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Herbert A. Simon [Ideological Profiles of the Economics Laureates]

Daniel B. Klein, Ryan Daza, and Hannah Mead

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Abstract

Herbert A. Simon 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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Herbert A. Simon

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

Herbert Simon (1916–2001) was born in Milwaukee. His father, an inventor, settled in the United States in 1903. Simon’s uncle had studied economics at the University of Wisconsin, and it was through his uncle’s old books that Simon “discovered the social sciences” (Simon 1992/1979).

Simon has described himself as a “Depression-bred” economist (Simon 1985, 19). At a young age, Simon read deeply and critically into economics writings that he claims contributed greatly to his education. These writings include Henry George’s *Progress and Poverty* and Richard T. Ely’s *Outlines of Economics* (Simon 1996, 14). For this generation of economists, Simon said, “The elimination of poverty has been... a lodestar, and compassion for the poor and unlucky an admirable trait of character” (Simon 1985, 19). Simon seems to have held this view consistently.

Describing himself as a civil libertarian in grammar school and generally a nonconformist thereafter, Simon “arrived on campus a Socialist” (Simon 1996, 50). In 1937 he and future wife Dorothea Pye helped to form the Progressive Club, a group that focused its attention on supporting “antimachine” candidates for local government in a corrupt political landscape in Chicago. Progressive Club members combined with other activist groups to form Americans for Democratic Action; thus Simon describes his wife and himself as “prenatal members” of ADA (Simon 1996, 74, 119-120). His social-democratic disposition did not waver. In 1996 he said: “I was (and am) a New Deal Democrat, probably imprinted by Franklin Delano Roosevelt’s Inaugural address” (*ibid.*, 119).

Simon entered the University of Chicago in 1936 as a student in political science. At the helm of the department was Charles E. Merriam, who along with his colleagues “articulated a liberal management political philosophy in which they sought to harmonize democracy and expert authority” (Crowther-Heyck 2005, 43). Merriam and his colleagues believed that there was greater liberty under rational democratic governments, and that modern societies needed to be led and economies regulated in order for progress to be achieved (*ibid.*, 44). Simon described Merriam as “commander-in-chief and master strategist of the revolutionary forces. I was just a private in his army.... ... Having participated in these events [at Chicago] for more than a decade... did much to form my views about how scientific disciplines develop, to teach me the strategies of subversion I later employed in attacking orthodoxy in economics and psychology, and to focus my sights on the phenomena of human thinking and problem solving as the essential core of both organization theory and economics” (Simon 1996, 55).

Simon received his Ph.D. in political science and stayed on at Chicago to teach. He became involved with the Cowles Commission, where he received a “second education” in economics (Simon 1992/1979). Mie Augier and James March, citing Simon’s papers, write: “Simon believed that his association with the Cowles Commission brought him into the mainstream of economics and brought his papers to the attention of that mainstream” (Augier and March 2004, 12).

Simon said that our society is obligated “to leave to future generations as wide and interesting a range of options as those our generation inherited from our forebears. To do that, we must accept collective responsibility for securing continuing energy sources, for preserving the environment, for stabilizing world population, and for somehow removing or dulling the threat of the Bomb” (Simon 1985, 18).

In 1978 Simon received the Nobel Prize in economic science for “his pioneering research into the decision-making process within economic organizations.” The announcement of the award also acknowledged his “contributions in, among other fields, science theory, applied mathematical statistics, operations analysis, economics, and business administration” (Royal Swedish Academy of Sciences 1978).

Simon rejected what he saw as a common tendency to view society as a zero-sum game. Simon argued: “There must be better games; and if I were to select a research problem without regard to scientific feasibility or interest, but only in terms of social welfare criteria, it would be the problem of finding conditions under which human beings will design and play games that all can win” (Simon 1985, 19).

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Christopher A. Sims

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

Christopher Sims (1942–) was born in Washington D.C., and, as his father worked for the military, the family moved often before settling in Connecticut for Sims’s teenage years. He grew up in a lively intellectual climate, with family members frequently initiating political and economic discussions. Sims’s mother ran the Connecticut League of Women Voters and was Democratic mayor of Greenwich, Connecticut (Sims 2011b). At Harvard University, Sims majored in math and took courses in statistics, economics and econometrics. He then studied at the University of California at Berkeley for a year before returning to Harvard to earn his Ph.D. in economics (Sims 2004, 274-276).

After a short time teaching at Harvard, Sims joined the University of Minnesota faculty. After Minnesota, Sims went to Yale University, and then Princeton University. He has also been visiting scholar for a number of U.S. Federal Reserve banks. While in graduate school and again on the Minnesota faculty, Sims got to know Thomas Sargent, the co-winner with Sims of the 2011 Nobel Prize in Economics “for their empirical research on cause and effect in the macroeconomy.”

Sims eschews ideological labels and is very reserved in expressing policy judgments, especially outside the area of macroeconomic policy. “There isn’t much political coloration in my economic writing,” Sims said. “It’s not surprising that few people know my political views. They really aren’t very important” (quoted in Sommer 2011b). When some commentators pegged Sims as opposing government intervention in the economy, Sims stated that he instead approved of some interventions (Sommer 2011a). Jeff Sommer (2011b) reports in the *New York Times* that Sims is a “lifetime” Democrat and supports “many recent policies of the Obama administration and the Federal Reserve.”

When described as a “non-Keynesian,” Sims objected, saying that he is, in fact, not “non-Keynesian” at all (Sommer 2011a). Sims (2011b) writes that his work “involved criticizing the statistical underpinnings of the Keynesian econometric models, but I viewed them as flawed but important, not worthless.”