

## **Josef Steindl, the Trieste School and the *BNL Quarterly Review***

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This special issue of *PSL Quarterly Review* is dedicated to Josef Steindl (1912-1993), a great economist and an exquisitely kind and humane person, in the centenary year of his birth. He contributed to the theory of the firm, applying a stochastic methodology to study firms' growth and their distribution by size; to the analysis of technology and education, stressing among other things the link between technical progress and skilled manpower requirements; to growth and business cycle theory, connecting the basic idea of a tendency to stagnation in a capitalist economy to Keynesian-Kaleckian macroeconomics and to a post-Keynesian theory of income distribution where investments determine profits; to the analysis of personal income distribution through the use of stochastic processes, with a critique of the traditional mainstream interpretation of the so-called Pareto Law. Behind all this, there was a general vision of the economy and society in which history, institutions and social tensions all played a central role. Relying on all this, there was a constant flow of applied analyses, always rich in intuition, aimed at understanding the real world so as to be able to better intervene in it in support of human progress.

All these aspects are present in his *Economic Papers 1941-88* (Steindl, 1990a), and are taken up for consideration in this issue. Together with this introduction, the issue includes contributions by the late Kurt Rothschild (2012), one of Josef's best friends, on Josef's first article in an economic journal (unpublished until now, Rothschild's article was presented at the 1987 Trieste Conference in honour of Steindl); by Alois Guger and Ewald Walterskirchen (2012), on Steindl's life and work in Vienna and particularly at WIFO, the Austrian Institute of Economic Research; by Marcella Corsi (2012), on Steindl's work on

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stochastic processes; by Nina Shapiro (2012), on Steindl's best known contribution, his book *Maturity and Stagnation*, and on his macroeconomics. The issue concludes with two contributions by Steindl himself: an unpublished paper presented in 1990 at the Trieste School for Advanced Economic Studies, and the autobiographic article (Steindl, [1984] 2012) that after much insistence Josef accepted to write for the older series of this journal, then known as *Banca Nazionale del Lavoro Quarterly Review*.

Josef's collaboration with the *BNL Quarterly Review* (consisting of seven important articles over the decade 1980-1990, and a posthumously published paper: Steindl, 1981, 1982, 1983, 1984, 1985, 1990b, 1990c, 1998) is largely a consequence of his very active participation in the Trieste School for Advanced Economic Studies: both because he was induced to put his thoughts into seminar form, which could easily be transformed into publishable papers, and because many friends there helped me to persuade him to prepare the seminar notes for publication. The Trieste School was in fact a very stimulating enterprise: organized by Sergio Parrinello, Pierangelo Garegnani and Jan Kregel (subsequently with the help of others), it was meant as a meeting place for all currents of non-mainstream research, where the younger generation could meet the older and where the elder scholars could confront, test and develop their different lines of research – from Sid Weintraub to Hyman Minsky, Paul Davidson to Ed Nell, Tom Asimakopulos to Krishna Bharadwaj, and so many others – from breakfast until late at night, in the lecture hall as well as at the dinner table and on the beach, discussions ranged wide and occasionally wild. Geoff Harcourt often tried to bring to light the useful elements embedded in conflicting viewpoints, always failing to convince the contenders, whom he then invited to continue the dispute whilst running uphill with him (though even the youngest among us had trouble in keeping to his pace). Josef, instead, enjoyed swimming; he also preferred open-ended reasoning peppered with occasional gentle but devastating critical remarks to direct confrontation, giving the impression that he preferred learning something new to scoring a debating point.

Josef and I are the only ones who could boast participating from the first to the last day of each and every school – even Sergio Parrinello, the

main organizer, took a day off each year on the occasion of his birthday (though of course he put more effort into the School than anybody else throughout the year). The School was founded at a conference held in Udine in September 1979; it was there that I met Josef for the first time, and I recall a long discussion on the similarities and differences between his (and Kalecki's) theory of income distribution and Sylos Labini's, whose 1979 *Journal of Post Keynesian Economics* article was hot off the press. The discussion turned on a non-mechanical interpretation of the causal links connecting changes in money wages to changes in prices, and accumulation to profits; years later I tried to provide an account of that discussion in Roncaglia (1994), under the title "Josef Steindl's Relations to Italian Economics". I was diffident towards the post-Keynesian theory of income distribution that established a causal link between investments and income distribution; while Steindl's 1952 book seemed to me to implicate some version of this theory, his analysis, as I learned on that occasion, was more subtle than the simple post-Keynesian model and open to other causal elements affecting income distribution, such as Sraffa's suggestion of the influence of interest rates on the profit rate, or the interplay between money wage bargaining and the pricing responses by oligopolistic firms, stressed by Sylos Labini (Josef, in turn, was deeply interested in the subtleties of Sylos Labini's analysis).

It was in Trieste that Steindl met two of the contributors to this issue, Marcella Corsi and Nina Shapiro. Over the years, he remained in touch with them as well as with others such as Amit Bhaduri, with a spirit of collaboration and friendship that could not be considered as the mere result of similarities in their theoretical approaches.

This was my experience as well: it is difficult, not to say impossible, to recall Josef and his contribution to economics without recalling the person: the Viennese gentleman with his passion for music (he was a high-level musicologist, and I owe to him a fascinating introduction to the subtleties of Schubert), his warm kindness and irony which helped his friends to receive and consider his trenchant critiques, possibly while being conducted through a (very instructive) tour of Vienna or going to a concert in Rome.

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