

Bergmann, Barbara R.

**Article**

## "We have to turn the world into Sweden." Interview with Barbara R. Bergmann

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## Forum

### »We have to turn the world into Sweden.«

*Interview with Barbara R. Bergmann\**

*What was your motivation to become an economist and who were your academic teachers?*

I specialized in mathematics as an undergraduate and I did not think that I had the talent to be a successful mathematician. I was looking for something else that would use my »more minor talent« (laughs), so I took some courses in economics. Then I actually got a job with the *Bureau of Labour Statistics*, which is one of the main government statistical agencies, and so from there I went to graduate school. Many people get into economics through mathematics, and they are more interested in doing recreational mathematics than really studying the economy.

One of my teachers was an Austrian, Gottfried Harberler. I have also interacted a few times with Fritz Machlup. But one of my main influences was Edward Chamberlain, he was interested in gaining a more realistic view of the way businesses operate – monopolistic competition etc. I also studied with Wassily Leontief; one has not heard very much recently of input-output-analysis.

*Almost ten years ago you published an article titled Abolish the nobel prize for economics – how fair is the Nobel? What were your main points of critique and are they still valid today? What do you think about the latest Nobel laureate Paul Krugman?*

Yes, I still think it's valid. I don't *think* we have a scientific way of studying the economy. You mostly sit in your chair and you think – that's not science, that is, as I say, recreational mathematics. We are now having a move towards experimental economics and behavioral economics. They have recently found out, by taking blood samples, that when a man is successful in trade his testosterone level increases. That is somewhat interesting – but again, it will not help us to really understand the economy. We are now suffering from the fact that all these financial organizations bought these junk bonds. Now it would be interesting to know how such smart people could have done that. I have therefore favored what you might call a more anthropological approach to economics. For Paul Krugman: obvi-

\* Barbara Bergmann, born 1927, is a pioneer in feminist economics. She received a Ph.D. from Harvard University and served on the staff of John F. Kennedy's Council of Economic Advisers. Her work covers many topics from childcare and women's issues to poverty and Social Security. Bergmann has held senior positions at the Agency for International Development, and at the Bureau of Labor Statistics. She has served as President of several academic organizations and is now a Professor Emerita of Economics at the University of Maryland and American University.

ously I am on his side politically, so I think he is wonderful. Again, what he won the Nobel Prize for is not worth anything, really. I first experienced this with Gunnar Myrdal. He had written a wonderful book about the race situation in the US, but they gave him the Nobel Prize for a contribution to the theory of international trade.

*Do you see a gender aspect in this Nobel-Prize-Business?*

Well, obviously it is the same thing everywhere. I was thinking this morning actually about Mozart's sister: The Mozart children stayed here in this very hotel, and she was as talented as he was but she wasn't allowed to continue her career. It's a matter of encouragement. Obviously economics has much fewer women than biology or sociology or psychology. When I got my doctoral degree, no university offered me a job, so I had to go to work for the government (laughs).

*You served as President of the International Association for Feminist Economics. What is your understanding of feminist economics and how do you assess its status quo and perspectives?*

What feminist economics ought to do is think about and explain gender issues in the economy and also propose policies so that we can advance. We have not done enough in formulating and advocating policy. Most people do work which I guess is more acceptable academically, so I am not so happy with what is done. I myself am mostly interested in policies.

*Do you think that equal opportunities for women in the socio-economic sphere are realized at the beginning of the 21<sup>st</sup> century? And if not, where do you still see deficits? What are the causes and which remedies would you suggest?*

I don't think that we are yet quite where we should be. The main problem for women is not so much in the professions – at least in the US, I don't know how it is here in Europe. But in the US they have passed a law saying that a school or college or university, that gets money from the government – and they all do – is not allowed to discriminate against women. The most obvious result is that we have a lot of women sports teams. But a more important result is that now half of the medical students, law students and business students are women. As a matter of fact I think Harvard just admitted a class with more than half women. So they are not allowed anymore to discriminate and as a result women have had considerable success in the professions. But for the part of the population that does not go to college or to university, there has been very little progress. And I think that is where there ought to be more of a push. As I say, I am not so worried about the professions but more that we get women into construction jobs, repair of machines and certain sales jobs with better payment.

To achieve that, I am in favor of what we call *affirmative action*. In the US we had a program that was started during WW II for black people and it said that any company that has a contract with the government must have an *affirmative action plan*. And this wasn't the law, it was something that was written by the President. It is still in operation, there is an office in the *Department of Labour* that is supposed to enforce that. Every company is supposed to have an *affirmative action plan* for black people and for women. Unfortunately

under Bill Clinton and George Bush not much was done. We need a revival of that program – that is very important and would really advance things considerably. Whether President Obama will do it, I don't know, because he is very eager not to be thought of as a black person. I think in Europe, if I understand correctly – especially in France, where they certainly need to integrate Muslim people – they have up to now not been interested in *affirmative action*. They say: »We are not discriminating«.

*You have also done some work on the limits of growth. Recently a debate among economists has come up whether environmental problems are really as big as often maintained. And whether it would be more urgent and efficient to invest the resources devoted to improve the environment in other areas, for example in the reduction of global poverty. How pressing are the ecological challenges we are facing in your opinion and what can economists contribute to cope with these challenges?*

I view global warming as an unbelievable threat to our beautiful planet. I don't understand how anybody can not wish to do something about it. To say, don't pay any attention and just help poor people is ridiculous. We have to do both. There have been some publications by US economists on what should be done including people saying we should just devote the resources to other things. And they are arguing about the correct discount rate to decide what to do. That is ridiculous! Because it is not a matter of maximizing GDP or of GDP now and GDP in the future, it's a matter of saving the planet. I just don't understand that, I don't think that's the correct analysis, that's a disgrace. Of course the profession is disgracing itself with this current financial situation as well. But it is also a disgrace to be arguing about which rate of interest should be used to discount the future benefits and costs of what we might do against global warming.

*What I find interesting is that people often see it as a trade-off, while in most cases it is actually not a trade-off. Poor people suffer the most from the changing of the environment. So poor people are more affected than rich people.*

That's right. The situation reveals a profound inability of the human race to manage really important things. In a talk I recently gave in Vienna I suggested that we may have to reduce our standard of living if we want to cope with that – but nobody is willing to do that. In the US there is a lot of talk about taxation. They are not willing to raise their taxes so that everybody has health care. It is sad that the human race is so selfish and stupid.

*How can ecologically and socially sustainable growth be concretized and how can it be achieved?*

People use the word growth as a synonym to prosperity. We have to stop that and think about what a growth-less economy would look like. Obviously we have to reduce poverty, we have to keep unemployment low, and we have to have some freedom to change, to take advantage of new inventions and things of that sort. People don't know how to run a prosperous but growth-less economy, we have had no experience in doing that. The only experience that we have with no growth is depression and we certainly don't want to be in a per-

manent depression. The great depression lasted essentially from 1930 until the war started. And of course it caused all kinds of political problems, including the Nazis. There are always bad tendencies, there are always people who want that – and this gives them power. We have nasty people in the US too, believe me. We are having a difficult period but if we need to stop growth to slow global warming we need to think about what a growth-less society would look like and how it could be operated.

*Do you think this could be achieved by developing alternative indicators, not orienting on just GDP but maybe include environmental aspects into GDP or discard the GDP-concept altogether? There has been a debate about happiness for example.*

I haven't been too interested in the indicator issue. Certainly we need to keep track, to keep account of the emissions. I am pessimistic about the possibility of really controlling this. Think of this car that is going to be produced in India for just 1.200 \$. Luckily it is small but nevertheless think of millions and millions of them which are going to be produced and put everybody in Asia into a car. There is going to be a big increase in meat-eating, and they say that the animals do as much damage to the environment as the transportation. And of course these countries want to catch up to us in living standards. And we can't say to them: »No, no, no, you have to stay poor.« So if it was just Europe and all English-speaking industrial countries, Australia, New Zealand and Canada, we could maybe do something. I am very pessimistic that the world can avoid deterioration of the planet, but I suppose it is possible.

*Do you think it is always the problem that people would have to give up something? It would be possible, for example, to take shorter showers to reduce the waste of resources.*

There is propaganda for example to buy these new energy-saving bulbs and to use the car less, but I don't believe you achieve any significant change with voluntary behavior. I myself put out the lights more virtuously than in the past, but I don't do anything that really is a sacrifice because I know that most other people are not doing it – so if I do it, it doesn't make very much difference. The only way to achieve significant change is through government action, for example raising the cost of oil – that makes people use cars less. In the US gasoline is much cheaper than in Europe – but the recent rise in the price of gasoline is unpopular and politicians from all sides are saying we have to do more drilling to get more oil in the US. The idea that we have to use less of it and stop driving so much, that people have to move back to the city – there is little talk of that. I think the only way is not through changing minds. Individuals being more virtuous – turning out the light, taking shorter showers – will not help. Not enough people will do it. I think that we need government action to force people, or to give people incentives to do it.

*What do you think about the current state of European welfare states, the so-called European Social Model, and is this model, which differs from the US-American one in many respects, fit for the future?*

The talk I gave in Linz suggested that marriage is declining and every year there are more lone mothers with children, and they lead a very disadvantaged life. The old attitude that single motherhood is disgraceful was in the service of maintaining marriage, but we have to give that up and have a new attitude for the sake of their children. Lone mothers need government services – child care, housing, and so on. So we have to essentially turn the world into Sweden (laughs), that is my bottom line.

*The interview was conducted by Margit Schratzenstaller and Bernd Berghuber in Vienna in October 2008.*

## **Diskutieren und Zitieren: Zur paradigmatischen Konstellation aktueller ökonomischer Theorie**

### **Debating and citing: A comment on the paradigmatic stance of current economic theory**

*Leonhard Dobusch\* und Jakob Kapeller\*\**

#### *Der paradigmatische Status der Ökonomie*

Mit dem Ausbruch der größten Wirtschaftskrise seit den 1930er Jahren sehen manche, insbesondere heterodoxe Ökonominnen und Ökonomen, auch bereits das Ende der neoklassischen Vorherrschaft im Bereich ökonomischer Forschung und Lehre dräuen. Wie schon vor 1930 hat die herrschende volkswirtschaftliche Lehre die Krise nicht nur nicht vorhergesagt, sondern ihr mit naivem Vertrauen auf die Selbstregulierungskräfte und Allokationseffizienz von Märkten im Allgemeinen und Finanzmärkten im Speziellen sogar den Weg bereitet (Ferraro et al. 2005, Friedman/Friedman 2009). Warum soll es also nicht wie nach 1930 mit Keynes zu einem Wandel in der ökonomischen Disziplin kommen? Unserer Meinung nach ist eine Rückkehr des Keynesianismus nicht viel mehr als bloßes Wunschdenken. Erstens, weil spätestens seit Kuhn (1996) und Feyerabend (1977) klar ist, dass empirisches Scheitern keineswegs automatisch zu paradigmatischer Erneuerung sondern in der Regel nur zu neuen »Puzzles« führt. Unangetastet bleiben dabei der »hard core« (Lakatos 1978), die zentralen Axiome des Paradigmas. Zweitens ist die intellektuelle Vorherrschaft, ja »paradigmatische Hegemonie« (Gramsci) des neoklassischen Denkens in der ökonomischen Disziplin 2009 ungleich robuster als sie es nach 1929 war. Dies nicht nur, weil damals Keynes' Thesen noch neu und unbefleckt von allzu mechanistischer Auslegung in späteren Jahren waren oder weil es mit institutionalistischen und marxistischen Ansätzen noch andere alternative

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