Our book may be considered a political critique of the capitalist economy and an argument for the radical potential of democratic (rather than specifically socialist) demands in a capitalist society.

Since the completion of this project, we have returned to the study of microeconomic theory more narrowly construed, building on Gintis' earlier work on the labour exchange and my research on the production process (1985) to propose a new microeconomic foundation for the political economy of capitalism. Crucial to this work is the notion that, contrary to the usual Walrasian assumption, contracts are not generally costlessly enforceable – notably those in labour markets and credit markets – and for this reason endogenous enforcement is ubiquitous in the capitalist economy. The result we show is that markets generally do not clear even in competitive equilibrium and that economic agents located on the short side of non-clearing markets – employers in the labour market, the wealthy in the credit market – exercise a well-defined type of power over their exchange partners, which we term 'short side power'. This model may be distinguished from recent theoretical developments in Marxian economics (such as the pioneering work of John Roemer) which rely on Walrasian market-clearing assumptions. We have used this model as the basis for a critique of the undemocratic and inefficient nature of the capitalist economy in two recent articles, 'Contested Exchange' (1990a) and 'The Democratic Firm' (1992). We have also investigated the commonalities and distinctions between contested exchange and other approaches to post-Walrasian economics such as transactions costs analysis, so-called efficiency wage theory, optimal contracting theory and principal agent theory in 'The Revenge of "Homo Economicus"' (1991a).

In the mid-1980s I began a collaboration with Robert Boyer. Integrating the insights of the French regulation school with those of the social structure of accumulation approach, we developed a macroeconomic approach which integrates the microeconomic modelling of the labour process by US radical economics with a treatment of aggregate demand derived from the work of Nicolas Kaldor and Michel Kalecki. In a series of recent theoretical papers we have analysed the high employment profit squeeze and its impact on employment and macroeconomic stability; the effect of egalitarian redistribution on equilibrium employment levels; the impact of state redistribution on growth and employment; and, finally, the relationship between labour market flexibility, employer collusion, union wage bargaining and equilibrium employment. An objective of this work is to explore the possibility that higher wages and more effective collective bargaining institutions may foster greater employment security (see 1988, 1990b and 1990c).

I am currently studying the relationship between economic institutions and the evolution of social norms using a variety of approaches including the theory of repeated games and to date have published 'Mandeville's Mistake' (1989).

Bowles's Major Writings
(1972), 'Schooling and Inequality from Generation to Generation', Journal of Political Economy, May/June.
(1976), Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life (with H. Gintis), New York: Basic Books.

Harry BRAVERMAN (1920–1976) Ugo Pagano
Born in New York City into a working class family, Braverman was forced to terminate his college education after only one year. He worked in the Brooklyn Navy Yard for seven years primarily as a coppersmith. After the decline of the coppersmith trade due to the substitution of new processes and materials for traditional methods, Braverman worked in the steel industry, undertaking a wide range of skilled jobs; as he said, 'the trade of working copper provided the foundation in the elements of a number of other trades' (1974, p.5).
A Biographical Dictionary
of Dissenting Economists

Edited by
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Polytechnic of East London

and Malcolm Sawyer
University of Leeds

Edward Elgar
1992 (©)