

RESEARCH IN THE HISTORY  
OF ECONOMIC THOUGHT AND  
METHODOLOGY

# RESEARCH IN THE HISTORY OF ECONOMIC THOUGHT AND METHODOLOGY

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RESEARCH IN THE HISTORY OF ECONOMIC THOUGHT  
AND METHODOLOGY VOLUME 40A

**RESEARCH IN THE HISTORY  
OF ECONOMIC THOUGHT AND  
METHODOLOGY: INCLUDING A  
SYMPOSIUM ON DAVID GORDON:  
AMERICAN RADICAL ECONOMIST**

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INVESTOR IN PEOPLE

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AMERICAN RADICAL ECONOMIST**

*Edited by Luca Fiorito*

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## FROM THE EDITORS

Volume 40A of *Research in the History of Economic Thought and Methodology* features a symposium on the work of the radical economist David Gordon, edited by our own Luca Fiorito and featuring contributions from Nancy Breen, Richard McGahey, Robert Pollin, and Jim Stanford.

The Volume also includes new general-research essays from Felix Schroeter, Ana Paula Londe Silva, and Seun Adedokun Okunade.

The Editors of *Research in the History of Economic Thought and Methodology*

Luca Fiorito  
Scott Scheall  
Carlos Eduardo Suprinyak

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PART I

A SYMPOSIUM ON DAVID  
GORDON: AMERICAN RADICAL  
ECONOMIST

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# INTRODUCTION

Luca Fiorito

David Gordon, a leading figure in American radical political economy and an activist of the US left, died of congestive heart failure on March 16, 1996, at the age of 51. At the time of his death, he was Professor of Economics at the New School for Social Research in New York, the University which I had just joined for my Ph.D. I never had the privilege of meeting David personally. Yet, together with his colleague Robert Heilbroner, the renowned historian of economic thought, he was mostly responsible for my choice to study at the New School that January. As a young student with a strong interest in institutional economics, I was mostly attracted by David's social structure of accumulation model – an approach based on the idea that capitalism goes through a cycle that is repeated over time and each cycle of capital accumulation is dependent on specific institutional arrangements which are designed to ensure conditions favorable to the reproduction of class relations. This was certainly David's most famous contribution, but it did by no means exhaust the range of his work. His research in labor economics sought to explain slow productivity and wage growth in the United States, while his studies in macroeconomics sought to compare and test different macroeconomic models. Throughout all this multifaceted work, as [Heather Boushey and Steven Pressman \(1997, p. 225\)](#) correctly put it, David coherently sought to develop a radical alternative to “mainstream economics” and provide policy advice to “build enduring radical institutions.” With this brief symposium, *Research in the History of Economic Thought and Methodology* intends to celebrate David's approach to political economy and his legacy among radical economists – in this connection our journal has already hosted a symposium on the 50 years of the Union for Radical Political Economics where David played a major role as a charismatic figure ([Weber & Semieniuk, 2019](#)). The four papers on Gordon reproduced below are different in style and emphasis. The first two, by Nancy Breen and Richard McGahey, are more historical in character. Breen leads us through a passionate reconstruction of David's life and career, adding invaluable personal reminiscences to her fascinating narrative. McGahey unveils

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David's contribution to urban economics, an aspect of his work which has received scant attention in the secondary literature, providing further evidence on David's extraordinary eclecticism and variety of interest. The papers by Robert Pollin and Jim Stanford are somehow more technical and place David Gordon at the center of some important contemporary debates among radical political economist. Pollin discusses David's criticism of two core theoretical concepts of mainstream macroeconomics. The first was that increasing saving rates exert causal influence over the growth trajectory of capitalist economies; the second was that unemployment rates must be maintained well above full employment in order to prevent inflationary pressures from overwhelming the economy. As a "visionary" economist, as Bob Heilbroner, used to define him, equipped with great analytical skills, Gordon injected original perspectives into the standard Keynesian criticism of these central tenets. He was able to do this, Pollin writes, "because of the breadth of his research program as well as his underlying commitment to the left political economy project." Stanford focuses on David's work into the nature and outcomes of the inherently conflictual labor process which is a defining feature of capitalism. In his paper, Stanford ably points out how David's contribution, a quarter of century after his premature passing, can provide a useful interpretative key to understand the contemporary resurgence of more contingent and precarious forms of wage labor.

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# DAVID M. GORDON: PATHBREAKING RADICAL POLITICAL ECONOMIST

Nancy Breen\*

## ABSTRACT

*David M. Gordon advanced labour economics with his theory of labour market segmentation, in which jobs rather than the marginal productivity of individual workers were the unit of analysis. He advanced economic historiography and macroeconomics by conceptualising social structures of accumulation – a framework built on the foundation of his institutionalist training and enriched by his study of Marxist economics. By appropriating methods from other social science disciplines into econometrics, he augmented empirical analysis in economics. He was a founding member of the Union of Radical Political Economics and its journal, the Review of Radical Political Economics – that advanced and promoted heterodox, radical, and Marxist economists in the United States. His contributions to economics, to organised labour, and to the New School for Social Research, where I studied with him, were stunning.*

*Part 1 lays out some context about the New School Graduate Faculty where Gordon taught. Part 2 explores what historical forces, including his family, led to his expansive creativity. Part 3 summarises how he expanded labour economics to include the relations as well as the technology of production, linked his understanding of the production process to a historical materialist view of labour in the United States, then extended that to econometric analyses of the US macroeconomy. Part 4 presents a bibliometric analysis to provide some idea of the impact of his work. I end with some concluding remarks.*

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\*The full collection of the David M. Gordon papers is available at Cornell University Guide to the David Gordon Papers, 1960–1990 ([cornell.edu](http://cornell.edu)).

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**Keywords:** David M. Gordon; labor market segmentation; social structures of accumulation; New School for Social Research; United States;

**JEL Codes:** B. History of economic thought; methodology; and heterodox approaches; C. mathematical and quantitative methods; J. labor and demographic economics; N. economic history; economic development; innovation; technological change; and growth

David Gordon's approach to economics was compassionate, comprehensive, and structured by data-driven evidence from empirical analysis and history. He advanced labour economics with his theory of labour market segmentation, in which jobs rather than the marginal productivity of individual workers were the unit of analysis. He advanced economic historiography and macroeconomics by conceptualising social structures of accumulation (SSA) – a framework built on the foundation of his training with institutionalist labour economists at Harvard and enriched by his study of Marxist economics. By appropriating methods from other social science disciplines into econometrics, he enriched empirical analysis in economics. He was a founding member of several organisations – for example, the Union of Radical Political Economics (URPE) and its journal, the *Review of Radical Political Economics* (RRPE) – that advanced and promoted heterodox, radical, and Marxist economists. URPE is now more than 50 years old, almost the same age as Gordon when he died prematurely at 51, twenty-five years ago. His contributions to economics, to organised labour, and to the New School for Social Research (the New School), where I studied with him, were stunning.

Much has been written about Gordon's contribution to economics (Arestis & Sawyer, 2001; Boushey & Pressman, 2008; Bowles & Weisskopf, 1998a, 1998b, 1999). Boushey and Pressman (2008) provide an exceptional summary. Gordon's lifelong endeavour was to deploy economic analysis in the cause of social justice. As noted in a posthumous volume published by his close colleagues and fellow URPE founders, Sam Bowles and Tom Weisskopf (1998b), Gordon's scholarship spans a

great variety of topics, including the economics of crime, urban history, wage stagnation in the US economy, the organization of work, the 'top-heavy' modern corporation, the social and institutional determinants of productivity growth and the globalization of economic life, as well as labour market segmentation and the social structure of accumulation. (Publishers Preface)

When I studied economics at the Graduate Faculty at the New School, I could not imagine how one person could teach, organise URPE, co-lead the Institute for Labour Education and Research (ILER), and also do research and write articles that not only moved economics forward but were also published in journals that spanned the economic spectrum. He seemed to be a force of nature. When asked to write this article, I wondered whether Gordon's contributions left a long-term impact. So, I took this opportunity to explore how Gordon was able to do all this, how he used Marxist analysis of labour economics to better understand

the macroeconomy, and what impact his writings actually had. Part 1 lays out some context about the New School Graduate Faculty, where I began graduate studies in the Economics Department in the Fall 1975, shortly after Gordon began teaching there. Already, just two years into teaching, he was very proficient. Part 2 addresses the question how did Gordon become a force of nature? As a feminist historical materialist, I want to explore what historical forces, including his family, led to his expansive creativity. Part 3 summarises how he expanded labour economics to include the relations as well as the technology of production, linked his understanding of the production process to a historical materialist view of labour in the United States, then extended that to econometric analyses of the US macroeconomy. Part 4 presents a bibliometric analysis to provide some idea of the impact of his work. I end with some concluding remarks.

## **PART 1. THE NEW SCHOOL FOR SOCIAL RESEARCH GRADUATE FACULTY ECONOMICS DEPARTMENT**

The Graduate Faculty was Gordon's academic home from 1973 to 1996, when he died. When I was there, he taught Labour Economics, Econometrics, Socio-Economic Formations I (the Emergence of Capitalism) and II (Advanced Capitalism), and Marxian Theory and Political Analysis. Gordon encouraged all his students to study econometrics: 'you need to know your enemy', he told us.

The Department was small but intellectually powerful, and the New School had an illustrious legacy. It was founded in 1919 by Dr Alvin Johnson, educator; Charles A. Beard, historian; John Dewey, philosopher; Thorstein Veblen, social economist; James Harvey Robinson, historian; and Wesley Clair Mitchell, economist. When Hitler rose to power in Germany in 1933 and began persecuting non-Nazi intellectuals, Dr Johnson initiated a fund to rescue these scholars. With funding from the Rockefeller Foundation, a hundred scholars were rescued, and a number were brought to the New School in October 1933, where they established the 'university in exile'. This became the foundation of the school's Graduate Faculty of Political and Social Science, which confers M.A. and Ph.D. degrees (Dr. Alvin Johnson Obituary, 1971).

Robert L Heilbroner chaired the Department when I arrived in 1975, with a B.A. in political science and French. Heilbroner was a distinguished scholar in the history of economic thought and had already served as Vice President of the American Economic Association, in 1972, under John Kenneth Galbraith. Heilbroner had graduated from Harvard University in 1940 with a summa cum laude B.A. in philosophy, Government and Economics. During World War II, he worked for Galbraith at the Office of Price Administration. He then came to the New School for graduate study in economics with Adolf Lowe, foremost representative of the German Historical School of Economics. Heilbroner was disappointed that students in most economics departments in the United States in the 1970s were ignorant about the classical economists, including Marx. He wanted to build a new kind of economics department and did not require that students have undergraduate degrees in economics.

The 1970s was a heady time in the New School Economics Department. Its permanent faculty starred Heilbroner, Edward Nell, Felicia Johnson Deyrup, Thomas Vietorisz, and David Schwartzman. Schwartzman, who taught micro-economics, was the only neo-classical economist in the department; we joked that he was our token. Heilbroner hired Anwar Shaikh in 1972, and Gordon in 1973. Paul Sweezy was invited to teach the Introduction to Political Economy; Heidi Hartmann, Gita Sen, Lourdes Beneria, Jane Humphries, Nancy Folbre, and Rhonda Williams all taught Class and Gender. Harry Cleaver taught Political Economy and Ross Thompson, Political Economy and Economic History. Willi Semmler was hired in 1980. The New Left and the Civil Rights Movement had influenced many New School faculty and students. Younger faculty and students were about the same age and on a first-name basis, even in the classroom.

Both Gordon and Shaikh found neo-classical economics unpersuasive. Both were inspired by the civil rights and feminist movements. Whereas Gordon was more influenced by labour, especially organised labour in the United States, Shaikh was more influenced by national liberation movements abroad. Both called themselves Marxist economists; however, theoretically, they would prove to be at opposite ends of the Marxist economics spectrum. Perhaps because he taught Introduction to Political Economy and Intermediate Political Economy, Shaikh dove into an exegesis of Marx's writing in general and *Das Kapital* in particular. Meanwhile Gordon used Marxist concepts, especially the concept of 'labour power', to better understand the social relations of labour in the United States.

In the European university tradition, New School students formed study groups to discuss the readings between lectures. The implicit debate between Gordon and Shaikh became explicit in the study groups and questions from the study groups enriched the classroom discussions. Faculty and students were passionately engaged in an experiment where all were learning and teaching. Jubilation prevailed when *Das Kapital* and other Marxist publications were featured in the Fifth Avenue window display of the Barnes and Noble bookstore just four blocks north of the New School: here was Marxist political economy front and centre at the largest bookseller in the nation.

The basics we learned from Gordon and other professors at the New School sometimes seemed self-evident; however, these self-evident truths were not the prevailing ideas in economics at the time in the United States. Neo-classical 'standard' economics ruled. Gordon was a pioneer in both pushing back against the neo-classical paradigms and in developing 'real-world' approaches to understanding economic problems. For example, he introduced his class in socio-economic formations with the challenge:

I bet you will learn more about how the world works by asking how people put bread on the table than by beginning your investigation from any other dimension of historical life.

This practical question was in sharp contrast to my experience in Introductory Microeconomics. When I asked how the theory treated discrimination by race and sex, Schwartzman explained that it was not included in the model.