

# Introduction

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SIZE MATTERED TO ALBERT O. HIRSCHMAN. If big is supposed to be better—large dams, tall buildings, wide avenues, loud music, big theories, and grand schemes to solve the world’s problems—Hirschman was a dissenter. One of the twentieth century’s most original social scientists, he found beauty in the diminutive, gained insight from the little. While writing a complicated book about the World Bank in 1966, he confided to his sister Ursula that he felt at odds with those who sought big theories to explain everything. “I very much like the expression that Machiavelli used in one of his letters for his own constructions,” he confessed. These were “castelluzzi [little castles, as easy for reality to destroy as for a fecund imagination to construct]—that is probably what Eugenio called a *piccole idee* and the only thing I can really do.” *Piccole idee*, small ideas . . . lesser thoughts that yield great insights, close-up shots that give way to a new panorama, these were touchstones of Hirschman’s intellectual style.<sup>1</sup>

The lens to focus on the seemingly unimportant came from Hirschman’s brother-in-law, Eugenio Colorni, but Hirschman made the style all his own; it also made him truly unique. The preference for lesser scales did not reflect a lack of ambition. Far from it. Hirschman had a project that transcended the norms of professionalized American social science and defied easy categorization. His was a quest to reveal how acts of intellectual imagination might unlock sweeping possibilities. By finding seams in even the most impregnable structures, one might create openings and prospective alternatives. These were tasks for the intellectual. Oftentimes this meant challenging elaborate certainties, from the doomsdayish or futile sort to the euphoric conviction that one could

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<sup>1</sup> Albert O. Hirschman to Ursula Hirschmann, 23/3/66, Personal Papers of Albert O. Hirschman, in possession of Katia Salomon.

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change everything at once—given “the necessary conditions.” These words were staples of the social science diet; few words were more responsible for leading scholars to chasing their tails. Those with whom Hirschman sparred included preachers of Communist orthodoxies in the 1930s or liberal “Big Push” economic planners in the 1960s, to the reactionary apostles of the 1980s. Instead of wielding grand models of society or history, Hirschman preferred modesty—which cycled him back to lower-case, unconventional, approaches. Among Hirschman’s targets were the establishment gurus of “balanced growth” for the Third World, the belief that economists could conjure development by simultaneously moving an entire economy’s complex parts in lock step. Hirschman took the contrasting view. He opted for a more partial, unbalanced, approach, which favored strategic focus over comprehensive breadth. He summarized his view thus: “To look at unbalanced growth means . . . to look at the dynamics of the development process *in the small*. But perhaps it is high time that we do just that.”<sup>2</sup>

Scale was not just about observational preferences or scientific method. It comes across in Hirschman’s narrative style as well. Hirschman was more than an original thinker; he was also a master essayist. Nowadays, the heavy monograph or the technical, peer-reviewed article predominate in the world of scholarship. Hirschman wrote his share of those, but where his originality shone through was as the author of essays—small, sometimes miniature, literary masterpieces. This volume presents a selection of sixteen essays from a lifework of action and observation, advocacy and reflection, the work of a man who respected and used the analytical tools of the social sciences but felt resolutely unconstrained by their boundaries—and yet who managed to compress his wide-ranging insights into the tightly bound format of the essay.

Hirschman’s essays constitute an art form, how he could use words so economically to say so much. It is not just the breadth of his analysis that readers see at work; it is also Hirschman’s commitment to the idea that how we behave (the domain of the psychologist) is connected to the

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<sup>2</sup> “The Economics of Development Planning,” Institute on ICA Development Programming, 5/15/59, Strategy Papers. Archives of Albert O. Hirschman, Seeley Mudd Library, Princeton University (hereafter AOHP). This would later appear as the preface to the 1961 paperback edition.

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experience of the marketplace (the economist's territory), which affects civic and political life (the habitus of the political scientist or sociologist). Moreover, the concepts we use in turn have histories. Hirschman's prose is ever full of reminders that some basic insights came from a day and age in which the human scientist was free of the modern academy's disciplines—which is why he had such an affection for reading, rereading, and citing the classics. The experience of reading Hirschman is frequently to feel poised before a whole tradition of humanistic thought. As the twentieth century unfolded, fewer and fewer intellectuals were able to summon its breadth; our social sciences became increasingly carved into walled provinces called "disciplines." Crossing them now often seems forced or heavy handed—which is one reason why Hirschman's ability to move across the frontiers of knowledge appear so effortless, almost natural. Another reason is because he was simply a gifted writer, and indeed imagined the social sciences as a branch of literature. For the nostalgic among us, Hirschman's prose is a reminder of an earlier age, one that has arguably passed. The essays in this volume bear witness to a propensity to cross from psychology to history, from economics to political sciences, and back again—all the while weaving in the works of great literature. It is rare to find a writer in our times so at ease with the modern tools of the social scientist and yet so concerned with the complexity of the human condition that he or she can bring to life the frictions and tensions that come from looking at our world at the junctions of political, economic, and emotional life.

If there were a pantheon for great essayists, Hirschman would stand as one of its finest practitioners. This is because he was a modern alchemist, able to transform the mundane into the marvelous. Few could mix the sharpness of an economist's precision with the elegance of a literary imagination. And even fewer could mix them in just the right proportions—which is precisely what the essay form demands. After all, it has to be short. And none had access to the breadth of linguistic commonplaces and traditions that gave him his range. Hirschman's affection for, and command of, languages—his native German, French, Spanish, Italian, Portuguese, and English—gave him a repertoire that made him a most uncommon of writers. In an age in which our academic disciplines require ever-greater specialization, redoubled by monolinguality, it is rare to find a scholar who can affect how we think about inequality by writing about traffic, or slip in a quote from Flaubert's correspondences to reveal something surprising about taxes.

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The essay is more than just a shortened argument that, blown up, becomes a book. It is a form unto itself. Its brevity is an opportunity for an author to pull the veil back on the personal nature of a viewpoint, for the reader to know that there is a viewpoint at all, thereby providing a bridge between practical knowledge and theoretical analysis. In many of Hirschman's essays, readers are urged to follow a passage from Rousseau alongside him. Increasingly, Hirschman himself became the subject of his own essays. Some might see this as an elegant form of narcissism. But there was more to the practice of making the first-person singular a subject; the essay, to Hirschman, was a way of collapsing the distance between author and reader, inviting the reader to trace, close up, the mental working of an author at work, thereby conjoining writerly and readerly experiences.

Over a lifetime, Hirschman was to write great books. This volume brings together a selection of his great essays into the form of a book. But it is more than a sum of parts. The range alone is astonishing. We find that his subjects include how to think about industrialization in Latin America, the imagining of reform as more than repair, the relationship between imagination and leadership, some of the most astute observations about routine thinking about the marketplace, and reflections on how our arguments affect democratic life. Economics, sociology, political theory, intellectual history—these subfields of the social sciences are found here woven together as a compendium. And throughout we find humor, unforgettable metaphors, brilliant analysis, and the elegance of style that gave Hirschman such a singular voice, at once playful and curious, yet provocative and committed.

Given the breadth of the oeuvre, what can be “essential” about Hirschman? The very act of selecting for this volume threatens to impose boundaries he deliberately sought to cross. And yet, while Hirschman had a style, he was never removed from history. Indeed, he thought of his concepts and ideas as deeply embedded in the history that made them, not universal abstractions that stand outside time or above the human condition. As Hirschman joked to Clifford Geertz in 1976, too many of their colleagues fell prey to the “Law No. 1 of the Social Sciences”: “Whenever a phenomenon in the social world is fully explained, it ceases to operate.”<sup>3</sup> In the spirit

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<sup>3</sup>“Conversation with Clifford Geertz and Albert Hirschman on “The Hungry, Crowded, Competitive World.”” Box 10, f. 3, AOHP.

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of locating Hirschman in the world, this volume organizes his essays into three sections. Roughly—very roughly—they reflect a sequence of his preoccupations. From the 1950s through the 1960s, he was concerned with development in what was then called the Third World, especially Latin America, and engaged in fierce debates about the nature of economic growth, the role of expertise, and the importance of imagining possible futures beyond the circular snares of poverty traps and backwardness. The selections here represent key essays that intervened in those debates, and which have enduring relevance as we think in our day about the prospects for change and fundamental reform in an increasingly unequal world. In the 1970s he turned his gaze on markets, concerned about how the rise of a “neoconservative” brand of market mentality imposed only one way to think about personal interests and collective welfare. What Hirschman argued for was a broader repertoire and more complex thinking, appreciating as he did the vital functions of the market, and therefore urging us to take them more seriously than as simple signaling devices for the allocation of scarce resources. Finally, in the 1980s, reflecting his engagements with democracy in Latin America, the possibilities of a post-Cold War Germany, and increasing concern that Anglo-Americans were locking themselves into intransigent ways of talking about policy, he wrote a series of breathtaking essays about discourse, rhetoric, and public life. Here too there is an obvious enduring quality to the insights and arguments, as the squeeze of globalization and polarizing language of its defenders and critics leave citizens feeling increasingly stuck in a quagmire, yet yearning for alternatives.

*The Essential Hirschman* allows a reader to think about changes and continuities in intellectual style as well as political concerns, the biography of an imagination. His imagination and his skills as an essayist have a history inscribed in the way he lived the twentieth century. Indeed, his life can be seen as a parable of the horrors and hopes of the twentieth century, and by living in it, he sought to change it even in the darkest of times; he learned to theorize from experience, to conceptualize from observation. How he developed this knack was the result of an early exposure to the father of the essay, Michel de Montaigne. And his encounter with Montaigne had everything to do with how a committed socialist grappled with the destruction of the cosmopolitan world in which he was raised.

Born in Berlin in 1915, Hirschman fled in early 1933 with the rise of Hitler and the tragic death of his father. That year marked the end of

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a long dream for Jews like the Hirschmanns (the name would change when Albert moved to the United States), who staked their faith in the Enlightenment and the trade-off that came with assimilation, civic and political membership. One might say that the end of adolescence closed the door on a boy's dream, incarnate in the spirit of tolerance, experimentation, and reform that we associate with the Weimar Republic. But it was not so. A love of Goethe and a dedication to fight for and understand the cosmopolitan values of his deceased republic accompanied Hirschman through his life.

The flight from Berlin was the first of many; intolerance hounded him from country to country. Someone more vulnerable to embitterment might have considered this trademark of life in the modern age a sign of decline from the exalted ideas of the Enlightenment. Hannah Arendt's name comes to mind, as do so many other Mitteleuropa exiles thrown into the world to transform its artistic and intellectual landscape, to spread, understandably, a shadow of doubt and pessimism over the modern condition.

But Hirschman was not one of them. Indeed, a hallmark of his politics—and his intellectual genius—was to see that what appears as immutable, stubborn, and impervious to change could be a source of options. With a little imagination, some lateral thinking and daring, alternatives were almost always there. “Aren't we interested in what is (barely) possible, rather than what is probable?” he asked himself privately in his diary. Instead of obsessing over certainty and prediction—which reminded him of Flaubert's injunction against *la rage de vouloir conclure* as sure to lead us to dead ends and foreclosed outcomes—should we, maybe, be more humble and more hopeful? His credo planted a flag against creeping disenchantment with reform, development, and modernization by introducing the world to a figure he called “the possibilist” in a famous essay written not long after a trip to Argentina in 1970 and included in this volume. The ethical compass for the possibilist was a notion of freedom defined, as Hirschman put it, as “the right to a non-projected future,” the liberty to explore fates that were not predicted by iron laws of social science.

The elements of Hirschman's thinking were gathered from a life of living and acting in the world. Though he had a precocious intellect from the time he was a boy, it was from the combination of his *vita contemplativa* and *vita activa* that he assembled a worldview. The flight from Berlin took him to Paris, where he joined the swelling numbers of

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refugees—Russian Mensheviks, Italian socialists, German communists. In Paris, and later at the London School of Economics and the University of Trieste, he learned economics—although, perhaps, taught himself economics is more correct. Either way, from the start he concocted a unique blend from reading classics like Adam Smith and Karl Marx, French debates about balance of payments, and Italian concerns about industrial production. It was against the backdrop of the Depression and the concern with the causes and solutions to mass unemployment and the spread of economic autarky and imperialism that he made his first forays into the discipline. There is a sense that he was, from the start, uncompelled by orthodoxies of all sorts. While in London, Keynes published his monumental *General Theory*. Keynes's detractors, Lionel Robbins and Friedrich Hayek, were towering figures at the London School of Economics. And yet Hirschman could not get too excited about rival grand theoretical claims. His quarry lay elsewhere: how to fathom the underlying roots of Europe's economic turmoil, concerns that would lead him eventually to the instabilities and disequilibrium of the development process more generally.

More than the plight of an exile or the economics of the Great Depression shaped him. So too did the political crisis that metastasized across Europe. Paris had replaced Berlin as the pivot of Hirschman's life; he moved in and out of the city from England, Spain, and Italy. It was there that a second political and intellectual education began, one that removed him from her German idealist roots. The French capital was a hub of intrigue for a continental diaspora, Russians, Italians, Germans, Spaniards, eventually Austrians and Czechs. Hirschman soon found himself moving away from the German Left, with which he had affiliated, to drift into an Italian circle much less concerned with getting the ideological diagnosis "correct" than with changing history through action. Especially under the spell of Eugenio Colorni, whose philosophical and political heterodoxy was a model, Hirschman became much more eclectic in his reading. A family connection was involved. Colorni had courted and married Hirschman's sister, Ursula, and became the single most important intellectual influence on Hirschman's cognitive style. The relationship, leavened by shared reading and long conversation, deepened when Hirschman moved to Trieste, where Colorni and Ursula had moved a year earlier, after a brief and bitter experience fighting on the Republican side during the Spanish Civil War.

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Colorni came from an Italian variant of the same European cosmopolitanism. An assimilated Jew, he was a member of a movement that tried to combine the freedom-loving spirit of liberalism with the justice-seeking impulse of socialism, not unlike Hirschman himself. This eclectic democratic tradition is perhaps best represented by the late Norberto Bobbio, with whom one might pair Hirschman as archetypes of a different, more open scholarly style; neither lost sight of the normative and political features of intellectual activity; both were essayists. It was Colorni who impressed Montaigne and the beauty of the essay genre upon Hirschman. It was Colorni who pointed out that the freedom of the essay was a kind of analogue to a more open way of thinking about politics. They would spend many hours together, in Paris and Trieste, and especially in the Colorni family retreat at Forte di Marmi on the Tuscan coastline, crossing the borders of the human sciences together.

As of Trieste, Hirschman and Montaigne would not be parted; not so Hirschman and Colorni, who was gunned down by fascist thugs in the streets of Rome.

One important feature of Montaigne informed Hirschman's spirit: that one's insights were equally drawn from the well of a lived experience. Unlike Montaigne, Hirschman had a lived experience made of border crossings, of exits that were closely tied to his political loyalties; he became what we might now call a cosmopolitan—though Hirschman would probably wince at the label. Living in Europe, especially as an active socialist, implied in some basic way committing to the struggle against fascism. No sooner did Generalissimo Franco rebel against the Republican government in Madrid than Italians in Paris began to organize the first volunteers—and Hirschman was among them. Within weeks of the outbreak of the Spanish Civil War in July 1936, he was in Barcelona. There he stayed, fought, and was wounded on the Aragonese front; when the Communist Party sought to assert control over militiamen, anarchists, and motley progressives, Hirschman, appalled by the same intransigence he'd seen in the waning days of the Weimar Republic, left for Italy to participate in a new front of the continent-wide struggle. Mussolini's 1938 anti-Semitic decrees cut short the sojourn in Italy, though not before Hirschman got his PhD from the University of Trieste. Once again, a flight to Paris.

War sent so many people ricocheting around the world. What was unique about Hirschman's mobility was that it was tied to being a

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professional volunteer in other peoples' armies, not as a mercenary but as a loyalist to a cause. For one of the great theorists of human responses to organizational decline, inscribed in his pioneering work *Exit, Voice and Loyalty* (1970; dedicated to Colorni), the shifting engagements and departures had a long personal history. When it came to tyranny, there was no question where his loyalties lay. After 1939 he joined two more armies—the French and then the American—to fight fascism. In both cases, he did so as a foreigner. And yet the life of a soldier meant submitting to the numbing rules and bureaucracy of mass organization. More to his liking was the collaboration with the American journalist, Varian Fry, in an operation in Marseilles that rescued hundreds of refugees from Europe, including Marc Chagall, Max Ernst, André Breton, and Hannah Arendt. Here was a stealthy form of struggle that appealed much more to Hirschman's temperament—that is, until Vichy police chased him across the Pyrenees.

It is easy to forget that there was a time in which the life of the mind was not so severed from engagement in the world. For much of Hirschman's life, the making of an intellectual did not always imply the making of an academic. Indeed, by the time he got his first real position as an economist, Hirschman was not working for a university at all, but for the Federal Reserve Board in Washington on the Marshall Plan and European reconstruction. Moreover, he was no longer a single man. After fleeing Europe, he made his way to Berkeley, California. There, he met his wife, Sarah Chapiro, the daughter of Russian émigrés who raised her in Paris before, sensing the dawn of war, they migrated to the United States. Albert and Sarah would have two daughters and make the US capital their home. That is, until the reactionary paranoia of the McCarthyite purging of the American civil service drove him once more to cross borders in search of safer settings—and if possible, adventure. In 1952 he moved to Colombia with his wife and two daughters.

Thus began Hirschman's Latin Americanization and with it his reinvention. Some basic traits of his style were by then becoming clear. He was no orthodox thinker. He defied categorization. And when times were bleak, it was all the more important to think differently about the source of the problem and potential remedies. But it was the encounter with the challenges of capitalist development and democracy in Latin America that brought his imagination into relief. In Colombia he worked not in an ivory tower but as a consultant, helping to tackle everyday problems

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of investment in irrigation schemes and housing projects. From his years working and observing in the field came the publications that would remake his career—and catapult him, at middle age, into the citadels of American higher education, to Yale, Columbia, Harvard, and finally to the Institute for Advanced Study in Princeton.

Encounters in Latin America fueled a quarter century of groundbreaking work, from *Strategy of Economic Development* (1958) and *Journeys Toward Progress* (1963), to his overlooked but brilliant essay *Getting Ahead Collectively* (1983). Charting Hirschman's work is like tracing the enchantments and disenchantments of how we think about development as voiced by the planners, World Bankers, engineers, and grassroots activists, practitioners of the art of making progress. It was up to the economist, he felt, to “sing the epic” of the labors of those who worked in the fields of development. Not surprisingly, among the aphorisms he enjoyed most was Camus's likening of the struggle for social change as “a long confrontation between man and a situation.” This was always a more appealing approach than the mindless overconfidence in the solvability of all problems or its twin, the fatalism that nothing can be changed willfully at all.

There is a motif worth noting in Hirschman's narrative style: the delicate equilibrium between impassioned observation and critical involvement. Here was knowledge aimed at changing understandings of the world. The readerly experience of a Hirschman book or essay was intended to be one that destabilized the common sensical and the orthodox. Whether he was dealing with the gurus of balanced growth in the 1960s or the Milton Friedmanite zealots of the 1980s, Hirschman's purpose was to challenge closed certainties—pointing out, as he does in an essay included in this volume, that searching for the right paradigm can often get in the way of basic understanding. This was an affliction not just of writers on the Right but equally a feature of those on the Left. It is often forgotten that in his famous book exposing the wordplay of what we now call “neo-liberal” apostles in *Rhetoric of Reaction* (1991), one chapter was devoted to progressive forms of intransigence. The essay that gave rise to that influential book, published in the *Atlantic Monthly*, is also included here.

What made Hirschman so original was that he emerged from the margins of the university and so was never truly of the university. This freed him to cross boundaries with great abandon. But faculty meetings and the rituals of academic life bored him to tears.

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And yet it was for intellectuals that he above all wrote, and it was in his essays that one hears this voice most clearly. One might say that intellectuals were both the subjects and audience of his work. In discovering that a major factor in development was the way in which intellectuals imagined the possibilities for progress, Hirschman insisted that how we understand the world affects how we might change it; intellectuals have a critical role in the business of creating fields of meaning. In the 1960s he urged Latin American thinkers to get over their trenchant pessimism. He did the same for American social thought in the 1980s. In between, he would write a luminescent essay about the history of thinking about capitalism, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (1977) precisely to show that the experience of the marketplace was affected by the words and quarrels invented and conducted by writers, with enormous consequences for policies. This was followed by a remarkable series of essays on rival views of the market (the best of which are also included here) that insisted that there were alternative ways of thinking about economics and politics, ways that were more humane, more creative—and ultimately more liberating than the schema produced by the calloused defenders and critics of capitalism.

As he put it in the last line of *The Passions and the Interests*, it may be in the history of ideas that we can find clues to raise the level of the debate. Few left more clues behind him for precisely this purpose than Hirschman. It would be hard to imagine a better time to elevate the debate than now. The essays in this volume, indeed this whole volume, are dedicated to this purpose.