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Jan Toporowski, *Michał Kalecki: An Intellectual Biography, Vol. 1: Rendezvous in Cambridge 1899-1939*. Palgrave Macmillan: Basingstoke, 2013; xi + 184 pp.: 9780230221865.

Reviewed by: JE King, *La Trobe University, Australia, and Federation University, Australia*

According to Geoff Harcourt, Michał Kalecki (1899–1970) was the greatest all-round economist of the 20th century, ahead of Keynes; if not the inventor, he was at the very least the co-discoverer of the principle of effective demand. Many Post Keynesians have been attracted by his emphasis on the class nature of capitalist society and on the imperfectly competitive nature of its product and labour markets, and would agree with Harcourt's verdict. The three previous intellectual biographies have cast a great deal of light on Kalecki's life and work, but two of them came from authors without knowledge of the Polish language (López and Assous, 2010; Sawyer, 1985) and the third used only published material (Feiwel, 1975). Jan Toporowski has made extensive use of both Polish and English archival sources in this absorbing book, which manages to be admirably short but also comprehensive and scholarly.

For the English reader, there is a great amount of new information in the first seven chapters (pp. 1–68), which deal with Kalecki's life in Poland before his move to Sweden in early 1936. He grew up in the textile manufacturing city of Łódź, where the political and industrial turmoil in the early years of the 20th century is described in gripping detail by Toporowski. Kalecki's mother Klara 'abandoned the family home when little Michał was only 10. Michał was later to admit that her departure was a relief from the tension generated by the marriage. Unusually, he continued living with his father' (p. 12). In 1913, Abram Kalecki closed down his mill and went to work for his brother as a bookkeeper, so that young Michał's teenage years were far from affluent. He began studying mathematics at Warsaw University in 1920, but then transferred to Gdànsk Polytechnic. In 1925, he gave up his studies without graduating and returned to Łódź to support his by now unemployed father. Precisely why his rather erratic student career was so unsuccessful remains a mystery, but he was now forced to work in a variety of temporary and poorly paid jobs, including teaching, credit investigation and addressing envelopes. 'Some time in 1927', Toporowski notes, 'Kalecki moved to Warsaw, where he secured casual employment designing concrete structures for civil construction projects' (p. 19).

For much of his adult life in Poland, however, Kalecki made his living from business journalism. Toporowski stresses its importance to his intellectual development and is critical of those commentators who have sought to downplay it. In the process, Kalecki became acquainted with the work of Tugan-Baranovsky and Hobson, and by the later 1920s revealed himself to be 'familiar with the business literature of London (the *Financial News*, *The Economist*), Berlin (*Berliner Tagesblatt*), the French *Information Financières*, and Soviet sources' (p. 23). As early as 1929, he was using a macroeconomic income-expenditure model to explore the effect of changes in business investment on the circular flow of income (p. 24).

Kalecki kept up his journalistic activities even after he found more secure employment as a research economist at the Institute for the Study of Business Cycles and Prices in Warsaw, where he started work in December 1929. 'He continued to write on construction materials and design (in particular on reinforced concrete) up to 1932. His last article on the subject concerned walls in reinforced concrete frames for the fearlessly modernist journal *Cement*' (p. 42). At the Institute, Kalecki studied the operation of Polish cartels under the direction of Edward Lipiński, and also worked on estimates of social income with Ludwik Landau (an early co-author) and later with the clever but rather difficult Marek Breit.

At the same time, he was writing for the socialist press under the pseudonym Henryk Braun, coming into contact with Oskar Lange and being influenced by his own reading of Rosa Luxemburg and Rudolf Hilferding. Again, some of his ideas have a remarkably modern feel to them. In a 1932 article, he

> challenged the view prevailing among employers and government officials sympathetic to them that general reductions in wages can induce an increase in employment. Kalecki pointed out that the condition for this to happen is an increase in investment; consumption itself is highly unlikely to rise if wages are falling. (p. 47)

In everything but name, he is here making the crucial distinction between wage-led and profit-led regimes (Stockhammer and Onaran, 2013). Kalecki also wrote for a socialist readership on topics such as the economics of German fascism, the nature of Japanese imperialism and the very different – and equally unsatisfactory – interpretations of the world economic crisis provided by John Maynard Keynes and Eugen Varga (pp. 48–54).

Most of Kalecki's pioneering papers in macroeconomic theory were translated and published in the seven volumes of the *Collected Works* in the early 1990s (Osiatyński, 1990–1997). Toporowski's summaries of these articles are careful and thorough, but in the nature of things, they do not add a great deal to what we already knew. The whole of chapter 7 (pp. 55–68) is devoted to Kalecki's attempts to formulate a coherent theory of the business cycle, which culminated in the well-known 1933 paper that he presented to the Econometric Society meeting in Leyden. Toporowski emphasises the role in Kalecki's model of investment expenditure by capitalist firms, which necessarily lags behind their investment decisions. 'The distinction between current investment and investment decisions is one of the fundamental differences between Kalecki's macroeconomics and that of Keynes and his followers', Toporowski argues. 'By assuming that investment orders are delivered in the same period, the Keynesians missed a lag that is a central element in the business cycle' (p. 63).

Kalecki's model was criticised by the 'Ricardian Marxists' (p. 65) of the Polish Communist Party, but it was well received at the Institute and also by the Rockefeller

Foundation in New York, which provided him with a 'lifeline' (p. 74) in the form of a fellowship that allowed him to travel to Stockholm when the political situation in Warsaw deteriorated sharply with the change of government in 1935, and then offered further support after his resignation from the Institute in protest against the politically motivated dismissal of several of his colleagues. Chapters 8–13 (pp. 69–137) deal with Kalecki's life outside Poland, first in Sweden and then in London, Paris, Geneva, Oslo, Manchester and Cambridge, where he eventually moved in November 1937. Toporowski has an unusual take on Kalecki's reaction to the publication of the *General Theory*, doubting the mental crisis reported by Joan Robinson and George Shackle and suggesting instead that Keynes' book was the principal factor encouraging him to move from Stockholm to London: 'If nothing else, the book and the discussion around it would have clearly indicated to him that the new theory of capitalism was emerging not in Sweden but in England' (p. 78). His review of the *General Theory* – published only in Polish and not translated for half a century (except on the initiative of Geoff Harcourt, the then editor of *Australian Economic Papers*) – was, however, highly critical. 'In effect, Kalecki was arguing that the business cycle approach offered a better framework of analysis to the question of determining investment, hence national income and employment, than the static, short-period analysis of Keynes' (p. 84). But his criticisms had little impact at the time, any more than his remarkably prescient refutation of what later came to be known as the (old) neoclassical synthesis (p. 121).

Throughout the second half of the book, Toporowski makes excellent use of English and American archival sources, including the Dobb, Kahn, Kaldor, Keynes, Austin Robinson, Joan Robinson, Sraffa and Stone papers at Cambridge; the Kahn papers proved to be especially revealing. Keynes, perhaps surprisingly, comes out of it all rather well, playing an active role in finding a research position for Kalecki in Cambridge when the unpalatable alternatives appeared to be Geneva, Lausanne, Swansea or (even worse!) Mexico, and describing him in correspondence as 'in my opinion, something of a genius' (p. 109). His less than entirely happy experiences in Cambridge are recounted in chapter 13 (pp. 125–137), with the intriguing title of 'Kalecki and his Myrmidons', which according to my dictionary refers to 'hired ruffians' or 'base servants'. Kalecki fell out with Arthur Bowley, Richard Stone and then also with Keynes, and was relieved to receive a job offer from the former Menshevik Jakob Marschak at the Oxford Institute of Statistics. And so, at the end of 1939, he left one city of gleaming spires for the other.

Here the book ends, except for the provocative and challenging final chapter 14 (pp. 138–151), where Toporowski offers his own interpretation of the relationship between Kalecki's and Keynes' quite distinct versions of macroeconomic theory. According to Toporowski, the profound and inescapable influence of Marshall on Keynes had two unfortunate consequences that Kalecki, brought up in the European economic tradition, had managed to avoid. First, Keynes relied on models that used logical rather than historical time, invoking the well-known Marshallian notions of the market period, short period and long period; Kalecki famously viewed the long run as nothing more than a succession of short run situations. Second, and even more damaging, Keynes had no conception of the circular flow of income and expenditure that dated back – in the Continental tradition – to Quesnay, but was unknown in Cambridge.

Some readers may have trouble with this, especially with the second part of Toporowski's argument. As Michael Schneider has shown, what soon became the canonical income–expenditure model was devised by the 23-year-old Paul Samuelson in 1938 and published by him in the following year, presumably without input from Kalecki or any other European theorist (Schneider, 2010). But in retrospect, it is the obvious way to set out the simplest version of 'Keynesian' macroeconomics, and it is puzzling that no one in Cambridge (UK) had thought of it before Samuelson, or indeed saw fit to use it subsequently. This may be connected with another unsolved mystery: why is there only one diagram in the *General Theory*? (And why, 20 years later, did Joan Robinson perplex readers of her *Accumulation of Capital* by putting all her diagrams in an appendix, 300 pages away from the numerical examples that they were supposed to illustrate?) It would be interesting to learn the reactions of today's Post Keynesian scholars – especially those of a Fundamentalist Keynesian persuasion – to these questions.

One final puzzle remains, concerning the private lives of this great economist and his devoted wife. What did they do when Michał was not working (if indeed he ever stopped)? Did he and Adela go to the theatre, the opera, the cinema, the music hall or the local jazz club? Did they entertain their friends or keep themselves to themselves? And what, precisely, did the childless Adela do with herself all day? Toporowski tells us that she was employed as a school geography teacher before their marriage (p. 28), but not whether she continued to work in Poland or (much less likely, I suppose) in England after she became Mrs Kalecki. Was she really a lifelong full-time carer for a demanding academic? I hope the private life of the Kaleckis will prove slightly less enigmatic in the second volume of this excellent biography, which will follow them to Oxford, Montreal and New York, and then back to Poland. I am very much looking forward to finding out.

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Reviewed by: Jerry Courvisanos, *Federation University Australia*

The title of this book is misleading. At the start of the *Conclusion* chapter on p. 179, the author makes crystal clear the book's aim: