

*At a Meeting of the Faculty of Arts and Sciences on November 18, 2003, the following Minute was placed upon the records.*

### **ABRAM BERGSON**

Born: April 21, 1914

Died: April 23, 2003

Abram Bergson was born in Baltimore on April 21, 1914, and died this past April 23 in Cambridge at the age of 89. Attending Johns Hopkins on a full scholarship, he was a hometown commuter who graduated at the young age of 19 in 1933. That same year he entered the Harvard economics PhD program. His formative years thus coincided with the onset of the Great Depression, a cataclysmic paralysis of world capitalism with enormous political and social consequences, which drew him to economics and inclined him towards a lifelong study of human welfare and alternative economic systems.

As a 23-year-old graduate student in the Harvard economics department, Bergson wrote an extraordinarily influential paper on the foundations of social welfare. To comprehend its impact on economics, one needs to understand that behind every economist's notion that, say, free trade is generally a good idea, or that rent controls are generally a bad idea—and behind every cost-benefit analysis of medical care, or of public works, or of anything else—is a philosophy about how to make an overarching summary evaluation of social policies with mixed impacts on different people.

The core issue is how to render an overall judgment of whether it is better or worse on balance to support a policy that invariably helps some people but hurts some others. What is needed desperately is a conceptual apparatus that has the potential to weigh and aggregate together the pleasures of different winners and the pains of different losers to yield some kind of a reasonably balanced “yes” or “no” answer to basic policy-choice questions. Bergson's 1938 paper clarified for all time what, exactly, are the links and how are they connected in the chain of reasoning that lies behind all of applied welfare economics. In that article, Bergson defined the notion of a social welfare function and introduced a conceptual device that is now a part of every PhD economist's tool kit—usually without their knowing where it came from. The thought experiment he introduced and made famous was to see things through the eyes of an ideal social planner whose welfare is a function of the individual utilities of all the people in the society. This construct has been used ever since to clarify the welfare attained by an actual economic system like a market mechanism, or an actual economic policy like free trade, by comparing the outcome with the hypothetical welfare attainable by the imaginary omnipotent social planner.

From that point forward, Bergson's career could essentially be described as the theory and practice of welfare economics, with the largest application by far being to the field that made him famous, the study of socialist economics, particularly the economy of the Soviet Union. In 1937, Bergson started learning Russian and made a lengthy research visit to Moscow. He spent most of the war years as head of the Russian desk at the Office of Strategic Services. In 1945, Columbia University called him to an economics chair. Abe returned to Harvard as full professor in 1956 and remained here for the rest of his life.

It is difficult to exaggerate the influence of Abram Bergson on the area of Soviet economic studies. Put simply, he became the world's leading authority on the Soviet economy, a scholar who was consulted and cited far more than any other about the assessment and evaluation of Soviet economic performance. The seemingly blistering pace of Soviet industrialization in the middle third of the twentieth century, and its subsequent slowdown after that, were hot topics on the world stage of public and private opinions. A lot of ideology hung in the balance. To this minefield of claims and counter-claims, Bergson brought a great scholar's careful analysis of Soviet statistics and a balanced assessment of the overall performance of its economic system.

Bergson essentially invented and applied a whole new methodology for evaluating non-market allocation systems—in this case the entire Soviet economy. First he calculated the true prices reflecting relative scarcities or relative tradeoffs that are implicit in such a planned system, but which do not necessarily coincide with the artificially-posted prices that appear in its own internal accounting books. Then he would infer the welfare implications as if two market economies were being compared over time or across space. Essentially, he redid the Soviet economic accounts in Western format, as if they were being measured as standard national income aggregated at true scarcity prices, for which construct a secure welfare interpretation had already been established, by him as well as several other well-known economists. It was an extremely ambitious research program, requiring the coordination of inputs from many different sources and scholars, along with a great range of skills from the chief coordinator.

Abe participated enthusiastically in the multi-disciplinary Russian Research Center (now the Davis Center), serving as its Director for many years. A small army of students learned about socialist economics and the Soviet economy from Bergson. Among his students are many with notably successful careers in universities, governments, research institutes and businesses.

As a scholar, Abe was modest—really, genuinely modest. He was the straightest straight arrow in the Harvard economics department, non-Machiavellian to the point of sometimes seeming naive. Bergson was convincing in his assessments of the Soviet economy mainly because of his intellectual authority, but also because he was “honest Abe,” who refused to have preconceptions, and who told it as he saw it, empirically, from the best reconstructed data he could honestly come up with.

A first impression of Abe was that he was a very proper man. Coming to know him better, one saw that behind the somewhat formal front was a warm, kindly person—and this caring person was hard to forget. He formed deep, lasting friendships, perhaps the most famous being with his Harvard classmate Paul Samuelson. It would be remiss to end this brief Minute without noting the close relationship Abe had with his wife of 63 years, Rita, that sustained him over such a long and productive life.

Respectfully submitted,

Marshall I. Goldman  
Paul A. Samuelson (MIT)  
Martin L. Weitzman, Chair