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**Robert J. Aumann [Ideological Profiles of the Economics Laureates]**

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*Econ Journal Watch* 10(3), September 2013: 281-284

**Abstract**

Robert J. Aumann is among the 71 individuals who were awarded the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel between 1969 and 2012. This ideological profile is part of the project called “The Ideological Migration of the Economics Laureates,” which fills the [September 2013 issue of \*Econ Journal Watch\*](#).

**Keywords**

Classical liberalism, economists, Nobel Prize in economics, ideology, ideological migration, intellectual biography.

**JEL classification**

A11, A13, B2, B3

**Link to this document**

[http://econjwatch.org/file\\_download/716/AumannIPEL.pdf](http://econjwatch.org/file_download/716/AumannIPEL.pdf)

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## Robert J. Aumann

by Daniel B. Klein, Ryan Daza, and Hannah Mead

Robert Aumann (1930–) was born in Germany. As things got worse for Jews in Germany in the 1930s, the Aumann family emigrated to New York. Aumann recalled:

I was born in 1930 in Frankfurt, Germany, to an orthodox Jewish family. My father was a wholesale textile merchant, rather well to do. We got away in 1938. Actually we had planned to leave already when Hitler came to power in 1933, but for one reason or another the emigration was cancelled and people convinced my parents that it wasn't so bad; it will be okay, this thing will blow over. The German people will not allow such a madman to take over, etc., etc. A well-known story. But it illustrates that when one is in the middle of things it is very, very difficult to see the future. Things seem clear in hindsight, but in the middle of the crisis they are very murky. (Aumann 2005, 708)

He continued:

We left Germany, and made our way to the United States; we got an immigration visa with some difficulty. In this passage, my parents lost all their money. They had to work extremely hard in the United States

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to make ends meet, but nevertheless they gave their two children, my brother and myself, a good Jewish and a good secular education. (Aumann 2005, 709)

Aumann attended Rabbi Jacob Joseph School in New York City where he became acquainted with geometry, theorems, and proofs and decided to pursue mathematical studies over Talmudic studies (Aumann 2005, 685-686). He earned his bachelor's degree from City College of New York. He went on to the Massachusetts Institute of Technology for his Ph.D. in algebraic topology in 1955. After working as a strategic consultant and two years as a post-doc at Princeton University, Aumann went to the new state of Israel in 1956 to teach at Hebrew University in Jerusalem, where he has been for the balance of his career (Aumann 2005, 688; Hart 2006, 209).

He shared the Nobel Prize with Thomas Schelling “for having enhanced our understanding of conflict and cooperation through game-theory analysis.” The thesis of the paper most strongly cited for Aumann’s award is “the strong equilibrium payoffs of a repeated game coincide with the core (more precisely,  $\beta$ -core) payoffs in the one-shot game” (Aumann 2006, on Aumann 1959); the idea is that cooperative outcomes can be sustained in games with repeated play.

Aumann recalls how he got his start in game theory:

After completing the Ph.D., I went to work for an Operations Research consulting outfit ... [that] did highly practical consulting. One of the problems that I was assigned had to do with defending a city from attack by a squadron of aircraft, a few of which are carrying nuclear weapons, but most of which are decoys. At MIT I had met John Nash...and had heard a little about game theory from him. At the time it didn't interest me very much, but when I was assigned the problem about the decoys, I remembered the conversations with Nash, and figured that game theory had to be the right tool to attack this problem. So I studied some game theory—just enough for this problem—and then the subject started attracting me in its own right. The rest is history, as the saying goes. (Aumann 2006)

Abraham Neyman states that Aumann’s work went far beyond game theory. Aumann researched a wide variety of topics, and his work “promotes a unified view of the very wide domain of rational behaviour, a domain that encompasses areas of many apparently disparate disciplines, like economics, political science, biology, psychology, mathematics, philosophy, computer science, law, and statistics.

Aumann's research is characterized by an unusual combination of breadth and depth" (Neyman 2008).

After Aumann was awarded the Nobel Prize in 2005, the *Jerusalem Post* ran an article with the sub-headline: "An Orthodox Jew with right-wing politics, Robert Aumann is a controversial Nobel prize-winner" (Krieger 2005). Aumann had been "a long-time member" of Professors for a Strong Israel (Breiman 2005), a Zionist organization. Aumann has been quoted as saying "I'm a Zionist; it's very simple" (Krieger 2005). "To some extent, my political position is informed by my scientific work. ... There are other things, maybe deeper...than my way of making a living, that informs [*sic*] my political beliefs" (ibid.).

In an interview, Sergiu Hart asked Aumann about judicial discretion and restraint. Aumann said:

In Israel it is conceded all around that the courts, and specifically the Supreme Court, are extremely activist, much more so than on the Continent or even in the United States. In fact, the chief justice of the Israeli Supreme Court, Aharon Barak, and I were once both present at a lecture where the speaker claimed that the Supreme Court justifiably takes on legislative functions, that it is a legislative body as well as a judicial body. Afterwards, I expressed to Mr. Barak my amazement at this pronouncement. He said, what's wrong with it? The lecturer is perfectly right. We are like the Sages of the Talmud, who also took on legislative as well as judicial functions. (Aumann 2005, 732)

Aumann continued:

There are two major problems with judicial activism. One is that the judiciary is the least democratically constituted body in the government. In Israel, it is to a large extent a self-perpetuating body. Three of the nine members of the committee that appoints judges are themselves Supreme Court judges. Others are members of the bar who are strongly influenced by judges. A minority, only four out of the nine, are elected people—members of the Knesset. Moreover, there are various ways in which this committee works to overcome the influence of the elected representatives. For example, the Supreme Court judges on the committee always vote as a bloc, which greatly increases their power, as we know from Shapley value analyses.

In short, the way that the judiciary is constituted is very far from democratic. Therefore, to have the judiciary act in a legislative role is in violation of the principles of democracy. The principles of democracy

are well based in game-theoretic considerations; see, for example, my paper with Kurz called “Power and Taxes” [(1977)], which discusses the relation between power and democracy. In order that no one group should usurp the political power in the country, and also the physical wealth of the country, it is important to spread power evenly and thinly. Whereas I do not cast any aspersions now on the basic honesty of the judges of the Israeli Supreme Court, nevertheless, an institution where so much power is concentrated in the hands of so few undemocratically selected people is a great danger. (Aumann 2005, 732)

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