Minicurso: “Samuelson, MIT, and the History of Postwar Economics”

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Although it has not been investigated as much as its counterpart, the Chicago School of Economics, the economics department at MIT is undoubtedly one of the most important places in the making of modern economics. Once a minor social science department located in an engineering school, it quickly became, after the arrival of Paul Samuelson (1915-2009), a very attractive institution for economists, spawning 18 Nobel Prize winners and 18 John Bates Clark medal recipients. More substantially, MIT is home of the “neoclassical synthesis”, characterized by Robert Solow’s neoclassical growth model in the long run and Paul Samuelson’s multiplier-accelerator model in the short run. MIT influenced not just economic theory and its policy applications but also the academic standards through which achievements in the field are identified: whereas in the early 20th century, economics was still a mostly verbal discipline which was disseminated in books devoted to both specialists and the educated layman such as Keynes’ General Theory, after 1945, it became a mathematical endeavor, which was disseminated through small models published in academic journals and taught through increasingly standardized textbooks.
Our lectures will focus on Samuelson, as he participated in all of these developments. Samuelson is not so much the “inventor” of some particular branch of the theory, as he served as the “consolidator” of an emerging postwar neoclassical canon. He gave his name to a number of well-known models, which he rarely created ex-nihilo, but contributed to modernize through mathematical formalization. On a more sociological side, he was also a network builder, having on influence on econometrics through his student Lawrence Klein. With his widely spread textbook Economics, - first published in 1948 –, he was also one of the great science popularizers of the second half of the 20th century. Last but not least, he also participated in all of the important debates of his time, defending Keynesian economic policies against the emerging neoliberalism of the Chicago school. Our lecture will address these aspects by looking at relatively neglected areas of Samuelson’s expertise.

Aula 1: Samuelson and the changing place of visual representation in economics
Samuelson played a crucial role in the changing place of visual representation in economics. Back in the early 20th century, diagrams were still viewed as legitimate tools to build economic models and yield academic results. Samuelson, in his *Foundations of Economic Analysis*, rejected diagrammatic analysis in favor of algebra. Yet, with his textbook *Economics*, Samuelson also imposed diagrams as the main tool used in the dissemination of economic results. Our first lecture will study this aspect, comparing Samuelson’s use of diagrams with other examples.

**Readings:**

Aula 2: Paul Samuelson and the role of textbooks in economics
Samuelson created the modern textbook, *Economics*. This manual is often seen as having contributed to the increasing technicality of the discipline. Although this is true to some extent, this view undermines *Economics*’ more political aspects. Samuelson intended it as a way to diffuse Keynes’ macroeconomic analysis and its policy implications, something for which he was harshly criticized from the very beginning. As time went by, the textbook became a staple of mainstream economics, with its middle-of-the-road politics – free market analysis with governmental intervention – and it was therefore also criticized by radical economists and Marxist-leaning intellectuals. This second lecture will show that studying the textbook literature and its context helps understand the current status of mainstream economics and its critique.

**Readings:**


Our objective is to reflect on the claim, made by economists and historians of the field alike, that economics has become over the twentieth century an engineering science. To do so, rather than trying to build on the ‘economics as engineering’ analogy used in the existing literature, we want to explore the actual relations between economics and engineering from a variety of perspectives. The conference and the ensuing volume could shed some new light on the technical turn in economics in the twentieth century, but also on economics’ relation with neighboring disciplines and its role in policy issues.