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Robert W. Fogel [Ideological Profiles of the Economics Laureates]

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Abstract

Robert W. Fogel 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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the financial system and taxpayers by failures. (Acharya and Engle 2009b)

Engle has advocated higher inflation to help the economy out of the recession. Engle believes slightly higher inflation rates would reduce unemployment. Further, he argued, it would help the housing market. “If we had just a little bit of inflation and house prices went up, all the sudden they’d be above the mortgages” (Engle quoted in Rastello 2012).

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Robert W. Fogel

by Daniel B. Klein and Ryan Daza

Robert W. Fogel (1926–2013) was born in New York City in 1926 four years after his family emigrated from Russia. His family had arrived from Russia penniless and managed to establish several small businesses. Fogel recalled:

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Despite the hard times of the Great Depression and the modest financial circumstances in which we lived, they created a joyful household and they encouraged my brother and me to be optimistic about the future. My parents' reverence for learning encouraged both my brother and me toward academic pursuits. ... I still remember the intense discussions by my brother and his college classmates about the social and economic issues of the Depression that I overheard as I lay in my bed, supposedly asleep, in the next room. (Fogel 1994)

Fogel credited his New York City public education, between 1932 and 1944, as an “excellent preparation for a life in science” (Fogel 1994). Fogel earned an undergraduate degree from Cornell University in 1948, a master's in economics from Columbia University in 1960 and a Ph.D. in economic history from Johns Hopkins in 1963. Fogel taught at Johns Hopkins University and the University of Rochester. He joined the University of Chicago permanent faculty in 1964 and then briefly moved to Harvard in 1975 before returning to Chicago in 1981. He remained at Chicago for the rest of his career.

Fogel was co-recipient of the Nobel Prize, with Douglass C. North, in 1993. The committee commended Fogel “for having renewed research in economic history by applying economic theory and quantitative methods in order to explain economic and institutional change.” His most noted books are *Railroads and American Economic Growth: Essays in Econometric History* (Fogel 1964); *Time On the Cross: The Economics of American Negro Slavery* (Fogel and Engerman 1974); *Without Consent or Contract: The Rise and Fall of American Slavery* (Fogel 1989); *The Fourth Great Awakening and the Future of Egalitarianism* (Fogel 2000); and *The Escape from Hunger and Premature Death, 1700–2100: Europe, America, and the Third World* (Fogel 2004a).

Early in life, Fogel became involved in left-wing politics. Before he pursued an academic career, he “worked as a professional organizer for the Communist Party” (Hershey 2013). He met his future wife, Enid Cassandra Morgan, when she “headed a Harlem youth group promoting the Progressive Party presidential candidacy of Henry A. Wallace” (ibid.).

A 1947 article from the *Cornell Daily Sun* reported on a campus debate involving Fogel:

Robert Fogel '48, arguing from a standpoint of economic inequities under the capitalist system and John Roche, Grad. basing his opposing views on the loss of individual freedom debated the desirability of Communism in America last night.

Addressing the last meeting of the Marxist Discussion Group Fogel, president of the organization, declared that “while we have

tremendous resources, our present society is so constructed that we have lavishness for the few and discrimination, poverty and war for the many.”

Quoting from Lenin he pointed out that there is no conflict between Communism and Socialism in the classical sense. The Communists in this country and in most countries throughout the world are actually working for socialism, he said.

“Today they (the Communists) fight for anything that will help the majority of the people.” Citing the Communist Party stand in favor of such legislation as the housing and national health bills, Fogel declared, “Anything that aids the majority of the people brings the country that much closer to Socialism.”

Maintaining that the present economic system does not provide for the economic and social needs of the people and generates racial inequality he cited the widespread sub-standard living conditions and the relatively low wage schedule and high death rate of American Negroes especially in the South. (Cornell Daily Sun 1947, 1)

A recent article in a Cornell alumni publication explained Fogel’s role as a campus Marxist:

Robert Fogel ’48, who would win the Nobel Prize for Economics in 1993, was Cornell’s leading student radical in the late Forties, when Soviet-American friendship was replaced by the bitter suspicions of the Cold War. ... At Cornell, Fogel switched to economics and history—as well as political agitation. He became head of the Marxist Discussion Group and the campus chapter of American Youth for Democracy (AYD), the successor to the Young Communist League and an organization that Attorney General Tom Clark placed on his 1947 subversive list. The *Alumni News* estimated that in Fogel’s last years on campus the AYD had about a dozen members, with most radical students preferring either the Henry Wallace politics of the Progressive Citizens of America or the Students for Democratic Action, which was linked to its anti-Stalinist parent organization, Americans for Democratic Action, founded by Arthur Schlesinger Jr. and Reinhold Niebuhr.

Although his followers were few, Fogel put Marxism on the postwar campus map. In speeches, public debates, and letters to the *Daily Sun*, he proclaimed that communists “fight for anything that will help the majority of the people.” ...

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In early 1949, a year after his graduation, Fogel was still on campus. On behalf of his Marxist Discussion Group, he invited Eugene Dennis, secretary of the American Communist Party—then under indictment in federal district court for advocating the overthrow of the U.S. government—to speak at Cornell. The Faculty Committee on the Scheduling of Public Events, however, unanimously turned thumbs down, declaring: “No person under indictment should be permitted to substitute the campus of Cornell University for the legally constituted courtroom as a forum to plead his case.” At a rally that April, Fogel charged that the faculty caved in because it was “unrepresentative, lacking professors who believed in Marxist doctrine.” (Altschuler and Kramnick 2010)

In an appreciative essay published in a volume in honor of Fogel, Deirdre McCloskey drew on her time as Fogel’s junior colleague at the University of Chicago in speaking of Fogel’s ideological migration:

Fogel’s socialist background made a big impression on me and taught me to outgrow my own socialism. Here was a man who had been a paid organizer for one of the principal youth organizations of the Communist Party. And yet he was reasonable. . . . He described himself quite accurately as a Scoop Jackson Democrat and argued genially with us about the good sides of Nixon, Vietnam, and Mayor Daley. One learned that people could change their minds on reasonable grounds, and then go on to argue with civility about things that mattered. (McCloskey 1992, 18)

Henry M. “Scoop” Jackson, a Democratic Congressman and Senator from the state of Washington, was noted for his hawkish, anti-communist views on foreign policy.

In a 2006 interview, Fogel discussed his early years:

When I graduated from college, I had two job offers. One was from my father, to join him in the meat-packing business. That would have been quite lucrative. The other was as an activist for a left-wing youth organization. I chose the latter and worked as an activist from 1948 to 1956. At the time I was making that decision, my father told me: “If you really believe in that cause, come work with me. You will make a much higher wage and you could give your extra income to hire several people instead of just yourself.” I thought, well, that makes some sense. But I was convinced that this was a way to get me to

change my views or at least lessen my commitment to an ideological cause that I found very important. Yes, the first year, I might give all of my extra money to the movement, but every year I would probably give less, and finally reach the point when I was giving nothing at all. I feared I would be co-opted. I thought this was my father's way of indoctrinating me.

So I went to work as an activist. At first, I thought what I was doing was important. But over time, I started to become disillusioned. The Marxists had predicted a depression in 1947–1948. That didn't happen, so they said, it will happen the next year. But it never came. So by the early 1950s, I began seriously reconsidering my position. I had been drawn to Marxism because I thought of it as a science. But it was pretty clear that its "scientific" predictions were wildly off the mark. I was ready to leave the movement, but then McCarthyism started to heat up and that led me to hesitate. I stayed a few more years to fight against McCarthyism. But by 1955 and 1956, the horrors that had occurred under Stalin, which we had all heard about but didn't really believe, were confirmed by Khrushchev. That was the breaking point in a sense. I began to rethink my views and especially my involvement with Marxism. So I decided that I needed to receive more serious training in economics and the social sciences generally and went to Columbia. (Fogel 2007a, 49)

Fogel's interviewer, Aaron Steelman, then asked, "Did the failures of Marxism to accurately analyze the economic situation in the United States influence you to pursue work that was heavily data driven and empirical?" Fogel replied:

There is no doubt about that. As I said, Marxism was sold as a science, but it became clear that it was not. It was more of an ideology than anything else. My early experiences made me very skeptical of ideologies of any persuasion. I'm willing to be surprised, to accept seemingly radical ideas, but there better be data to back up those claims, and Marxism could not provide that type of evidence. (Fogel 2007a, 49)

When asked, "Which economists have influenced you the most?," Fogel replied:

Well, obviously Simon Kuznets [who supervised Fogel's doctoral dissertation at Johns Hopkins] would be at the top of the list. The older I get, the more I realize the extent to which my whole outlook on

economics was shaped by him. George Stigler had a big influence on me, first as a student at Columbia and then as a colleague at Chicago. I took his price theory course at Columbia. He was an extremely smart man, a great teacher, and had a great wit. I never got heavily involved in monetary economics, but I was certainly influenced by Milton [Friedman]’s empiricism. Robert Solow also had a huge influence on me. He provided a framework for looking at growth that was extremely useful in my work. Tom Schelling was another strong influence on me. You couldn’t be at Harvard without being impressed by him. He has one of the most probing, original minds I have ever encountered. (Fogel 2007a, 49)

In his writings, Fogel tended not to make pronouncements on public policy issues. It seems that he has never been signatory to an economist petition concerning policy or politics. Even when he wrote for relatively popular outlets such as the *Wall Street Journal* (Fogel 1996), *Daedalus* (Fogel and Lee 2002; Fogel 2007b), or the website of the American Enterprise Institute (Fogel 2009), Fogel was quite reserved when it comes to policy judgment.

Our own impression is that Fogel was primarily concerned with making social-science contributions that will serve humankind, and that ideologically he carried something of a tension between two tendencies. The first is the tendency to be a progressive social reformer and a Democrat, the other is a countervailing skepticism toward the first.

The progressive, Democratic side of Fogel is perhaps evidenced in, for example, his book *The Fourth Great Awakening* (2000). Edward Zajac has summed up the “awakenings” as follows:

The first great awakening (1stGA), lasting from roughly 1730 to 1830, saw the weakening of the doctrine of predestination and the rise of the ethic of benevolence. The second great awakening (2ndGA) (1800–1920) saw the emergence of the belief that one could achieve saving grace through inner and outer struggle against sin. In the third great awakening (3rdGA) (1890–) emphasis shifted from personal to social sin, accompanied by a shift to a more secular interpretation of the Bible. The 3rdGA also saw the emergence of the Social Gospel movement that rejected the notion that poverty is the wages of sin in favor of the idea that rescuing the poor from their plight is society’s responsibility. Finally, in the present, fourth great awakening (4thGA) (1960–) there has been a return to sensuous religion, and a reassertion

of the experimental content of the Bible and the concept of personal sin. ...

At a minimum, [Fogel's book] suggests a new classification language, even for secular matters. For example, John Rawls is obviously a 3rdGA political philosopher, while Friedrich Hayek and Robert Nozick are 4th GA. Ralph Nader's Green Party is 3rdGA, while...the Libertarian Party...is 4thGA. (Zajac 2000, 1171-1172)

Fogel saw himself on the former side of this contemporary division: "Readers should be forewarned that I write as a secular child of the Third Great Awakening and that all my life I have accepted its basic ethics and the basic thrust of its reforms. My task as a social scientist, however, is to study society with as much objectivity as I can muster and to report the empirical findings without extenuating those that seem to cut across my most cherished values" (2000, 14).

In an article entitled "Who Gets Health Care?," published in *Daedalus* in 2002, Fogel and Chulhee Lee treated healthcare access in global perspective. The article concluded with policy implications; the space given to advocating policy reforms was unusual for Fogel, and one wonders if the impulse came largely from Fogel's coauthor. For the United States, Fogel and Lee offered, not any large sweeping reform, but several specific priorities and targeted measures. They spoke of the need to expand "prenatal and postnatal care targeted particularly at young single mothers," and to improve "health education and mentoring to enable poorly educated people ... to be able to follow instructions for health care, to properly use medication, and to become involved in social networks conducive to good health." They also proposed the reintroduction into public schools of periodic health-screening programs "using nurses and physicians on a contract basis," and "the establishment of public-health clinics in underserved poor neighborhoods" (Fogel and Lee 2002, 115-116).

On the issue of health insurance coverage, Fogel and Lee wrote the following paragraph:

Readers may be surprised that we have not emphasized the extension of health insurance policies to the 15 percent of the population not currently insured. The flap in the United States over insurance has more to do with taxation than with health services. Keep in mind that the poor are already entitled to health care under Medicaid, and that the near poor often receive free health care through county or city hospitals and emergency rooms. What they do not do is pay taxes for those services. Most proposals for health insurance imply the taxation of their wages for services they already receive. Such insurance may

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relieve the pressure on the public purse, but it will not guarantee better health care. We believe that health screening in schools and community clinics has a better chance at success than unexercised theoretical entitlements. (Fogel and Lee 2002, 116)

One of the notable features of Fogel and Lee's two-page discussion of policy implications for healthcare in the United States is that nothing is said about liberalizing any of the many restrictions that suppress the provision and increase the cost of healthcare services, products, and facilities.

Fogel and Lee (2002, 116-117) also wrote several paragraphs about policy directed toward health problems in poorer countries. They said that America, the OECD, and international agencies should help to bring vaccines, better water systems, sanitation, basic nutrients, education, money and personnel to poor countries. They also advocated increasing funding on medical research focused on diseases that afflict people especially in poorer countries.

The progressive-Democrat side of Fogel is perhaps also evident in a 2004 interview by Marika Griehsel, who asked, in the context of health economics: "Will people who have the power to take decision, for example politicians, always acknowledge the need to do this kind of research, or would they rather ignore the historical facts ... ?" Fogel's response was rather optimistic:

Well, if you take the people in Congress, the people who are the experts within Congress, on let's say issues of aging and healthcare, they pay a lot of attention to the technicians, they don't make policy independent of what the technical people are discovering or telling them, so I think they are very carefully listened to and they usually have on their staffs, people who are well trained in these fields and who have good ties to academic specialists. In the United States I think there is a pretty good interchange and my impression of most other countries is that it works, at least most other countries that I've visited and had a chance, it works similarly. Politicians realise they need to know what the facts are and that requires experts and they look to the experts to give them the information they need, so that they can make policy. (Fogel 2004b)

In the same interview, Fogel remarked on the role of government generally:

I would say in general, the main role of the government is to create circumstances in which the rate of change in technology can proceed as smoothly as possible and there is also a role that the government has to play in equity, that not all people benefit from technological change, some lose their jobs while others are lucky to be in the right place at the

right time and their incomes increase very rapidly, so there are equity issues in which the government has to play a role.

... So the government has to play a role in making it possible for people who are not in the favourite industries to be able to find better opportunities than they now have. It is an international question too, that is, the rich countries of the world have to make at least modest efforts. Modest efforts would be, let's say, 1% of their gross national product, should be contributed to assisting poor countries. (Fogel 2004b)

In an interview by Nick Schulz (2005), published in the now-defunct classical liberal website Tech Central Station, Fogel again was not outspoken on policy issues; he came across as favorable to the reforming of Social Security toward personally held, defined-contribution asset accounts.

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Milton Friedman

by J. Daniel Hammond¹²

Milton Friedman's ideology remained indiscernible until he was in his mid-thirties. Then, in the late 1940s and early 1950s, it emerged. The three components were Marshallian economic theory, statistics, and political thought that he encountered at Mont Pèlerin in 1947. By the middle 1950s his ideology was set and henceforth changed little except for a decline in his confidence in the public interest motivation of public policies and an increase in his appreciation for insights from the public choice literature.

Records of Friedman's education and early career show little evidence of interest in policy, but they do allow us to see the intellectual formation and work experience from which his ideology developed. Friedman (1912–2006) enrolled at Rutgers University as a 16 year-old in 1928, and graduated in 1932. Friedman's primary interest at Rutgers was mathematics, although he graduated with an economics major and promptly entered the University of Chicago graduate program in economics. After a year of coursework in economics and mathematics he transferred to Columbia University to study mathematical economics. The next

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