



Geoffrey Colin  
Harcourt  
(1931-2021): A  
Cambridge  
Economist from  
Down Under

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# 1. Studying Geoff

- Geoff Harcourt as a historian of economic thought and as a subject matter of HET
- Distinguished Fellow of the HES, ESHET and the HETS of Australia for his contributions to HET
- International reputation as an economist especially after his 1969 *JEL* survey “Some Cambridge Controversies in the Theory of Capital”, published in revised extended book form in 1972
- 50<sup>th</sup> anniversary edition of that classic book, with a new preface and two afterwords, is coming out this year

- Important role in the emergence of heterodox economics in the 1970s, especially its post-Keynesian alternative
- Cambridge capital debates (mid 1950s-early70s) were one of the last “conversations” between “orthodox” and “heterodox” economists
- Lifetime divided between Australia (Melbourne 1931-55; Adelaide for most of the 1960s and 1970s until 1982; Sydney 2010-21) and Cambridge UK (1955-58; 1963-66; 1971-72; 1980; 1982-2010)
- He belonged to the Cambridge “class of 1955-58”, together with L. Pasinetti, P. Garegnani, A. Sen and A. Asimakopulos, among others

- He regarded Knut Wicksell as the “most loveable” of the great economists
- To many, Geoff Harcourt is among the most loveable of the economists who enlightened our trade over the last 60 years or so
- Because of his humanitarian and egalitarian values, wit, roles as motivator, catalyst and community-builder, and courtesy for others’ ideas
- Religious beliefs, political values and ideological standing were intertwined together with his economic views and approaches

## 2. History of economics and economists' lives

- Return to Cambridge in 1982 in order to work on his “vital project” about the history and achievements of the “Joan Robinson circle”
- The main goal was to help preserve the Cambridge post-Keynesian tradition
- It culminated with two books, on *The Structure of Post-Keynesian Economics* (2006) and an intellectual biography of *Joan Robinson* (2009, with Prue Kerr)
- Most of his HET pieces were about or closely related to Cambridge, including Marshall and disputes over his theoretical heritage

- Broad interest on how economists' backgrounds and personalities affected their approaches
- Pioneer essay about the history of modern economics from the perspective of economic Nobel prizes awarded up to the early 1980s (*HOPE* 1984)
- Favourite Marshall phrase: “cool heads and warm hearts”
- Harcourt's goal: “to make the world a better place for ordinary men and women, to produce a more just and equitable society”
- Exercises in oral history as displayed in a number of biographical essays he wrote, sometimes informed by chats with his subjects

- “I still believe in heroes and heroines and I like to know what makes them tick”
- However, he was “not a fan of the modern ‘tell it all’ biography”. His use of correspondence etc. from archival material was selective
- *Essays in Biography* (1993); cp. Keynes’s (1933) book with same title
- J. Robinson as a central influence on Harcourt’s intellectual formation and a central character in his contributions to HET (*HEI* 2001)
- Clashes in Cambridge: D. H. Robertson vs. PKE (1950s), Robinson vs. Kaldor (1950s-70s), F. Hahn and others vs. PKE (1970s-90s); Sraffians vs. Robinsonians (1970s-90s); conflicts went back to Marshall time

- Harcourt was not an uncritical historian of Cambridge and heterodox economics
- He wrote several auto-biographical pieces with information about his family background and of how he came to adopt his religious beliefs (“Jewish Methodist”) and political views (“democratic socialism”)



### 3. Those capital debates

- The turning point in Harcourt's career, represented by his 1969 *JEL* survey, came by accident
- Mark Perlman, while visiting Australia in 1968, asked him to explain to American economists J. Robinson's complaints about capital
- Perlman had heard of Harcourt's "unusual ability" in getting each side's position in economic debates straight and sympathetically stated
- Harcourt did more than that; he reported as a "war correspondent" rather than a "combatant"

- The 1969 survey clarified the terms of the debate and its main result:
- Due to reswitching and capital reversal phenomena, the  $K$  of the production function can only be used if there is just a single homogenous capital good
- But mainstream economists did not accept the implications of those results for distribution and growth theories
- Harcourt had not written about capital theoretical debates before
- However, conceptual and measurement problems were conspicuous in his PhD thesis, in a few papers and in a collection of *Readings in the Concept & Measurement of Income* (Parker and Harcourt 1969)

- It reflected the accounting foundations of the study of economics in Australia at the time
- “The accountant in a golden age” (*OEP* 1965) was his best-known paper next to the *JEL* survey
- His research agenda in the 1960s up to the *JEL* survey was dominated by practical and policy-oriented material
- Joint work with Massaro in 1964 on Sraffa was one of the exceptions to that, described as “the hardest intellectual task of my life”
- Missed his “moment of glory” in 1965 because he didn’t know matrix algebra (D. Levhari’s mistake in *QJE*)

- Harcourt (1969, 1972, 1976) explained, mathematically and through several influential diagrams, that, if the factor-price curves are not straight lines, they may intersect twice or more, which is the end of the neoclassical parable of a one-commodity model
- “The neoclassical tradition, like the Christian, believes that profound truths can be told by way of parable”
- Even if the factor price frontier is a straight line, a change in the rate of accumulation will bring about a “transition-out-of-equilibrium process” in historical time as long-run equilibrium and the expectations associated to it are disturbed

- He described himself not as a “militant Robinsonian” in the capital debates, but a “moderate” – as he had been in the anti-Vietnam war movement in Australia
- After co-writing some papers and co-editing a collection on the history of capital theory with Avi Cohen, Harcourt’s last piece on the topic was his 2017 *HOPE* article with Harvey Gram
- They clarified Robinson’s 1950s criticism on how to get into equilibrium
- By then, capital debates belonged in HET, though

## 4. Post-Keynesian model-builder

- Harcourt stressed the distinction between the critical and positive tasks of Cambridge PKE
- Reactions from American PKE to Harcourt's capital surveys eventually became critical:
- “Diversion” (Eichner & Kregel 1976), “barren controversies” (Davidson 1994), really about capital-asset prices and money (Minsky 1985), “real analytical rumpus”, but strange to his framework (S. Weintraub 1973)
- For Harcourt, the Sraffian economic surplus was a central concept, with the distinction between potential surplus on one hand and its realization through effective demand and pricing on the other

- However, Harcourt was not a Sraffian economist, as he focused on historical time
- Harcourt was chair of the 1975 International Economic Association conference on the *Microeconomic Foundations of Macroeconomics* and edited the 1977 conference volume
- Micro-foundations had been his most sustained interest ever since his undergraduate dissertation in Melbourne
- First survey of PKE, under invitation from the Australian Central Bank in 1981
- In that and other surveys, Harcourt argued that PKE was divided into 3 streams

- The Robinsonian-Kaleckian strand was closer to his own agenda
- Harcourt's framework went back to his 1965 *ER* paper on "A two-sector model of the distribution of income and the level of employment in the short run"
- He then tried to approach economic dynamics as a succession of short-periods
- The 1965 paper was an effort to "avoid the obstacles surrounding the theory of accumulation and capital emanating from Joan Robinson's and Piero Sraffa's writings"
- But it was not completely successful, Harcourt felt, because it lacked a formal representation of the process of cyclical growth à la R. Goodwin



- The 1965 paper grew out of Harcourt's 1963 detailed criticism of Kaldor's full-employment assumption in the Kaldorian 1950s models
- Harcourt's 1968 and 2006 books on *Economic Activity* (with Karmel and Wallace) and PKE reflected his teaching at Adelaide and Cambridge respectively
- The latter is formed by several models, including some of his own – e.g. his 1976 paper with Peter Kenyon about pricing and investment decisions
- The 2006 book attempted to preserve the Cambridge PKE tradition, which had nearly disappeared from the Faculty of Economics due to conflicts over academic power and influence

- But Geoff remained positive about his trajectory as a Cambridge economist from down under:
- “I am a fortunate person because I have been a student of this tradition. I have taught it, most of the people about whom I have written ... were my teachers and then my colleagues and my friends. So, it has been my good fortune also to work in this tradition. I have brought to this peculiarly Australian contributions as well, because of the mentors I had in Australia, most of whom came out of the Cambridge tradition. Therefore, you see, you have before you a fulfilled person who has tried to do something to preserve the Cambridge tradition and who is going to play cricket for the Jesus College Long Vacation High Table side this afternoon. On a glorious summer day, what more could anybody ask for?” (Harcourt 1998)