Luigi Pasinetti and the Cambridge Economists

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Abstract: This paper pays tribute to Luigi Pasinetti as an historian of economic thought in general but, in particular, to his work on the Cambridge economists, and his interpretations mainly of Piero Sraffa and John Maynard Keynes, but also of Richard Kahn, Joan Robinson and Nicholas Kaldor. With them he shared everyday Cambridge life, and he is universally associated with them in terms of a common 'school' – the Cambridge school. The purpose of the paper is not to provide a systematic account, but to offer some illustrations of Pasinetti’s style of doing history of economic thought and how it developed over time. It is argued that the theoretical framework to which Pasinetti has dedicated so much of his intellectual efforts is built on his understanding of what Cambridge economics was about and how its scope and aims should be pursued and integrated. As such, it is a personal construction which stands, alongside the individual contributions by the Cambridge economists with whom Pasinetti associates himself, as a milestone in the landscape of non-mainstream economics.

1 Introduction

My aim in this paper is to pay tribute to Luigi Pasinetti as an historian of economic thought in general, but in particular with regard to his work on the Cambridge economists. I will refer to some aspects of his interpretations of Sraffa and Keynes, but also of Richard Kahn, Joan Robinson and Nicholas Kaldor, who were Pasinetti’s friends, colleagues and companions in arms in various intellectual and academic battles. With them he shared everyday Cambridge life, and he is universally associated with them in terms of a common ‘school’ – the Cambridge school. My purpose is not to provide a systematic account, but to offer some illustrations of Pasinetti’s style of doing history of economic thought and how it developed over time.

Characteristic of Pasinetti’s approach to research are respect for sources, accuracy and precise reference to facts and texts, which apply equally to his work as a theoretician and as an historian of economic thought, together with an impeccably rigorous style, sparing in adjectives but rich in details. What I wish to investigate here is the relationship between these two types of research in Pasinetti’s work on the Cambridge economists, to see how they evolved over time and to address the more general question of the difference between the approaches of a theoretician and of an historian, offering some concluding thoughts on their nature and scope. To make my point clearer, I follow the chronological order in examining his writings on selected Cambridge authors in Sections 2, 3 and 4; whilst in Section 5, I discuss Pasinetti’s views on the Cambridge economists as a school.

2 Sraffa

In the formulation of the celebrated paper of 1960, ‘A mathematical formulation of the Ricardian system’, Pasinetti drew extensively on Sraffa’s ‘Introduction’ to Ricardo’s Principles, together with Kaldor’s 1956 article, ‘Alternative Theories of
Distribution”, to reconstruct Ricardo’s theory. His interpretation marks a clear distance from previous scholarship, insofar as he makes ample use of Sraffa’s critical edition of Ricardo’s Works (though his analysis was confined to the Principles), although he appears to have then been leaning more towards ‘rational reconstruction’ than ‘historical reconstruction’ of the history of ideas. Thus, for example, in the 1960 article Pasinetti disregarded the issue and, hence, importance of the ‘corn-ratio theory of profits’ in the evolution of Ricardo’s thought, arguing that it represented, he believed, a ‘position ... very highly vulnerable’, and was abandoned by the author ‘long before writing the Principles’ (Pasinetti 1977 [1974]: 2n). Actually, it was Sraffa himself who pointed out that Ricardo ‘maintained’ this position until 1816 – not ‘long before’, that is, but up to the year immediately preceding the first edition of the Principles, when he abandoned it in favour of the labour theory of value. This issue was to loom large in the subsequent literature with historians of economic thought divided between those who accepted Sraffa’s reconstruction of ‘the rational foundation of the principle of the determining role of the profits of agriculture’ (Sraffa 1951: xli-xix) and those who opposed it. It is a typical ‘history of economic thought’ issue, relating to the quest for the origin of concepts, and their interpretation, textual confirmation and referential context.

At the time, however, Pasinetti was committing himself to a different exegetic exercise which was to last for many years, namely, close scrutiny of Production of Commodities by Means of Commodities, which had just appeared in print. The best known product of this endeavour is probably chapter V of the Lecioni di Teoria della Produzione of 1975, a text that has stood as a major landmark for many students and scholars approaching Sraffa’s book.

Pasinetti’s involvement and interest in intellectual history, which is part and parcel of the skills of an historian of economic thought, can be dated to the mid-1980s, when several of his best pieces on the Cambridge economists were written (Pasinetti 1985; 1987a; 1987b; 1991b).

In the 1985 article reconstructing Sraffa’s intellectual and human biography, still pervaded by the emotional impact of his death (in September 1983), Pasinetti’s flair as an historian emerges, for example, in his accurate account of the context of Sraffa’s 1925 original Italian article on the relations between cost and quantity produced. He also presents a telling description of the particular time in Sraffa’s life when he faced judgement in a competitive examination for a Chair at the University of Cagliari, as well as the general picture of Sraffa’s still essentially Italian world before his final move to Cambridge in 1926. Many years were to pass before Naldi (2001) was able to add some details to this reconstructed picture which, however, has continued to enjoy general consensus over the years.

Sraffa’s relations with his contemporaries, Raffaele Mattioli, Antonio Gramsci and Ludwig Wittgenstein, came under the close, searching scrutiny of Pasinetti. As far as I know, the very extensive literature that followed, above all after the Sraffa papers were made available at Trinity in 1994, revealed no significant imprecision nor prompted any major revision, although of course it led to further investigation into certain other aspects of Sraffa’s life and work.

The relations between Sraffa and Keynes are a special case, according to Pasinetti, of personal closeness with hardly any intellectual mutual influence. ‘It is difficult’, he wrote, ‘to think of problems on which one might trace a direct influence of Keynes on the development of Sraffa’s economic thought. But at the
same time I find it equally difficult to find examples to the contrary' (Pasinetti 1985: 327; 1998: 377). The same point is reiterated twenty years later:

In terms of the concepts associated with Keynes's General Theory [Sraffa] was not entirely involved as the others and remained the most critical member of the whole group. The evolution of his thought had started before the General Theory and proceeded more on parallel lines, rather than in succession, to the ideas of Keynes. (Pasinetti 2007: 62)\(^7\)

Likewise, he sees relations between Sraffa and the Keynesian economists at Cambridge as lacking in fruitful intellectual communication, summing up with the observation that:

... in the post-second-World-War period [there was a] sort of intellectual independence ... emerging in Sraffa's relationship with the group of Cambridge Keynesians (notably with Joan Robinson, Richard Kahn and Nicolas Kaldor) ... In the post-war period, Sraffa does not use his theoretical scheme to go in the directions along which the whole Keynesian group is moving. ... At the same time, and similarly, in the 1960's, one could notice many difficulties in the opposite direction, namely on the side of the members of the Keynesian group, to assimilate the ideas contained in Sraffa's book ... Joan Robinson tried very hard to assimilate the most important propositions of Production of Commodities, but I believe she has not been quite successful. Kaldor seems to have remained almost entirely extraneous to it. The same thing may be said of Kahn. (Pasinetti 1985: 329-30; 1998: 380-81)\(^8\)

The question of 'intellectual independence' in Sraffa's relations with Keynes and, later, with the Cambridge Keynesians – whether it reveals a fundamental incompatibility of approach and could therefore have stood in the way of attempts to build a comprehensive framework – is the core issue in Pasinetti's book (2007). I will return to these questions in Section 4 below.

Apart from the two 1988 texts, one on income distribution, the other on the circular process concept in Sraffa, we have to wait until 2001 to find Pasinetti once again engaged in study of the sources, seeking further elements to add to his historical reconstruction of Sraffa's thought and works. The article in question addresses the issue of 'continuity and change', after an excursus into the Sraffa papers. Pasinetti (2001) is concerned with the context of a discussion on the reasons why Sraffa's 1925 article was not translated into English; in the first place, respecting the author's express wishes, and subsequently in accordance with the decision of the executors of Sraffa's will.\(^9\) Pasinetti himself tells us how he shut himself up in the Wren Library, Trinity, for fifteen days trying 'avidly to read notes and scripts, and files and files of papers' (Pasinetti 2001: 141). The article that emerged is a model of accuracy and conciseness, proposing a periodisation of Sraffa's vast output underlying Production of Commodities into three sub-periods (1928-1931; 1941-45; 1955-59), taken to correspond to three lines of thought. Subsequent studies by, among others, De Vivo (2004)\(^10\) and Kurz and Salvatori (2005),\(^11\) who spent months at Trinity poring over the Sraffa papers, do not appear to conflict with Pasinetti's approach. Obviously there are other periodisations and interpretations,\(^12\) but Pasinetti's 'brief' archive excursus has come to stand as sound reference for historians of economics thought.\(^13\)
Keynes

Keynes is the other author whom Pasinetti interpreted on the basis of both ration and historical reconstructions.

The second chapter of Pasinetti’s 1974 book (the Italian edition came out in 1977), ‘The economics of effective demand’, now has the status of a classic in the literature, and as such has received widespread consensus but has also seen a focusing distance from it in particular in connection with Pasinetti’s interpretation of Keynes’s marginal efficiency of investment. Here, too, I shall limit my focus to the transformations Pasinetti’s interpretations went through in the subsequent works, as a consequence of his approach to the matter from the vantage of the history of economic thought.

In Pasinetti (1974) he presents Keynes’s theory of investment with the famous step diagram on the basis of which the various investment projects are ordered: decreasing scale according to the expected rate of profit and the rate of interest.

Since, however, the ordering is made by entrepreneurs, who classify the projects according to their expectations, Pasinetti argues that this procedure differs from the marginalist approach where, by contrast, the ordering emerges from the decrease in marginal productivity of the capital. Thus, he writes:

Keynes’s ranking ... is more akin to Ricardo’s ranking of all lands in a decreasing order of fertility than marginal economic elaboration ... there is absolutely no need to consider Keynes’ marginal-efficiency-of-capital schedule as an expression of the marginal productivity theory of capital [which] necessarily entails an inverse monotonic relation between capital intensity and the rate of interest ... In a slump situation the last project to be implemented might well be the least capital intensive of all, and therefore entail a decrease (not an increase) of the average amount of capital per employed labour. (Pasinetti 1974: 43; 1977: 60)

This interpretation has come in for a certain amount of criticism (see Bonifati and Vianello 1998), on the grounds that in Keynes’s ordering the returns expected each investment good are not independent of the quantities of the others, and relate to intensive rent rather than Ricardo’s extensive rent, but this is not the point I mean to settle here. The point is that in this book, in contrast with the practice would later adopt, Pasinetti makes no use of text or context analysis. Indeed, cites the General Theory only once in relation to Keynes’s refusal to adopt ‘pseudomathematical symbolic methods’.

When he returned to this issue, nearly 20 years later, Pasinetti (1997) took a more wary stance. He pointed out that Keynes could not have benefited from Sraffa’s analysis of the neoclassical theory of capital, the only one able to offer a sound critique of the neoclassical investment function, which Keynes was far from endorsing. Pasinetti (1997) makes ample use of textual evidence to the Gene Theory while the characteristics of ordering in the marginal efficiency investment are fully elaborated. The point on which Pasinetti insists, consist with the position of some critics, is that it is the determination of the rate of interest independent of the ‘quantity’ of capital in Keynes’s theory which marks difference with neoclassical theory. He wrote:

The rate of interest determines what the marginal efficiency of the last investment project is going to be. Hence, the rate of interest does influence
the total amount of investment to be carried out ... according to a relation which has the appearance of the orthodox schedule (but a different foundation, because it has no determinate relation with the capital-intensity of the investment projects). Yet, although the rate of interest influences the size of investments, the opposite is not true. (Pasinetti 1997: 208)

As in the case of Sraffa, there is a change in Pasinetti’s way of interpreting Keynes, dating from the late 1980s, on gaining access to texts by Keynes and his interlocutors which had been made available with the publication of the thirty volumes of Keynes’s *Collected Writings* dated to 1989.

Pasinetti’s 1991 article examining the issue of continuity versus discontinuity between the *Treatise on Money* and the *General Theory*, of whether or not a ‘Keynesian revolution’ occurred in the author’s thinking in 1936 is a typical history of thought exercise. In fact, Pasinetti’s aim was to contest both the re-evaluation of the *Treatise* as the more important text, at least from the point of view of monetary theory, and the re-wrapping of the *General Theory* as a Walrasian package with the application of simultaneous equations. In doing so, Pasinetti signalled a change in approach when he drew extensively on the textual sources, albeit only those published in volumes XIII, XIV and XXIX of Keynes’s *Collected Writings*. The point of contrasting the causality with the simultaneous equation method was also made in his 1974 essay on effective demand, but in Pasinetti (1991) it is done in the context of a meticulous reconstruction of the steps leading Keynes to his ‘revolution’.

4 The Cambridge Keynesians

The group of authors examined in this section shared with Pasinetti the common goal of bringing the Keynesian revolution to fulfilment. I will begin with Richard Kahn, to whom Pasinetti was particularly close in the last years of his life.16

From the entry in Palgrave (1987) to the more ambitious article in the *Proceedings of the British Academy* (1991b), Pasinetti’s work underlies a great deal of the scholarship upon which the subsequent Kahn literature developed. I wish to stress in particular that it was Pasinetti who first helped reveal who was ‘that elusive figure who hides in the Preface to many Cambridge books’, to quote Schumpeter’s quip, as recorded by Joan Robinson (King’s College Archives JVR i/8). There are, of course, points in interpretation of Kahn that may give rise to slightly divergent positions. For example, I am not sure that the study of Kahn’s (1989) dissertation ‘may well contribute to piecing together the great analytical puzzle of the relations between Sraffa’s critique of Marshall’s theory of the firm and Keynes’s macroeconomic theory, or, to put it in other terms, of the micro-foundations of Keynes’s *General Theory*’ (Pasinetti 1991b: 427-8). In fact, Keynes seemed to have taken no interest in the topic of Kahn’s dissertation and, in turn, Kahn did not pursue the point of assuming imperfect competition when collaborating with Keynes in the writing of *The General Theory*.17 It has been argued in the literature that Keynes was concerned not to adopt the assumption of imperfect competition, because his main concern of under-employment equilibrium might then be taken to depend on the newly embraced assumption (see discussion in Marcuzzo 1994).

In general, however, and on the particular issue of the importance of Kahn’s role in the drafting of the *General Theory*, the evidence shows Pasinetti (and Schumpeter, who first referred to Kahn playing a role approaching that of co-author) was closer to the mark than Patinkin and Moggridge, who underestimated Kahn’s role (see Marcuzzo 2002).
In his 1987 article on Joan Robinson, Pasinetti again shows his flair as an historian of economic thought. His account of characteristic traits of her personality constitutes a lifelike portrait showing a perceptive understanding of that ‘mixture of the educational, temperamental and intellectual factors [which] made her one of the leading unorthodox economists of the 20th century’ (Pasinetti 1987: 213).

The inter-relationship between Robinson and Sraffa has been at the centre of Pasinetti’s attention since this article. Pasinetti commented that:

Piero Sraffa’s book appeared too late for Joan Robinson to be able to incorporate it into her analytical framework; and the brave efforts she later made to his effect are not always convincing. At the same time, her Accumulation of Capital ventures into fields of economic dynamics which Sraffa does not touch at all. (1987: 217)

Two questions were raised by Pasinetti both in this article and ten years later.

The first question is why did Robinson always attribute so little importance to the phenomenon of reswitching in her arguments against the theory of the marginal productivity of capital, despite having to some extent ‘anticipated’ its existence five years before the publication of Production of Commodities? The second question is how are we to interpret Robinson’s remark that her ‘anticipation’ of reswitching came as an insight prompted by reading Sraffa’s ‘Introduction’ to Ricardo’s Principles?

As for the first question, Pasinetti does not give a proper answer, but simply recalls that Sraffa was particularly vexed with Robinson on account of her ‘anticipation without analysis’ of the curiosum of the neoclassical theory of production, as she had described it in her 1953 article and then later in her 1956 book. Pasinetti’s theory is that this vexation accounts for the difficulty Robinson faced in addressing the subject after 1960. Pasinetti (1996a: 215) concluded with the hope that when the Trinity Archive of Sraffa Papers is opened it would offer further evidence upon which his hypothesis could be verified or not.18

Some evidence for Pasinetti’s interpretation may in fact be seen in a letter that Sraffa kept in his copy of the Accumulation of Capital and which was found amongst his papers, in which Robinson expressed her awareness of her failure to persuade Sraffa of her interpretation:

Dear Piero: all the work that I have been doing the last 10 years has been much influenced by you – both our conversations in the old days and by your Preface ... the idea that I had seen in a blinding flash was yours, because it came to me in terms of Ricardo’s corn economy; but it was connected with TIME and it now appears is very much alien to your point of view (though to me it seems to fit perfectly well). Since, quite apart from worldly success, I have had a lot of fun. I have a very deep feeling of gratitude to you. The fact that you reject it doesn’t affect the case at all. Yours, Joan. (JVR to PS, 18 June 1960, PS papers: D3/12/111/ 340-1; cit. in Marcuzzo 2005a: 447 n)

This is confirmation that Robinson dates the insight as to the error in the theory of marginal productivity to 1951. Much more interesting, however, is the clue to what exactly it was that she subsequently saw as being alien to Sraffa’s point of view.

In a nutshell, the hypothesis prompted by the letter is that Robinson borrowed from the distinction between ‘the two points of view of difference and change’, misconstruing it (Sraffa 1951: xlix). This Sraffa reconstructed as the problem
addressed by Ricardo, who nevertheless failed to separate the question of the differences in the value of the product due to the conditions of production from that of the change in the value of the product due to variations in distribution.

Robinson identified the distinction between difference and change as contrast and transition between two positions of equilibrium with different quantities of capital: since there can be no knowing whether the quantities of capital are different independently of a knowledge of the rate of profit, we cannot speak of a change, but only of a difference between one equilibrium position and the other (Marcuzzo 2005b: 39-40). For calculation of the marginal productivity, as for transition from one technique to another, a change in the quantity of capital is required, and this necessarily occurs over time. What we can observe – and compare – on the other hand, are two situations with different quantities of capital at the same moment. The reference to ‘time’ in Robinson’s letter to Sraffa can probably be accounted for in this way.

Pasinetti returned to this question only en passant in the chapter of his latest book, bearing the fine title, ‘The woman who missed the Nobel prize’, but added nothing new.19

Pasinetti may have dedicated fewer pages to the biographical and interpretative aspects of Kaldor than he did to those of Kahn and Robinson, but they are no less eloquent of the intellectual debt that he recognised as owing to him.20 Indeed, one of the first essays in intellectual biography by Pasinetti was on Kaldor (1979a),21 followed in 1985 by a more ambitious paper, which appeared in English (with a few alterations) many years after (Pasinetti 2007). There he paid Kaldor a glowing tribute, arguing that:

... among the major exponents of that school, Kaldor though not originally a pupil of Keynes, was the person who more than anybody else was near to the master, in the global conception of the market economies and in the role which an economist can perform ... he was a passionate supporter of reforms [and] he was also of the opinion that the defects of the market economies can be corrected by enlightened actions of governments and international cooperation. (Pasinetti 2007: 129-30)

Also, in the case of the smaller group of Cambridge Keynesians the issues of incompatibility of approaches and personal difficulties were a matter of concern for Pasinetti. Between Kaldor on one side and Robinson and Kahn on the other, a taxing atmosphere of tension developed in Cambridge in the 1950s with an uneasy mix of affection, respect, jealousy and rivalry.22 Kaldor hoped to find in Sraffa ‘a sympathetic ear’, as we learn from a letter from Geneva addressed to him dated 19 August 1956, immediately after publication of Robinson’s Accumulation of Capital, in which Kaldor expressed his unwillingness to return to Cambridge the following term because:

I just couldn’t face being bullied by Joan and Kahn about the wonderfulness of Joan’s book and how everything must be different from now on! (SP: C/151, cit. in Marcuzzo 2005a: 450n.)

Naturally, Sraffa did not openly take sides with Kaldor and kept well clear of the whole rivalry business. We have no relevant documentation for this, but it seems to me evident and, indeed, noteworthy that Pasinetti was able when at Cambridge at this time to maintain a position of equilibrium and mediation in this environment, which
earned him the respect, consideration and friendship of all. The reason for this lies not only in a personal trait but also in Pasinetti's position as an economist and the cultural mission that he had undertaken within the group of Cambridge economists.

5 'Cambridge' Economics

The time has come now to consider how Pasinetti interpreted the essential nature of Cambridge economics, impressively combining his flair as an historian with his powers as a theoretician. Let us start with the argument that Pasinetti has propounded since the early 1990s:

The behaviour of Keynes and the Keynesian group ... aims at overhauling the foundations of the theoretical structure. The decision has been made to discard and put aside the paradigm of traditional neoclassical theory and lay the foundations for a new construction, a new 'paradigm'. (Pasinetti 1991a: 48)

Here Pasinetti brought in a methodological distinction that, I believe, is indeed the key to understanding the line he has pursued as an historian of economic thought. It is, he wrote, a matter of distinguishing between a 'question of principle' and a 'practical question'. On the evidence of the documents and texts published, the former leads to the conclusion that the attitude taken by Keynes and the Cambridge Keynesians was one of 'rejection of the old paradigm and commitment to constructing a new paradigm' (1991: 49). The latter — which, curiously enough, Pasinetti terms 'practical' — completes the design, filling in the gaps, wiping out the inaccuracies and developing compatible theories. To this task Pasinetti has dedicated all his energies.

Raising these questions at the heart of his 2007 book, Pasinetti held that Joan Robinson, Richard Kahn, Nicky Kaldor and Piero Sraffa formed 'a powerful school on the track of Keynes's economic theory' (2007: 61) and, while recognising that in reality this 'school' consisted of a group in which the strong intellectual and emotional links weighed no less than the differences in culture, attitude and political views, he nevertheless held that there was 'something [...] much deeper, that shaped their intellectual affinities or attractiveness and at the same time gave rise to their strong and stormy personal relationship' (Pasinetti 2007: 63). That 'something much deeper', he held, lay in sharing a common approach to economics. This conclusion, however, is qualified by Pasinetti's assertion that 'Yet one cannot avoid the impression of a fragmentary character of the whole, of a lack of obvious evidence of a unifying overall frame, of an imbalance towards the destructive rather than towards the constructive aspects' (2007: 41).

It seems, then, that if there really is a Cambridge approach to economics, defining it is a task that remains to be accomplished, over and above an examination of the intellectual foundations that characterise what it meant to belong to this group of economists. On this point, Pasinetti seems to concur, having chosen to subtitle his 2007 book 'a revolution in economics to be accomplished'. But I believe it is important to bring it up since it is an issue that has seen and continues to see the economists who identify with the Cambridge tradition divided on the compatibility between the approach taken by Keynes and the Keynesians and that of Sraffa and the neo-Ricardians.

When Pasinetti presents the concept of vertically integrated sectors 'as a quite clear and logical way to accomplish an integration of the two types of economic analysis, associated with the names of Sraffa and Keynes' (1986: 16) he is doing
something that is not only legitimate, but also theoretically fecund. But when he goes on to add that these two types of analysis associated with Sraffa and Keynes ‘have originally stemmed from the same preoccupations (inadequacy of traditional marginal economics) and have built on the same common ground (classical economics)’ (ibid.), he is saddling his proposed reconstruction with a justification that is neither necessary, nor necessarily true. Unlike Sraffa, Keynes was not fiercely opposed to marginal analysis, and he was certainly not enamoured of Ricardo or Marx.

Similarly, when, having written a book to demonstrate that a consistent and common theory can be constructed on the basis of the work done individually by certain Cambridge economists, Pasinetti chooses to entitle it Keynes and the Cambridge Keynesians, he is stretching the point since Sraffa, who certainly did not fit the description, is meant to be included. The evidence that there is no common denominator (in terms of theory) enabling us to define a Cambridge school, but rather that Sraffa, Keynes, Robinson, Kahn and Kaldor were a group characterised by cohesion and sharing, is validated by the line of research conducted within the realm of the history of economic thought to which Pasinetti made major contributions, reconstructing the environment that saw concepts and thoughts devised and elaborated by each of the individuals within the group. Interpretation of their individual work and contribution to the pool of ideas identified as the Cambridge school or the Cambridge approach to economics is therefore an exercise in the quest for historical truthfulness. In this Pasinetti also seems to agree, since he writes:

It is precisely this heterogeneity of feelings and attitudes among the various members of the group that explains their difficulties in acknowledging a comprehensive scheme, which reason and logic would have required from them. Nevertheless I think the effort must be made, in order to bring these characteristics into sharp relief, before making any attempt at picking up and trying to sew together the threads of their unaccomplished endeavours. (Pasinetti 2007: 219; my italics)

Historians of the Cambridge group should have no qualms about bringing out the differences, and must continue to cast light on all the evidence that helps us to understand the authors in their historical context. In this theoretical work there is, in a certain sense, more ‘freedom’ to interpret, integrate and combine concepts and propositions that were quite distinct when formulated. This does not mean making free and easy with the work of the historian, but having a clearer sense of the fact that a different aim is being pursued.

It follows that the search for common elements within the group which could serve as a basis to build a coherent theoretical structure derived from the individual contributions is a legitimate but altogether different exercise, which Pasinetti himself also finds problematic, for he writes:

The emerging challenge should have been faced long ago by selecting and shaping the theories of Keynes and Sraffa and the developments of Kahn, Robinson and Kaldor (and Goodwin and whoever else have made contributions in the same direction at Cambridge or elsewhere) into a coherent, solid, overall framework. A grand operation of this type has not been accomplished so far. Is this because it is impossible? Or is it because the appropriate time (from any point of view) has been slow to arrive? (Pasinetti 2007: 236)
6 Some Final Thoughts

It is part and parcel of the work of the historian to reconstruct theories, personal contributions and circumstances, and the historian must as far as humanly possible respect the context and texts, both published and unpublished. The theoretician, on the other hand, working on the basis of texts and documents but, if necessary, reaching beyond them, takes on the task of constructing a somewhat freer theoretical framework, taking off from the groundwork of the authors studied. In this sense the theoretician is authorised to settle differences and bring together lines underlying different intentions and conceptualisations in the various authors, or in one and the same author.

The theoretical framework to which Pasinetti has dedicated so much of his intellectual efforts is built on his understanding of what Cambridge economics was about and how its scope and aims should be pursued and integrated. As such it is a personal construction which stands, alongside the individual contributions by the Cambridge economists with whom Pasinetti associates himself, as a milestone in the landscape of non-mainstream economics. By its very nature, Pasinetti’s construction should not stand in the way of, but rather encourage, further investigations into individual differences and peculiarities within the Cambridge group, including those which may remain to be discovered in the never-ending task of any historical investigation. In this respect, his creative attempt to encompass them in a comprehensive theoretical framework becomes in itself part of their legacy.

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This is a revised and extended version of an article I published in Italian in 2007 on the occasion of Luigi Pasinetti’s seventy-seventh birthday (see Marcuzzo 2007). I am grateful to two anonymous referees for helpful criticism and suggestions.

Notes

1 He has also dealt with Wicksell and Quesnay, and, more recently, contemporary economists of other schools, like Hicks, Modigliani and Samuelson, recording their features in a varied series of portraits.

2 On the distinction, see Blaug (1999).


5 Previously the source on Sraffa had been the book by Roncaglia (1975), the only text combining theoretical analysis with his intellectual biography. Kaldor’s 1985 article is clearly subsequent to Pasinetti’s and possibly draws on it. In passing, I may add that Kaldor’s article contains the improbable conjecture that ‘the Editor himself: [Keynes] had a hand in the final version’ of the 1926 article published in the Economic Journal (Kaldor 1985: 624). No such evidence has been found among Sraffa’s or Keynes’s papers.


7 This point is not uncontroversial in the literature, especially as far as chapter 17 of the General Theory, ‘The Essential Properties of Interest and Money’, is concerned.
where some interpreters have seen a clear influence of Sraffa. On Sraffa’s annotations in chapter 17, see Kurz (2010).
8 Pasinetti’s assertion that Joan Robinson was not entirely successful in assimilating the most important propositions of Production of Commodities (1960) does not agree with what is claimed by some Robinson scholars. For a recent evaluation, see Harcourt and Kerr (2009).
9 Pasinetti played a very active part in getting it reprinted in a volume of Scritti (that is, ‘Writings’) by Sraffa for the publishing house il Mulino in 1986 and which was subsequently published in English in the Italian Economic Papers of 1992.
10 De Vivo had already outlined the periodisation of the drafting of Production of Commodities (1960) in his report to a conference on Sraffa in 1998 (De Vivo 2000: 266-7).
11 The periodisation proposed by Kurz and Salvadori (2005) of 1927-1931, 1941-1946 and 1955-1958, is only slightly different from Pasinetti’s.
12 See, for example, an alternative reconstruction by Garegnani (2005) and Rosselli (2005) of the 1927 ‘watershed’.
13 More recently, Pasinetti (2005; 2006) compares Sraffa respectively with Einaudi and Samuelson and his method on the application of mathematics in comparison with the theoreticians of general economic equilibrium.
14 For a recent defence of Pasinetti’s interpretation as being ‘a legitimate procedure in the short period’, see Harcourt (2012: 141).
15 An unpublished letter from Joan Robinson to Richard Kahn dated 18 February 1933 may be used as evidence of Keynes’s awareness of the issue: ‘Maynard has been trying to find out what the marginal productivity of capital means. He says no reputable writer ever uses it’ (King’s College Archives, RKF/13/90/1/123-6).
16 I cannot help bringing in a personal note here, for together with Geoff Harcourt, Pasinetti and I ensured that Kahn’s papers were kept together, that his 1929 dissertation was published in English, and that, on the other hand, a comment by Kahn on Production of Commodities, written during the final years of Kahn’s life, should remain unpublished. After his death Pasinetti and I edited together for the Il Mulino publishing house an Italian edition of many of his writings in Kahn (1999).
17 Harcourt (1994: 19) refers to the ‘mystery’ as to ‘why Kahn himself, after having made such remarkable advances in the analysis of actual pricing behaviour in his 1929 dissertation, reverted to short-period Marshallian theory in his 1931 article and allowed Keynes to do the same in Chapter 21 of the General Theory’.
18 The Sraffa Papers in the Trinity Archive became available in 1994. Consent to access the archive had yet to be granted as the text was written in 1993, a year before the opening of the Archive, when the book in which Pasinetti’s article was going into publication was already in production.
19 Although Pasinetti could draw on neither the Robinson papers nor those of Kahn in his pieces, he nevertheless played a decisive role in preparing the ground for others to do so. Thanks also to his good offices, it has been possible to obtain Bank of Italy funding for the cataloguing of the papers of both (as well as those of Kaldor and Stone) at King’s College, the college having declined to bear the financial burden. In return, it was conceded that the microfilms of the papers be given to the Bank of Italy, which then made them available to scholars.
20 The same applies to Richard Goodwin, whom Pasinetti refers to as his ‘first teacher’ at Cambridge (Pasinetti 1996b: 646).
21 The companion piece in the same year was on Sraffa. See Pasinetti (1979b:).
22 For a detailed and scholarly investigation into the relationship between Kaldor and Robinson, see King (1998). King’s assessment is that ‘it would be quite wrong to think of Kaldor and Robinson as intellectual partners, or even for the most part as close
collaborators. Their published work indicates the existence of a certain distance between them, increasing over time to the point of total non-communication and even overt hostility (1998: 411). His investigation provides further evidence of the difficulty they also had in seeing themselves as part of a common ‘school’.

23 Of interest, Pasinetti also commented: ‘At the superficial level, it is their determined opposition to the prevailing stream of economic theories and policies that immediately appears as the most striking common feature. But the basic problems remain that of identifying something deeper that can link the many strands of their separate works’ (2007: 199).

24 On the definition of ‘group’ rather than ‘school’ for the Cambridge economists, see Marcuzzo and Rosselli (2005: 14-5).

25 A sympathetic assessment of the attempts made by Pasinetti is provided by Baranzini and Harcourt (1993: 22) who wrote that ‘[he] successfully achieved the difficult task of providing a bridge between two different levels of analysis, sharing the same scope but not the method, i.e. that of John Maynard Keynes and Nicholas Kaldor on one side and of Piero Sraffa on the other’. They explained that the ‘the tentative bringing together of the two complementary schemes’ is connected with a) the use of vertically integrated sectors; b) the theory of economic dynamics; and c) the focus on the natural properties of an economic system (1993: 22-24).

26 According to a follower of Pasinetti ‘the only way to bridge the gap between Keynes and Sraffa is to set up a coherent set of principles bringing together the classical view of value and distribution, based upon the labour value principle and the surplus principle of distribution, respectively, and the Keynesian vision of employment and output determination through the principle of effective demand ... This means reasoning, not literally but, in a broad-ranging way, in the spirit of Keynes and Sraffa’ (Bortis 2012: 148).

27 He further comments: ‘It is indeed surprising to me how insensitive the whole heterogeneous lot of non-orthodox economists have been to the necessity — which appears to me an absolute necessity — of building up an overall, comprehensive, solid theoretical framework as an alternative to the prevailing orthodox stream’ (Pasinetti 2007: 46).

References


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