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**Gary S. Becker [Ideological Profiles of the Economics Laureates]**

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**Abstract**

Gary S. Becker 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**

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## Gary S. Becker

by Daniel B. Klein and Ryan Daza

Gary Becker (1930–) won the Nobel Prize in Economics in 1992 for expanding microeconomic analysis to non-market behavior such as discrimination, human capital, the family, demography, criminology, and addictive behavior.

Becker was born in a coal mining town in eastern Pennsylvania, but the family moved to Brooklyn when Becker was four or five years old. Becker's parents had only received an 8th grade education. Becker reflected: "There were only a few books in our house, but my father kept up with the political and financial news, and my older sister read a lot. After my father lost most of his sight, I had the task of reading him stock quotations and other reports on financial developments. Perhaps that stimulated my interest in economics, although I was rather bored by it" (Becker 1993).

Becker says:

We had many lively discussions in the house about politics and justice. I believe this does help explain why by the time I finished high school, my interest in mathematics was beginning to compete with a desire to do something useful for society. These two interests came together during my freshman year at Princeton, when I accidentally took a course in economics, and was greatly attracted by the mathematical rigor of a subject that dealt with social organization. (Becker 1993)

In a 2009 interview by Karen Horn, Becker says that in high school, besides a strong interest in mathematics, around the age of 16 he developed an interest in "social questions" and economics (Becker 2009a, 137-138). Horn asks about the combination of interests, mathematics and social philosophy, and Becker responds:

In the beginning, these had been separate interests. But then, in the first course I took in economics as a freshman at Princeton, we had a textbook—and that was Paul Samuelson's. It was fascinating. What impressed me about that famous textbook was that in the last quarter of that book...he had a mathematical formulation of economics. That was the part of the whole course that really attracted me the most. To me the question was how I could use mathematics—which I liked and was pretty good at—to discuss social questions. So Samuelson's book actually built the bridge. (Becker 2009a, 138)

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Horn (2009, 146) asks, “How did your political persuasions develop? Have you always sided with the market—or did you start out as a socialist like almost every young person?” Becker responds:

I was a socialist, that’s true. Even my father, although he was a pretty successful businessman, strongly supported interventionist-type candidates. . . . But what really influenced me and pulled me away from socialism were essentially two things: Milton Friedman and economics. Studying economics, at the end of my sophomore year at Princeton, I remember I debated somebody about markets versus socialism. And I was on the market side. I had already shifted away from socialism. Entering Princeton, I was a socialist. Two years or so later I was no longer a socialist. Three years later, I decided to go to Chicago. I still had an uneasy feeling. Even though I had the basic principles why I should lean in that direction, I still was missing the theory. I then got that at Chicago. (Becker 2009a, 146-147)

Becker tells Horn that, at Princeton, the professor who influenced him most was Jacob Viner (who had been at Chicago). Becker says that during his undergraduate days, “Milton Friedman from Chicago had come to speak at Princeton once, but I wasn’t that impressed by his talk. Everything just seemed too simple” (Becker 2009a, 140). Subsequently, however, after entering graduate studies at Chicago, Becker’s attitude toward Friedman changed greatly, as he tells Horn: “Certainly Milton Friedman had a great influence on me here. He was by far the greatest living teacher I have ever had. He really opened my eyes to economics as a powerful engine of analysis. Milton Friedman was just number one. He was a great man” (ibid., 141).

In his Nobel autobiography, Becker stated: “My first encounter in 1951 with Milton Friedman’s course on microeconomics renewed my excitement about economics. He emphasized that economic theory was not a game played by clever academicians, but was a powerful tool to analyze the real world. His course was filled with insights both into the structure of economic theory and its application to practical and significant questions. That course and subsequent contacts with Friedman had a profound effect on the direction taken by my research” (Becker 1993).

Further, in discussing his rational-choice approach to what were at the time unconventional topics, such as discrimination, human capital, and later the family and crime, he says that Friedman was among those who always encouraged him: “Milton Friedman and H. Gregg Lewis were the people I interacted the most with. They were both on my committee. Milton Friedman—you know, in everything

he did, he was just magnificent. He gave great lectures. He was the dominant catalyst in the group” (Becker 2009a, 141). Then, in discussing his first post as assistant professor at Chicago and his move to Columbia to teach, Becker says: “Milton Friedman was great, but he was just such a dominant intellectual influence. I wanted to be on my own. So I decided to move east” (ibid., 143).

After twelve years at Columbia (and NBER), Becker moved back to Chicago:

In 1970, I returned to Chicago, and found the atmosphere there very stimulating. The department was still powerful, especially after it had added George Stigler and Harry Johnson. Stigler and I soon became close friends, and he had a very large effect on my subsequent intellectual development. We wrote two influential papers together: a controversial one on the stability of tastes, and an early treatment of the [principal]-agent problem. Stigler also renewed my interest in the economics of politics; I had published a short paper on this subject in 1958. In the 1980s I published two articles that developed a theoretical model of the role of special interest groups in the political process. (Becker 1993)

In 1985 Becker took up writing a monthly column for *BusinessWeek* magazine, and he continued to do so through 2004:

It was a wise decision, for I was forced to learn how to write about economic and social issues without using technical jargon, and in about 800 words per column. Doing this has enormously improved my capacity to discuss important subjects briefly and in simple language. The pressure of having to do a column every month also makes me stay abreast of many subjects.... (Becker 1993)

In his entry on Becker in *The New Palgrave Dictionary of Economics*, Casey Mulligan describes the precedent that Milton Friedman has set in taking part in public discourse, and writes: “If Gary continued that tradition, as with his *BusinessWeek* column and Internet blog, he did so with much less vigour. One of Chicago’s important influences on Gary came from George Stigler, who often viewed public policies as the rational choices of politicians and the people who can influence them” (Mulligan 2008).

Although it is fair to say that Becker’s popular writing, notably in the *BusinessWeek* column and then the Becker-Posner blog ([link](#)), has been less vigorous than Milton Friedman’s, still the vigor has been exceptional, even valiant, at least to a classical liberal spectator.

In the 1997 book *The Economics of Life*, 138 of the *BusinessWeek* articles are collected. Although the articles had appeared in *BusinessWeek* under Becker's name only, in the book they are presented as the joint work of Becker and his wife Guity Nashat Becker. The book opens with an interesting joint autobiographical essay. When referring to one of themselves individually, they write Gary or Guity. They explain that the *BusinessWeek* offer to Gary was surprising "because he had never before written a single word for newspapers or other mass circulation periodicals" (Becker and Becker 1997, 1). While considering the offer, Gary consulted his friends, who encouraged him. Moreover, "Gary also consulted his wife Guity—an associate professor of history at the University of Illinois at Chicago—and she had the greatest influence on his decision. She believed the columns would provide an excellent vehicle for influencing government policy as well as for communicating his ideas to a much wider audience. And to ease Gary's fears, Guity promised that she would read drafts of the columns and offer suggestions to help make them more effective" (ibid, 2). They then explain the presentation of the collection as coauthored: "Guity has in fact read several drafts of every column, and she has been his severest critic. She has also proposed many topics, especially those dealing with contemporary issues of public policy. She has earned her co-authorship of this book. Although the columns were published under Gary's name, they would likely not have been written without Guity's encouragement, criticism, and suggestions" (ibid.).<sup>5</sup>

In the opening essay, in a section entitled, "Are We Liberals or Conservatives?," Becker and Becker explain themselves:

We do support the case for individual freedom and private enterprise economies made by Adam Smith, David Hume, and other eighteenth and nineteenth century thinkers.... Therefore, we are liberals in this classical or European sense, and we prefer a decentralized economic, political, and social milieu that allows freedom of choice as long as one person's freedom does not impose clear and sizable harm on others. Such liberals are not conservative in the traditional meaning of wanting to preserve the status quo. Although classical liberals recognize that what has survived is often functional and contributes to social welfare, they also realize that some hallowed customs and traditions in law, politics, and the economy have survived because of the influence of powerful interest groups that orient public policy in their own favor. ... We do not closely identify with any political party in the United

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5. Guity Nashat Becker's partnership with her husband brings to mind Rose D. Friedman's with hers (see Blundell 2013).

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States since none takes a consistent position on whether individuals respond to incentives and know their own interests better than politicians and bureaucrats. (Becker and Becker 1997, 5)

The Beckers describe some of the topics treated by the columns collected in *The Economics of Life*:

[T]he columns collected in this book...are unambiguously opposed to big government and central planning, illegal immigration, employment quotas and set-asides for minorities, union exemption from antitrust laws, highly subsidized tuition for middle-class and rich students at state universities, the NCAA restrictions on pay to college athletes, term limits for members of Congress, ESOPs and other subsidies to employee ownership of companies, and tariffs and quotas.... Among other things, they [the columns] advocate selling the right to immigrate legally, extensive privatization of public enterprises, introduction of school vouchers primarily to poor children, legalizing many drugs, substituting an individual-account system for pay-as-you-go social security, moving to fully voluntary armed forces, cracking down on fathers who fail to pay child support, enforcing marriage contracts and prenuptial agreements, encouraging free competition among religious sects and denominations, amending the Constitution so that federal judges would serve renewable terms rather than for life, instituting strong punishment for serious crimes, especially when committed with guns, and changing welfare to concentrate on helping children rather than mothers and social workers. (Becker and Becker 1997, 6)

After *The Economics of Life* appeared in 1997, Gary Becker continued to write his monthly column, billed as sole author, until July 2004. In his final column, titled “A 19-Year Dialogue on the Power of Incentives,” he wrote:

Along with many others of my generation, I was a socialist when I started my university studies. But my first few economics courses taught me the power of competition, markets, and incentives, and I quickly became a classical liberal. That means someone who believes in the power of individual responsibility, a market economy, and a crucial but limited role of government. I have not hesitated to express these beliefs in evaluating policies of both Democratic and Republican Administrations. I understand that politics often trumps economics, but it is a mistake to excuse misguided policies because one generally sympathizes with a particular party or person. (Becker 2004)

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In a 2002 interview, Becker delivered his view of social security:

I do believe individuals should be given most of the discretion over their money, and I believe very much in a privatized system. ... The present Social Security system is a mixture of an annuity and redistribution system. The redistribution system discourages many people from working at older ages when they are healthy enough and would want to continue working. Social security gives them an incentive not to work because they are taxed so heavily on their earnings. (Becker 2002, 21)

He concluded:

I also believe in a minimum standard of living for older members of our society. So if older persons, for one reason or another, did not save much, they would get a minimum level of say, Medicare and retirement income. That would be part of the welfare system for low-income people. (Becker 2002, 21)

In a 2009 *Wall Street Journal* interview, Becker squares the blame on the slow market recovery on government policies (Becker 2009b). Responding to his colleague Richard Posner's call for more regulation and putting the Chicago School into question over the 2008 recession, Becker wrote:

What I have always learned to be the Chicago view, and taught to be the Chicago view, is that free markets do a good job. They are not perfect, but governments do a worse job. Again, in some cases we need government. It is not an anarchistic position. But in general governments do a worse job. I haven't seen any reason to change that other than, yes, we've seen another example where free markets didn't do a good job: they did a bad job. But to me there is no evidence the government did a good job either, leading up to or during the process. (Becker 2010a)

In 2010, Becker spoke against the Patient Protection and Affordable Care Act, stating: "Health care in the United States is pretty good, but it does have a number of weaknesses. This bill doesn't address them. It adds taxation and regulation. It's going to increase health costs—not contain them" (Becker 2010b).

Becker has lent his name to petitions opposing John Kerry for president in 2004, supporting John McCain in 2008, and supporting Mitt Romney in 2012.

He has remained active in blogging and in occasional popular writing, such as continuing his call for drug liberalization (Becker and Murphy 2013).

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