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Jan Tinbergen (1903–1994) and the Rise of Economic Expertise

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Ja, mach nur einen Plan
Sei nur ein großes Licht!
Und mach dann noch'nen zweiten Plan
Geh'n tun sie beide nicht.
Denn für dieses Leben
Ist der Mensch nicht schlau genug,
Doch sein höhres Streben
Ist ein schöner Zug.

—Bertolt Brecht

No act of man can claim to be more than an attempt, not even science.

—Karl Barth

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PART III GLOBAL EXPERTISE

PART IV THE LIMITS OF EXPERTISE

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15

Sometime the Twain Shall Meet: The Optimal Order

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> The present structure of Western societies may be given various names, but "capitalist" suggests an identity with nineteenth century conditions. For lack of a better name we may chose the adjective "mixed"; even better, perhaps, would be "on its way to democratic socialism," or "on its way to optimality."
>
> —Jan Tinbergen, 1979[1]

In 1964 Peter Cornelisse published an article in which he used the international trade patterns between Western countries to compare actual trade between the West and the East with the values one might expect if trade was free or optimal. The article was published in a new magazine, *Co-existence*, dedicated to mutual understanding of the East and the West.[2] The calculations were an elaboration of the gravity model of international trade developed in Tinbergen's book *Shaping the World Economy*.[3] In the model, trade patterns were explained by the distance between countries. The results of calculations demonstrated an enormous gap in trade volumes between the East and the West. Exports from the West to communist countries were just 21 percent of the value that the model predicted. Imports from communist countries into the West were no more than 19 percent of what the model suggested. The one exception was Yugoslavia, whose trade patterns were very close to what one would expect from the model. Cornelisse, a student of Tinbergen who also worked at the SPO in Turkey, remembered being thanked by Polish economists afterward for his calculations, for they had provided a strong argument in debates within the Soviet Union for more openness in trade.

[1] Tinbergen, "Recollections of Professional Experiences," 351, 1979.
[2] Cornelisse, "The Volume of East-West Trade," 1964.
[3] Tinbergen, *Shaping the World Economy*, 1962.

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That same year, Boris N. Mikhalevsky, a young econometrician in the Soviet Union, was creatively using the official statistics to estimate the country's real economic performance. He was summoned to the KGB headquarters after a group of critical Marxist reformers pointed to him as the source of the figures. Mikhalevsky was charged with leaking official figures by the KGB. But Mikhalevsky made clear that he had no access to such figures and instead offered to demonstrate how he could construct the figures from inconsistencies in the officially published data, which he obtained from the public library. Consequently, the KGB agents tore up the arrest warrants.[4]

Some years earlier, Warren G. Nutter, a right-leaning economist, had published estimates of economic growth figures of the Soviet Union, and contrasted them with those during the Tsarist era. He demonstrated that the USSR was doing far worse than was often believed. The figures were met with disbelief, if not outright rejection; the academic establishment was not ready to believe the corrections that Nutter had made to the official figures.[5] Tinbergen was not among those who dismissed them; instead, he faulted a recent collection of writings on the Soviet economy for failing to include authors from the right such as Nutter.[6]

These small episodes were encouraging signs that something could be learned from an exchange of ideas and information between the Soviet Union and the West. Tinbergen sought to promote this convergence and stimulate conversations between the opposing powers of the Cold War. This brought him in contact with many of the world political leaders of the period, but it also created several difficult dilemmas. Was it morally acceptable to remain in contact with evil communist leaders? What about the fascist regimes of Southern Europe? Could he remain credible to his home base? And what was precisely the role of an economic scientist in the hot years of the Cold War?

At home his attempts to "reach out" were regarded with suspicion, while at least officially, the communists could never accept Tinbergen's bourgeois ideas. But when Stalin passed away in 1953 and his successor Khrushchev officially distanced himself from Stalin's rule in 1956, there

[4] Alexeyeva and Goldberg, *The Thaw Generation: Coming of Age in the Post-Stalin Era*, 1993.

[5] Balabkins, "Measuring Soviet Economic Growth: Old Problems and New Complications. A Comment," 1992.

[6] Tinbergen, "Boekbespreking van M. Bornstein en D. R. Fusfeld's *The Soviet Economy: A Book of Readings* & F. D. Holzman's *Readings on the Soviet Economy*," 1964.

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was hope that change was on the horizon. And Tinbergen hoped to be part of that change.

15.1 Coexistence

In the 1930s, Tinbergen had sought a practical socialism free from dogmatism. In his reflections on America at the time, he was equally critical of an impractical capitalism with dogmas. The laissez-faire attitude among the Americans, and to a lesser extent the British, reeked to him of the same dogmatism he knew from the socialist movements he had been part of. The Breakthrough movement, with which he was involved around 1950, was an explicit attempt to move beyond party politics. But Tinbergen's anti-dogmatism was most visible in his convergence theory. His most famous statement on the matter, "Do Communist and Free Societies Show a Converging Pattern?,"[7] was from 1961, but the basic idea emerged early in the 1950s when he started touching on the subject in various talks about the communist bloc.

The source of the convergence thesis, however, should be sought on a more basic level. Ever since the 1920s, Tinbergen had been looking for peaceful change. His rejection of revolutionary socialism, and the embrace of a theory of gradual change toward a socialist society, was the clearest sign of it. His pacifist convictions had always made him favor nonviolent solutions. That sentiment was not just in the background for him – an Indian student of his from the early 1950s recollected: "Through my interaction with Professor Tinbergen I was attracted to the studies of peace and nonviolence. This influence led me to discard pure economics and [pure] sociology and take up the study of philosophy and sociology of non-violence and peace and particularly the contributions of Mahatma Gandhi."[8]

It was precisely violence at an unprecedented scale that was the big threat of the Cold War in the early 1950s. The Soviet Union and the United States were engaged in the first arms race, which included nuclear weapons. In Hungary, the first major opposition to Soviet domination had been crushed. And America was under the spell of McCarthyism. The priority was therefore to avoid confrontation between the two major powers. In order to avoid open conflict, a few intellectuals started promoting the ideal of coexistence. Tinbergen suggested that the only way forward

[7] Tinbergen, "Do Communist and Free Economies Show a Converging Pattern?," 1961.
[8] T. K. N. Unnithan in Jolink and Barendrecht-Tinbergen, *Gedeelde Herinneringen*, 1993.

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was that of "organized co-existence of communists and non-communists." This was different from the convergence (and cooperation) he later theorized, but it was a definite step in that direction. Coexistence was the acceptance that both parties had a legitimate position in (world) society. In Tinbergen's reading of social history, this had been the first step in the process of convergence between capitalist and labor. It came when the socialists accepted the existence of capitalists as a legitimate part of society, a step that Marxists had never been willing to make. The challenge was now to achieve this on the global level.

He did so first in the context of debates within the Dutch Labor Party over the most desirable foreign policy. He urged his fellow social-democrats, however much they despised communism, to come to grips with the basic fact that the communist bloc could not be defeated. Once this was accepted, they could start to think about the appropriate attitude toward the communist bloc, and to make sure that they at the very least developed a viable alternative for the new independent nations in the development world. He started these debates in 1956 not long after he had left the CPB, and around the time that the reality of the bipolar world was setting in. The acceptance of bipolarity was a step back in Tinbergen's own worldview. Ever since the building of the Peace Palace he had hoped for an integrated world order of equally powerful units. Both the League of Nations and the United Nations pursued that type of integration, but by the mid-1950s it appeared as if the world was heading in the opposite direction. In 1957, it even appeared to some as if the Soviets were winning the arms and space race. It was the year they launched an intercontinental ballistic missile, then the *Sputnik* satellite, soon followed up by *Sputnik 2*, which sent stray dog Laika into space.

It was not just Tinbergen who argued for a new position vis-à-vis the Russians. Just after the publication of his articles, the Dutch communist newspaper ran an interesting piece in which it compared Tinbergen's argument for coexistence with that of the most prominent American columnist of his age, Walter Lippmann.[9] Both men agreed on the fundamental point that the United States could not defeat both the Soviet Union and China. Therefore, they should develop an alternative strategy, and both Lippmann and Tinbergen believed they had to lead by example. This should take the form of substantial support to underdeveloped countries, starting in Asia. Since the arms race between the United States and the

[9] Goodwin, *Walter Lippmann: Public Economist*, 2014.

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USSR was leading nowhere, there should be a new race for the hearts and minds of the people in Asia. And given the enormous prestige the Soviet Union enjoyed at that moment, this would require a new constructive program for the future.[10] The challenge posed by the USSR was, for both Lippmann and Tinbergen, not merely a security threat but also a threat to the values they held dear.

And although Tinbergen found a prominent ally in Lippmann, most of the responses to their arguments were negative. This was true in the United States as well as in the Soviet Union, where ideological hardliners were not ready to accept coexistence. Tinbergen's article drew critical responses from two "official" Soviet authors, A. Nikonov and J. Arbatov.[11] Their responses were in equal measure critical and appreciative. Tinbergen was praised for attempting to open a dialogue and for being critical of the general trends within Western social-democratic parties. After all, Tinbergen was voicing similar criticisms of the social democrats as the communists had done for a long time. But Tinbergen's status was also called into question: Was he not a bourgeois economist operating under bourgeois illusions? Was the Dutch Labor Party truly socialist and committed to internationalism? Tinbergen's fear of communism was hypocritical at best, Arbatov argued, for, after all, the real threat to peace came from capitalism and the NATO. But Arbatov ultimately saw the article as a hopeful sign that the social-democratic parties were realizing the need for a united workers' front.

The response by Nikonov brought out a more interesting dimension of the differences. Tinbergen sought to engage the communists on the level of practical aims and policies. But Nikonov rejected those terms, stating that a debate could start only from a proper perspective on the world, in other words, from socialist ideology. Tinbergen strongly rejected such grounds; ever since his cultural socialism of the 1930s, he had rejected them. And in his follow-up article published in the fall of 1957, he expanded on this idea through a discussion of the relation between the practical aims of political parties and their "foundational programs."[12] What Tinbergen aimed to do in his essay was to nudge people away from the foundational programs to what he called, following his policy work, the practical instruments used to achieve political and economic goals. It was much easier to find mutual understanding there, he argued.

[10] "Zij die het Anders Willen," *De Waarheid*, 4 September 1957, p. 3.
[11] "Een Discussie met Professor dr. J. Tinbergen," *De Waarheid*, 18 May 1957, p. 2.
[12] Tinbergen, "Internationale Socialistische Politiek," 1957.

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While the West often thought of itself as fully democratic as opposed to the dictatorships associated with the East, there were numerous exceptions to this reliance on democracy: "We provide executive power to governments; we demand qualified majorities; . . . [and] we remember the lack of power of parliaments to combat the Great Depression." The purportedly centralized production structure of the communist countries, he argued, was equally impure. It contained pockets of decentralization and could take the form of firms with mixed control and ownership. Pure systems, he concluded, do not exist anywhere in reality, and would be highly inefficient in practice. Therefore, we must look at what works best and not what is in line with some ideological preconceptions. Once this was recognized, a sober look at the societies in question would lead us to the realization that "the differences between communists and non-communists are less significant than the popular propaganda suggests."[13]

Despite his continued effort to reach out to the communists, he did feel the need to distance himself from some readings of his original essay, and in particular the suggestion made by the two Soviet authors that he was making an argument for cooperation between the East and the West. Before cooperation was possible, argued Tinbergen, the two parties first needed to show willingness to revise their own "foundational programs." Without such internal change, there was no possibility of cooperation, only of coexistence. And quite critically, he concluded that the two pieces by the Soviet authors demonstrated that the division was still very deep; he even felt the need to criticize their "way of doing science," a euphemism for their Marxism.

15.2 Socialism at Home

One might therefore wonder why Tinbergen ended up with a theory of convergence. Despite the "thaw" under Khrushchev, it remained difficult to engage in a real conversation with those behind the Iron Curtain. The answer to that question should, perhaps, not be sought abroad, in an international discussion,[14] but rather at home. The motivation for Tinbergen was as much domestic as it was international.[15] He certainly

[13] Ibid., 669.

[14] Lauterbach, "The 'Convergence' Controversy Revisited," 1976; Van den Doel, "Konvergentie en Evolutie: De Konvergentietheorie van Tinbergen en de Evolutie van Ekonomische Ordes in Oost en West," 1971.

[15] Kuitenbrouwer, *De Ontdekking van de Derde Wereld*, 1994.

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hoped to contribute to peaceful coexistence, but his contributions to the debate were deeply shaped by his vision of the future of social democracy in the West.

The thesis that the East and West were converging was often made on materialist grounds. Many economists and sociologists of the age argued that both capitalism and socialism would have to adapt to various developments, especially technological ones, and hence would out of necessity converge.[16] Other variations of the convergence thesis suggested, following Max Weber, that the two systems would develop similar bureaucratic tendencies, and over time, the state and large firms in both countries would be virtually indistinguishable. Both would be ruled by bureaucratic hierarchies. It was this political-economic version, with a little bit of technology mixed in, that became the popular version of the thesis. In the work of the popular American economist John Kenneth Galbraith, for example, the United States and the Soviet Union were both instances of *The New Industrial State.*[17] Galbraith became the public face of the view that, official ideology notwithstanding, the East and the West were more alike than the officials on either side were willing to admit. In the *New York Times* in 1966, he suggested that "there are strong convergent tendencies between industrial societies . . . despite their very different billing as capitalist or socialist or communist."[18]

Tinbergen's convergence thesis differed significantly from these economic, technological, and political theories. His convergence thesis was an argument that was rooted in a new understanding of the role of social democracy in the Netherlands and Europe. He wanted to argue, much in line with his turn to development, that social-democratic parties in Europe should formulate a more international agenda. There were good reasons why Tinbergen was looking for a new cause for social democracy. Social democrats occupied an uncomfortable position in an age of extremes. They were literally caught between the opposing camps of the Cold War. The heated atmosphere of the Cold War was not particularly suitable for a rational discussion of pragmatic reforms. And many of the valuable resources that the social democrats would have liked to dedicate to the building of a modern welfare state, or, in Tinbergen's case, the

[16] Prybyla, "The Convergence of Western and Communist Economic Systems: A Critical Estimate," 1964; Meyer, "Theories of Convergence," 1970.
[17] Galbraith, *The New Industrial State*, 1967.
[18] Galbraith quoted in Balabkins, "Soviet-American Convergence by A.D. 2000? An Analysis of the Trends of Two Social Orders," 1968.

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economic development of Asia, were being eaten up by ever-increasing defense budgets.[19]

These general factors were relevant, but there was something quite distinct about Tinbergen's motivation. It was remarkable how quickly Tinbergen became critical of developments within Dutch social democracy. During the Reconstruction years he had been responsible as head of the CPB for putting the entire population on a strict consumption diet, something that even he later admitted might have been too harsh. After these meager Reconstruction years, the 1950s were a flourishing decade when the Dutch economy grew considerably, not in the least because its neighboring German economy was enjoying its *Wirtschaftswunder* (economic miracle). Most of his fellow social democrats were busy with the further architecture of the welfare state, enabled by this new prosperity: in 1956, a universal pension for those who reached the age of sixty-five was introduced; a few years earlier, a law that protected unemployed workers had been introduced. A law protecting workers disabled from work was introduced in 1966; many other elements of the modern welfare state were still under construction. But already in the mid-1950s, Tinbergen started to worry about the dangers of decadence.

In his articles on the development of an international program, he still channeled that discomfort into a constructive suggestion: it was now time to broaden our focus. By the early 1960s, he was openly critical of what he perceived as the dangers of materialism within the social-democratic movement. It was as if after a period of only economic concerns, Tinbergen returned to the critique of Hendrik de Man on the socialism of his day: it was too materialistic and culturally impoverished. In 1965, Tinbergen wrote about the three major problems facing social democracy. Two were international: the danger of a nuclear confrontation between the East and the West and the growing disparity between the North and the South. The third one was domestic: the petering out of the social and cultural development of the West.

He critiqued the "wage explosion" of 1963, a sign that the social-democratic movement had become obsessed with material gain and indifferent about cultural matters. Tinbergen's concerns sound culturally conservative to the modern ear: he called Western culture "empty" and was worried about the cultural degeneration in films produced for commercial reasons only. He worried about moral decay and excess displays of

[19] Ellman, "Against Convergence," 1980.

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opulence. But it was no simple cultural conservatism; it was much more a return to the socialist idealism of his youth, as he argued: "Formulated more constructively, there is a need for a conscious formation of an elite as an element of the coming social structure, also in the moral and cultural domain. This was precisely what the AJC represented in the 1920s, a youth elite group which would point to the way forward to the *lifestyle* of the future."[20] This elitism became more pronounced, and he now drew explicit comparisons between the political-economic realm and the cultural realm. The economy had been successfully ordered; it was now time to think about the right cultural order.

One such example was that of the Film Classification Board (Filmkeuring). It was a committee consisting of no fewer than sixty members of the different pillars (Protestant, Catholic, Socialist, and Liberal) in Dutch society. Tinbergen's wife Tine was part of this committee for several years. It banned about 5 percent of films from cinemas because they contained pornography, excessive violence, or other content not in line with the requirements of "public order." It was this model that was held up by Tinbergen as an example of what could be done in various other media such as magazines and books.[21] Tinbergen, like some of the religious Protestants he was close to, was a moral puritan and absolutely opposed to pornography. Just as alcoholism and tobacco were leading the youth astray, so could certain elements of popular culture, he believed. In some ways it was the continuation of the AJC aesthetic, where only "proper" films were shown, and only "proper" dances and plays were performed.

But also, the more positive sides of the 1920s program gained renewed attention. In an article on the future of work, he referred to the writings of Hendrik de Man on the importance of joy in work. His son-in-law, Adriaan van Peski, inspired by Tinbergen, completed a book on Hendrik de Man in 1963 urging for a reevaluation of De Man, whose reputation had suffered enormously after his collaboration with the Nazis. It was the first book after the war that seriously attempted to rehabilitate de Man. Both Tinbergen and his son-in-law praised de Man for his emphasis on psychological factors in well-being, and the moral and spiritual dimensions of life more generally.[22] The future of work should not be a better paid job, but a more fulfilling job.

[20] Tinbergen, "De Toekomstige Sociale Orde en Onze Beweging," 1965.
[21] Pen, "Tussen Elitisme en Egalitarisme," 1988.
[22] See the contributions of Tinbergen and Van Peski to Publikaties van de Stadsbibliotheek en het Archief en Museum voor het Vlaamse Cultuurleven, *Hendrik de Man: Een Portret, 1885–1953*, 1985.

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Just as important as work was education. The most visible way in which Tinbergen promoted education was in his work on income distribution. Equality for Tinbergen was not primarily about redistribution but about (personal) development. Egalitarians have often been critiqued for wanting to "level down" inequalities; in the end, it was more important for them to eliminate inequalities than it was to make people better off. Tinbergen saw education as the most important policy instrument with which to fight inequalities; it was through education that people could develop themselves and earn more. He was therefore critical of simple redistribution schemes to fight inequality.

It was for these reasons that Tinbergen had little sympathy for the libertine revolutions of 1968. His socialism was one that combined bourgeois values (he and Ehrenfest admired Bach above all else) with progressive socioeconomic goals. In the late 1960s, the socialists and social democrats in Western Europe and the United States desired more democracy: democracy on the work floor, democracy in the university, and democracy in church. But also on the cultural front, they revolted against old hierarchies and the establishment. The Beatles and Bach could stand next to one another for the youth of 1968. Tinbergen did not often respond to the movement directly, and typically bit his tongue about these developments.[23] But it was perfectly clear that he found these demands misguided. Instead, he warned about the limits of democracy. In the firm, it was limited by the extent to which workers really wanted to carry responsibility. In politics it had to be limited to avoid group interests becoming too strong. His solution to the problem was telling: we needed more experts – in this instance, independent "general" experts, who were skilled at weighing group interests and pursuing the general interest. Experts like him, although he left that unsaid.

It was perhaps good that Tinbergen did not often directly debate the revolutionaries of 1968. An important exception was an article in which he called for ordering in the cultural sphere analogous to the socioeconomic sphere.[24] He started from the premise that since it was now widely accepted that absolute freedom in the socioeconomic sphere was undesirable, we should attempt to contain or, rather, organize the freedom in the spiritual and cultural domain (Tinbergen used the adjective *geestelijke*,

[23] One issue that he could not avoid was debates about neocolonialism in development studies. In the Netherlands he was criticized by his fellow development economist W. F. Wertheim, see Chapter 16.

[24] Tinbergen "Ook Geestelijke Vrijheid vraagt Ordening," *Het Vrije Volk*, 8 February 1968, p. 2.

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similar to the German *geistliche*). But the proposed ordering for the cultural domain, for the protection of shared values, was less institutional than in his economic work. He proposed the formation of a broad cultural board whose authority to ban cultural goods would extend well beyond the formalistic constraints of the "laws and disturbance of the peace." This was necessary for a broad range of problems that Tinbergen identified: too much openness about sexuality, a crude egoism, and too much emphasis on novelty in books, films, magazines, and TV shows. Months before, a Dutch TV show had caused a sensation when Phil Bloom was shown fully naked on national television, the first time this was done anywhere in the world. These developments undermined a sense of responsibility, compassion, solidarity, and the value of moral education. Later he would also add to this list the lax way in which laws were applied, and the soft punishments for violent crimes.[25] Although he was aware that what he in practice promoted was a type of censorship, he tried to defend such measures by relying on examples in which we had restricted economic freedom: the eight-hour workday, the ban on child labor, building and safety regulations, and regulations about education. As he argued: "Unrestricted freedom is never the solution: a dedicated and well-executed policy is one to which the best in society have contributed, from all strata of society." Later he would even draw comparisons between this newly proposed cultural council and the Socio-Economic Council he had helped to establish in the Netherlands.[26]

Tinbergen's argument received considerable support in Dutch media, at a time when they were still strongly linked to the various (Christian Democratic) parties. But the more progressive and liberal outlets were strongly critical and did not fail to point out that given Tinbergen's socialist convictions he was treading dangerous ground when he argued for limits on cultural expression. Most of them did not even have to mention the USSR explicitly. But it was from his old friend Willem Banning that he received the most relevant pushback. Banning, a fellow Breakthrough activist, wondered whether Tinbergen was not losing faith in inner freedoms, and the power of individuals to learn to make responsible choices. Was he not mistaken in his means, by relying on an expert body and rules from above?[27]

[25] "Professor doctor Jan Tinbergen nam Afscheid als Hoogleraar," *Het Vrije Volk*, 8 November 1973.

[26] Tinbergen, "Om de Kwaliteit van onze Beschaving," *Het Vrije Volk*, 7 March 1968, p. 2. See also "Professor Tinbergen en zijn Culturele SER," *De Waarheid*, 16 March 1968, p. 3.

[27] "Banning: Begrip – en toch oneens met Tinbergen," *Het Vrije Volk*, 16 February 1968, p. 2. See also "Prof. Tinbergen en de Media," *De Volkskrant*, 9 March 1968, p. 10.

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15.3 What Is Optimal about the Optimal Order?

Tinbergen's motivation was thus deeply shaped by domestic concerns. But there was an important international dimension to the convergence debate. And in Tinbergen's case, there was also an important scientific component. In an article in *Soviet Studies*, Tinbergen attempted to demonstrate that the economic systems of the East and West were converging. He listed several trends in the USSR that had made it move toward the capitalist system: the reintroduction of managers, the reintroduction of a differentiated wage system, the reintroduction of monetary calculation, free consumption choices, and the use of mathematical planning methods. The West, meanwhile, had experienced a growth of the public sector, higher taxes, the introduction of antitrust laws, more public education, and planning methods in agricultural markets and economic development. Tinbergen acknowledged that the two economic systems were still very different, but he argued that they were also showing hopeful signs of convergence.[28]

The debate, for Tinbergen, was not primarily about the USSR and the West, but more about the so-called nonaligned countries. India and Turkey, the two countries where he worked extensively as a development economist, were examples of countries that were emerging out of feudalism and were facing the choice between socialism and capitalism: "The communist example impresses them greatly. Planning is in high esteem. State initiative does take up part of the tasks neglected by private initiative." In the context of the Cold War it was important to demonstrate to the nonaligned countries that "capitalism or communism" was a false dichotomy. Instead, these countries should be stimulated to try to combine "the best elements from communism and free enterprise."[29] He regarded it as the task of European social democrats to establish a reputable alternative to these two extremes. The elements of such a combination were the basis for his work about the optimal order.

Tinbergen believed that by laying out an optimal order, his ideas could be a *guide* toward a better organized society. Thus, an essential part of his convergence thesis was the development of the theory of the optimal order, which he sometimes called "mature socialism."[30] Looking back on his work on the optimal order, Tinbergen wrote:

> My feeling was that welfare economics could teach us much about [the optimal socioeconomic order] and that the true unknowns of welfare economics are not the

[28] Tinbergen, "Do Communist and Free Economies Show a Converging Pattern?," 1961.
[29] Ibid., 341. [30] Tinbergen, "Some Thoughts on Mature Socialism," 1973.

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quantities of goods and services consumed in an optimum situation, but the fact that one could dig more deeply and consider as the ultimate unknowns a number of institutions together constituting the socio-economic order and that along that line a synthesis between market economies and centrally planned economies could be found.[31]

The optimal order[32] was Tinbergen's contribution to welfare economics. This is easily missed because welfare economics after Arrow was all about the optimal allocation of resources and the constrained optimization of a given social welfare function. Tinbergen's work fitted poorly in this tradition.[33]

When the Russian economist Leonid Kantorovich and Tjalling Koopmans shared the Nobel Prize in economics for their discovery of linear programming in economics, it was held up as the ultimate example that science could unite the East and West. Ever since the socialist calculation debate of the 1920s and 1930s, it had been recognized that for the optimal allocation of resources, capitalism and socialism faced a similar problem. This (formal) similarity was accepted by economists on both the left and the right. It was what Hayek called "the pure logic of choice" and what for Koopmans and Kantorovich was "pure decision theory." The basic premise of the underlying (pure) economics was that the technologically optimal way of production was similar to – or, rather, independent of – political institutions. When the two men shared the Nobel Prize in 1975, Yale economist Scarf wrote:

> The techniques of activity analysis [perfected by Kantorovich and Koopmans] exemplify the pure theory of decision-making, and, as such, are remarkably indifferent to economic institutions and organizational forms . . . one of the great

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[31] Tinbergen, "My Life Philosophy," 7, 1984.

[32] Tinbergen, "The Theory of the Optimum Regime," 1959. The first essay, on the optimal order, which appeared as the conclusion to his collected papers from 1959, contained a characteristic Tinbergen footnote: "Although the precise influence exerted on him by the various authors on welfare economics cannot be easily traced, the author wants to express his gratitude to William J. Baumol, Abram Bergson, Gerard Debreu, J. Marcus Fleming, Ragnar Frisch, J. de Villiers de Graaff, Harold Hotelling, Nicholas Kaldor, Tjalling C. Koopmans, Oskar Lange, Abba P. Lerner, James E. Meade, Nancy Ruggles, Paul A. Samuelson, Tibor de Scitovsky, and Robert H. Strotz, for the contributions they made to his understanding, if any, of the subject matter." Except for Frisch none of them got a direct citation in the article, and Tinbergen proceeded in a very different direction than they did.

[33] Till Düppe has suggested that Koopmans might have been inspired by Tinbergen in his symmetrical analysis of communism and capitalism. Düppe, "Koopmans in the Soviet Union: A Travel Report of the Summer of 1965," 2016.

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achievements of this methodological revolution [is that] economists of the East and West [could enjoy] continued dialogue – free of ideological overtones.[34]

It seemed like precisely the type of dialogue that Tinbergen favored. But Tinbergen was a much more institutional thinker than most of his neoclassical peers, and his contribution to welfare economics bore this deep institutional mark. Although his theory of the optimal order built on the idea of a social welfare function (an aggregation of the preferences of individuals in a society), the real essence of his theory was the set of institutions by which the economy and the state were organized. His optimal order specified the decision structure that could lead to optimality, while most other welfare economists were focused on the search for the optimal decisions.

The central choices in the design of the decision structure were the degree of centralization in government and the degree of centralization in production. Where Koopmans wanted to talk about allocation independent from institutions, Tinbergen wanted to talk primarily about institutions that ensured a good allocation. By formalizing the problem in this way, Tinbergen hoped to find neutral ground on which the issues could be objectively discussed. But unlike Koopmans's explicitly apolitical neutral ground, Tinbergen sought a neutral scientific ground on which to discuss political matters. It was for this reason that the final section of his first contribution on the optimal order was called "Is There a Basis for Discussion?"

The ideal of an undogmatic dialogue free of ideological overtones was a recurring one. It was shared by some across the Iron Curtain, prominently by Sakharov, also a natural scientist, as Tinbergen was quick to highlight.[35] But more common were responses such as the one by Wassily Leontieff, a prominent Russian mathematical economist who had migrated to the United States. He was dismissive of both the empirical support for Tinbergen's convergence theory and the theory itself. Leontieff argued that capitalism and communism were incompatible in their essence, and he called the optimal order proposed by Tinbergen "hybrid, just as unnatural as a horse-cow."[36] Other responses from the United States were similar; it was widely believed that their capitalist system was fundamentally

[34] Düppe; Bockman, and Bernstein, *Scientific Community in a Divided World: Economists, Planning, and Research Priority during the Cold War*, 582, 2008.

[35] Kelley, "The Soviet Debate on the Convergence of the American and Soviet Systems," 1973; Tinbergen, "De Convergentietheorie: Antikritiek," 1972.

[36] Leontieff quoted in Tinbergen, "On the Optimal Social Order and a World Economic Policy: A Discussion with Professor Lev Leontiev," 1966.

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incompatible with that of the communists. To argue for this incompatibility, they all sought to capture something that was qualitatively and fundamentally different about "their" system.[37]

An example of what Tinbergen called the dogmatic approach was the reply by Tchernikov, who attempted to show in *Pravda* that the convergence theory was just anticommunist propaganda. Tinbergen resisted such attempts vehemently. In his strongest reply, he objected to theorists who thought qualitatively and wrote that they "are always speaking of things, which are according to them, 'fundamentally different', about principles and such ... even worse than the qualitative approach of a subject is the dogmatic approach."[38] For Tinbergen the goal instead was to measure the *degree* of convergence. As he had done so often, Tinbergen tried to make the debate quantitative. One of his students, Van den Doel, completed a dissertation on the empirical verification of the theory along such quantitative lines.[39]

Tinbergen made clear that his notion of the optimal order was not a compromise between the East and West (a kind of horse-trading); rather, it was an optimum, "a synthesis."[40] This synthesis, he argued, was not yet discovered and might require completely new elements that were not contained in capitalism or communism. And, indeed, over time Tinbergen kept working on his theory of the optimal order and included other elements, such as the environment and international security.[41] His own inclinations had always been in the direction of a synthesis of different systems. Even in his purely scientific efforts, the goal was often to reach a synthesis between different theories, rather than to prove one correct and the other wrong. The notion of the optimal order provided a lens through which the convergence thesis could be made tangible and, as he repeatedly urged, to which others could add.

Meyer[42] has suggested that the convergence controversy was a debate with three different positions. The first position was that of "a doctrine of salvation and damnation stressing the irreconcilable hostility between the two systems." The second position was "a pragmatic, instrumental

[37] Meyer, "Theories of Convergence," 1970.
[38] Tinbergen, "De Convergentietheorie: Antikritiek," 1972.
[39] Van den Doel, "Konvergentie en Evolutie: De Konvergentietheorie van Tinbergen en de Evolutie van Ekonomische Ordes in Oost en West," 1971.
[40] Tinbergen, "De Convergentietheorie: Antikritiek," 1972.
[41] Tinbergen and Fischer, *Warfare and Welfare: Integrating Security into Socio-economic Policy*, 1987.
[42] Meyer, "Theories of Convergence," 1970.

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orientation seeking to free itself from ideological ties and believing itself to be non-ideological." The debate between the first two positions was straightforward. There are convinced capitalists and socialists who believe there is one clearly superior system, and the other system is doomed. The convinced socialists predicted that a socialist revolution would sooner or later happen in the West, while the convinced capitalists predicted the imminent collapse of the socialist system. The pragmatists, on the other hand, refused to see fundamental differences and instead argued that both systems were adapting to the times, and argued that for pragmatic reasons they would find similar responses. If one looked well, they said, it was clear that they had never been pure anyhow.

Prima facie, Tinbergen was a pragmatist. But it was the third position that Meyer identified that was much closer to his true intentions: "a humanist alternative to the establishment way of life." For Tinbergen, the goal was not mere pragmatic compromise, as was clear from his emphasis on synthesis. The precise contents of this synthesis, called the optimal order, kept changing, as other problems became more salient (redistribution, the environment, and international safety). But what was consistent was that Tinbergen sought to function as a guide. His notion of the optimal order was to provide a point on the horizon to which countries, governments, and political movements could aspire. There was nothing pragmatic about that; it was deeply idealistic. As he framed it in the most comprehensive paper on the convergence thesis: "[W]e must do our utmost to analyze these differences in the hope of finding a way to cooperation."[43]

It was also in his work on the convergence thesis that Tinbergen for the first time expressed, albeit in cautious terms, his pessimism. Characteristically, he avoided using the term directly, but rather suggested that one did not need to be optimistic to consider it one's task to strive for a common conversation and rapprochement.[44] He put his hopes in science as a means for creating a basis for discussion, but he recognized that it also required shared institutions. This was the reason he was critical of NATO; it was a divisive institution. And the danger was that the European Union would be equally so. To enable a shared conversation, and ultimately convergence, truly inclusive organizations such as the United Nations were required.

[43] Tinbergen, Linneman, and Pronk, "The Meeting of the Twain," 1966.
[44] Tinbergen, "Meer Economisch Begrip tussen Oost en West," 1958.

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Over time, however, he did develop an appreciation for the moral ideal that Europe might embody. Although he remained skeptical of Europe as a regional power, he grew increasingly convinced that Europe might have a positive role to play in the world.[45] It could embody a third way as an alternative to the extremes of the United States and the USSR. But here again, it was the idealistic side, the moral leadership, that was crucial for him. It was easy to mistake the convergence debate as a materialistic debate about the underlying structural forces that steered both systems into a kind of convergence. For Tinbergen, any simple materialism was much more likely to lead to violent conflict than to convergence. To improve the world required hard work, ideals, and a plan to move in the desired direction.

To see whether his pessimism or his earlier hopes were at all justified, we must return to the question of whether a conversation between the East and West, across or perhaps above ideological lines was ever possible. Tinbergen himself was aware that it was a Herculean undertaking: "[I]t presupposes a truly scientific attitude on both sides, that is a willingness to accept the evidence of empirical facts and true curiosity."[46] Sakharov, the natural scientist who had proposed something similar in the Soviet Union, was fiercely criticized for naïve hopes in scientific persuasion. Estonian dissidents argued: "The fact that Sakharov belongs to the world of science has a great influence on his line of thought. He places too much hope on scientific-technical means, on economic measures, on the goodwill of the leaders of our society."[47] The same could be said of Tinbergen: Did he not also trust too much in the fact that good scientific arguments would carry the day? And was this not hopelessly naïve, given that even among social scientists his arguments often failed to convince?

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15.4 Above the Parties, or, Head in the Clouds

In the Dutch political-religious journal *Wending*, a curious article appeared. To my knowledge it is the only joint article of Jan Tinbergen's daughter Tineke and her husband Adriaan van Peski, the latter a Remonstrant minister, a path he pursued at the encouragement of Jan

[45] Dekker, "Jan Tinbergen and the Construction of an International Economic Order," 2021.
[46] Tinbergen, "Alternative Optimal Social Orders," 1984.
[47] Kelley, "The Soviet Debate on the Convergence of the American and Soviet Systems," 190, 1973.

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Tinbergen, and the former a promising physicist. The two were living in Germany at a Remonstrant seminary in Friedrichstadt. The article detailed the way in which the socialist youth of the GDR were raised, and it did not paint a pretty picture. According to the couple, the situation was appalling: intellectual freedom and all creativity were denied to these youths. One of the concluding paragraphs of the article stood out:

> It is for this reason that we simply cannot stand the slogan of the two materialisms, of the "theoretical materialism of the East" and the "practical materialism of the West," any longer. There is truly something different going on in the East; and he who believes that he can nonetheless start a conversation between the two after a confession that the West, in its own way, is equally concerned with its pocketbook and its stuff, makes a terrible mistake.[48]

They also mocked those who still believed in the idea of a dialogue. It was impossible to have a dialogue with "functionaries of the system," in whom all critical capacity had been systematically erased.

Five issues later, Tineke's father would write in the same journal about the need for more (economic) understanding between the East and the West. In the article, he laid out the ideas of convergence both empirically and deductively, and although he did not directly quote his daughter and son-in-law, it was not hard to see that the conclusion directly addressed their concerns: "Will it not lead to the greater glory of dictatorships and is all of this not one great naïve mistake?"[49] Tinbergen admitted the danger but suggested that there was another danger – that of a large international conflict – and so we had to walk on a dangerous cliff and attempt to avoid both dangers: "He who in every domain of life thinks in polar terms ... helps to make the conflict inevitable.... One does not have to be an optimist to try."[50]

His own daughter and son-in-law were not the only ones who accused Tinbergen of naïvete and complicity with communism. Jacques de Kadt, the representative of the party on foreign affairs and, like Tinbergen, a convinced anticolonialist, denounced his plea as "socialism of the Tinbergen–Khrushchev variety." That might sound harsh, but the direction promoted in foreign affairs by Tinbergen was indeed quite radical. Building on an idea from his friend, pastor J. J. Buskes, he suggested in response to the newly formed NATO alliance that the Netherlands should

[48] Van Peski-Tinbergen and Van Peski, "Communistische Opvoeding en Gedachtenvorming bij de Jeugd in de D.D.R.," 1958.
[49] Tinbergen, "Meer Economisch Begrip Tussen Oost en West," 530, 1958.
[50] Ibid., 531.

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strive for a third way that did not choose sides in the cold war, but instead started from the idea that freedom required "eternal vigilance to both sides."[51]

When Tinbergen joined a discussion in the spring of 1961 with Soviet delegates, he was again faced with the objection that he was merely a figurehead in Soviet propaganda. Tinbergen did not seek to deny that such propaganda existed and that it was one of the main reasons for the organization of such conferences.[52] But he repeated that this was no reason not to attend them. It was important to sustain a joint conversation and to seek mutual understanding, especially between scientists. The complaint kept recurring in Tinbergen's career. It perhaps never became more heated than when he accepted an honorary doctorate at the University of Bilbao in 1970, a year after he won the Nobel Prize. In 1970, Spain was still under the military dictatorship of General Franco, and the choice of Bilbao to confer the doctorate was a strategic one made by the Spanish authorities.

The American Socialist Party, which was involved in the opposition, explained the significance of the location: "Bilbao [was the] one-time center of socialist strength and of uninterrupted and vigorous opposition to the Franco dictatorship, where literally hundreds have been imprisoned for their fight for freedom and democracy.... The Socialist Party USA believes that acceptance of an honorary degree from Franco is in discordance with the highly valued solidarity of all people fighting dictatorship."[53] In Dutch newspapers, similar voices were heard: one simply should not talk to fascists. There was even some (ironic) pity, for Tinbergen, the "victim of an illusion."[54]

Also, within Spain, Tinbergen was repeatedly urged to refuse the doctorate by local students who offered him a petition about the position of intellectuals in Spain. The same group of students occupied the economics faculty and interrupted one of the lectures he gave. Tinbergen's response was calm, at least on the surface. He again explained his belief that science was an international endeavor, which transcended political differences. But even if this were not so, it was important to always seek some common

[51] Schenk and Van Herk, *Juliana: Vorstin naast de Rode Loper*, 1980.

[52] Henk Bos has suggested that such events were also used for espionage by the Russians; in particular, he recounted a conference in Antananarivo in Madagascar, with suspicious Russian activity. See Henk Bos in Jolink and Barendrecht-Tinbergen, *Gedeelde Herinneringen*, 68, 1993.

[53] Undated letter from Socialist Party USA, probably from June 1970, JTC.

[54] "Met Fascisten valt niet te Praten, Prof. Tinbergen!," *Het Vrije Volk*, 7 April 1970.

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ground and to resist thinking in terms of absolutes. The best system was to be found somewhere in the middle, and one should offer constructive proposals to help bring about such a system. An honorary doctorate made clear that the people were interested in his ideas, and it was important to keep discussing them, he argued.[55] As if to add fuel to the fire, Tinbergen suggested that if the students had listened to him, they might have discovered that his scientific arguments could provide ammunition to them in their struggle for more freedom. What he failed to mention was that in Bilbao his speech was about a "Framework for Regional Planning,"[56] hardly a revolutionary subject.

In that same year, Tinbergen led a petition for a more constructive and positive attitude of the West toward Cuba.[57] Ever since 1964 Tinbergen had also repeatedly visited Indonesia, initially governed by Sukarno. The Indonesian leader was struggling throughout the period to remain in power. After a failed coup in which several army generals were killed, his position weakened further. The army distanced themselves increasingly from Sukarno and sought revenge for their losses. With the help of the West, which had come into conflict with Sukarno, the army killed between 500,000 and 1,000,000 people, supposedly communist enemies. When Tinbergen left for one of his advisory missions to Indonesia, it was unclear whether Sukarno was still in power, and students were protesting in the streets against the government. Yet Tinbergen remained committed to helping the regime fix the economic situation in Indonesia, which was close to bankruptcy and in the midst of corruption scandals against various senior members in government and the army. Like in Turkey, his position was not affected by political changes. He continued his advisory work in 1967 when Suharto had replaced Sukarno. At the time, it attracted little explicit criticism; the Dutch communist newspaper was one of the few to call the whole endeavor "neocolonialist." Tinbergen remained committed to the idea that as a scientist it was his duty to engage in conversations with everyone.

Looking back, it is easy to call all of it incredibly naïve and misguided. Various economists have recently come under attack for their association with "bad regimes": Hayek and a number of Chicago economists for their

[55] Tinbergen, "Prof. Tinbergen: Begrip voor Kritiek," *Het Vrije Volk*, 1 April 1970.
[56] Part of the manuscripts in JTC.
[57] Jan Tinbergen, "Tinbergen Pleit met 62 Anderen voor Positieve Cuba-Houding," *Het Vrije Volk*, 9 February 1970.

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association with Pinochet in Chile, or Joseph Stiglitz for his involvement with Nicholas Maduro in Venezuela. If we were trying to make Tinbergen guilty by association, he would have a bad track record: contacts with officials of the Nazi regime, whose economic policies he (conditionally) praised; various visits to the USSR under Brezhnev, after he had earlier praised the impressive savings rate under Stalin; advice to the Indonesian government during what is now called the Indonesian genocide; and, if all that were not enough, publishing in an official state journal in Romania while it was ruled by Ceausescu.[58] He did not associate out of ignorance with these regimes; he was aware of (most of) their wrongdoings but argued that it was important to maintain the peace, to keep talking.

What in hindsight is even more disturbing is that during this period he started to develop explicit criticisms of democracy. His "constitutional" design of the Plan of Labor was meant to restrict the absolute power of parliament. So, while he had never been a great enthusiast of too much democracy, beginning in 1962, he also starting expressing skepticism about the capabilities of citizens: "The indecision and the conservatism of public opinion is a consequence of a lack of knowledge and of interested propaganda."[59] In a 1964 booklet on central planning, democracy was presented mostly as an obstacle.[60] And it turned into a central element of Tinbergen's theory of the optimal order a year later:

> Experience has shown that for most if not all developing countries parliamentary democracy does not work as a system of governing a country. In the few cases where so far such a system did work, more or less, it was due to exceptional men or circumstances. But even in some developed countries, including such an important country as France, the system did not work very well. In the history of the West, on numerous occasions, dictatorial powers were given, but only temporarily, to overcome emergencies. One of the main reasons behind all this is the narrow-mindedness of the average citizen, who cannot help to let short-term or small-group interests prevail while determining his vote in any election. Most characteristic of the limits of democracy is perhaps the opinion in circles of proponents of parliamentary democracy that the referendum has to be rejected as an instrument of collective decision making. All this shows that for a good form of government, a number of decisions must be left to elites.[61]

[58] Editor *Viata Economica* to JT, 5 January 1968, JTC. The article is on a "world economic policy"; a copy of the article is included "Este Necesară o Politică Mondială Pentru Dezvoltare," JTC.

[59] Tinbergen, *Lessons from the Past*, 125, 1963.

[60] Tinbergen, *Central Planning*, 16, 1964.

[61] Tinbergen, "Ideologies and Scientific Development," 6, 1965.

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Without seeking to acquit Tinbergen, we should observe that these observations match a longtime consistent pattern in his thought. His theory of decision-making had sought the optimal mixture of centralization and decentralization, and now he was drawing the practical consequences of that theory in relation to democracy. The rejection of referendums, but also the acceptance of representative democracy and constitutional constraints were all exceptions to a pure democracy, so Tinbergen in his characteristic way could suggest that some optimum had to be found between pure direct democracy and rule by a small elite or one dictator.

If we leave aside the moral question about whether what he did was wrong or not, it is worth observing that despite all the claims of naïvete against him, Tinbergen was frequently quite successful in generating a dialogue. This was not always direct, or in the way he had intended. The anecdote at the start of this chapter about the study in East–West trade by his student Cornelisse was such an example of unintended outcomes. And in Indonesia, one of Tinbergen's early students who pursued studies in development economics, Sumitro Djojohadikusumo, was at the foundation of the modernization of economic policy along Tinbergen lines. He was able to pursue a modernization that indeed took place after the demise of Sukarno. Later, Djojohadikusumo was a minister in government no fewer than five times and was important in shaping the economic plans during the twenty-five years since 1968.[62] In 1961, Tinbergen reported on a joint meeting with the Soviets about convergence, which was sparked by his own article from that year.[63] And in 1967, there was even a symposium among Soviet scientists about the subject of convergence, although more from a sociological angle.[64] These meetings were not always fully open – sometimes they did not even involve the West – but they were clear signs that subjects put on the agenda in the West could have an impact behind the Iron Curtain.

The impact of such discussions and visits is not easy to assess. In an official letter of gratitude after a visit of Tinbergen to the USSR in 1966, which had included a discussion of the optimal order, his critique of capitalism was embraced. But in that same letter the Soviets distanced themselves from his critique of socialism. It was moreover naïve, the letter argued, to believe that economists or politicians could exert (much) influence on the economy. After all, as Marx had argued, the economy was

[62] "Prof. Sumitro Djojohadikusumo over het Indonesische Economische Wonder," 15 May 1993, *NRC Handelsblad*, p. 3 (Zaterdags Bijvoegsel).
[63] Tinbergen, "Oost-West-Gesprekken," 1961.
[64] Sarlemijn, "Konvergenz in Bezug auf Planung der Forschung?," 1987.

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governed by objective forces: "Where we observe the dialectics of objective development, the dynamics of movement, you observe the rejection of dogmas.... And whether you like it or not, capitalism will be followed by the 'highest' form of socialism and not by some mythical optimal order."[65] Officially, Tinbergen's idea of convergence remained anathema in Soviet Russia. But he was invited, and within the USSR his ideas were discussed among top intellectuals.

If his real goal was to act as a guide, if his optimal order was mostly an aspirational model for leaders to pursue, then it should be judged as a great success of his convergence theory that it inspired Mikhail Gorbachev. Tinbergen was quick to realize that Gorbachev's leadership might provide new opportunities for a conversation, and he attempted to blow new life into his convergence theory. Or in his understated manner of speaking: "[I]rritation has made way for curiosity: What can we learn from each other's experiences and what are the characteristics of the optimal social order?"[66] Meanwhile, the United States under Reagan was drifting further away from this optimal order, so he was also working on articles about a new socialism for the United States.[67] Even more encouraging was the fact that in 1987, John Kenneth Galbraith published a debate with Stanislav Menchikov, member of the central committee of the Soviet Communist Party, entitled *Capitalism, Communism and Coexistence.*[68] The book contained a serious and open debate in which the idea of convergence was prominent.

In 1993, Gorbachev paid a personal visit to thank Tinbergen for the inspiration he drew from his work (Figure 15.1). In 1989, the Berlin Wall came down; it was a milestone in the history of the East and West, and, therefore, also for the work of Tinbergen, although it was hard to argue that the conflict had been resolved through a process of convergence. Instead, it was the heightened conflict of the 1980s that is now widely believed to have contributed to the collapse of the Soviet Union. But Gorbachev indicated that he had benefited from Tinbergen's convergence theory as well as the framework of targets and instruments for economic policy. Gorbachev suggested that his ideas of perestroika (reforms) had been inspired by Tinbergen's work. The admiration was mutual; Tinbergen had already praised Gorbachev's

[65] 1966 letter with Dutch translation, JTC.
[66] Tinbergen, "Ideologische Harmonisatie tussen Oost en West?," 1989.
[67] Tinbergen, "A Socialism for the USA?," 1989.
[68] Tinbergen reviewed the book for a Dutch newspaper: "Dialoog op Wereldniveau," *NRC Handelsblad*, 12 January 1989, p. 2.

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Figure 15.1 Gorbachev paid Tinbergen a personal visit at his home on the Haviklaan, The Hague, in May 1993.

courage some years earlier.[69] It was the end of a long attempt to establish a meaningful dialogue between the East and West, which came only a year before Tinbergen's death in 1994. It had been a struggle that often ran into ideological walls, and one that even in the end was far from fully satisfying, because the direction taken in many former countries of the East was that of shock therapy, not of gradual convergence to some ideal order. And as Tinbergen's critics pointed out, despite Gorbachev's good intentions, he never succeeded in reform; instead, the system collapsed.

In the years since, the world has moved further from the optimal order as envisaged by Tinbergen. Beneath his idea of an optimal order was a universalism that suggested that the world was ultimately one and that cultural differences, like economic differences, could be overcome. It was an idea that was in no small part inspired by Gandhi. In his Nehru Memorial lecture in India on "mature socialism," Tinbergen reminded his audience that Rudyard Kipling's famous poem "The Ballad of East and West" continued in a quite different vein after the first famous line:[70]

[69] Tinbergen, "Gorbatsjov's Moed," *Het Parool*, 20 December 1989, p. 7.
[70] Tinbergen, "Some Thoughts on Mature Socialism," 24, 1973.

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> Oh, East is East, and West is West, and never the twain shall meet,
> Till Earth and Sky stand presently at God's great Judgment Seat;
> But there is neither East nor West, Border, nor Breed, nor Birth,
> When two strong men stand face to face, though they come from the ends of the earth!

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There is a recurring pattern in Tinbergen's engagement with bad regimes. He consistently seeks to be the peacekeeper, much in the same way that the UN would later describe its own missions. When matters were in danger of escalating, after the invasion of Hungary and the development of the *Sputnik* rockets, Tinbergen warned of the dangers of polarization that would only escalate matters further. At the height of the Cold War, during the Cuban Crisis, Tinbergen wrote extensively on the idea of convergence. When his fellow social democrats became complacent, he urged them to think more internationally. When Reagan moved back in the direction of pure capitalism, he started urging for more social democracy in the United States. If his models were primarily attempts to guide us to a world that could be, this was never more urgent than when the world was in danger of losing sight of these long-term goals, and that was when Tinbergen felt most called upon. If convergence was out of sight, then at least coexistence was required. Naïvete is not the right word to describe that pattern. It was a pattern of looking for potential sources of conflict and then minimizing them or warning of the dangers of further escalation and attempting to contribute to deescalation. He was appalled by the confrontational strategy of Reagan during the 1980s and was a great admirer of the policy of Ostpolitik, which sought to reach out to Russia, by the German leader Willy Brandt. In that sense, it was only natural that in the 1980s he sought to incorporate the dimension of security into his optimal order. For more than anything, the security situation was the real danger of the ongoing Cold War. When communism had lost most of its intellectual appeal, the danger of a violent conflict between the East and the West persisted and had to be prevented at all costs. It was fear coupled with a deep-seated longing for harmony that best describes his feelings during the Cold War. If the United Nations was his most favored institution, then peacekeeping was its most essential role.

That combination put him at odds with others, including those in science. This is perhaps nowhere better illustrated than in an exchange with Oskar Morgenstern, whom he knew from his work on the business cycle in the 1930s. Some years before he formulated the convergence thesis in 1954, Tinbergen had inquired: "My question to you is whether the US

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government which evidently spends quite some money for research projects in connection with defense also has tried to get the co-operation of the best experts in analyzing the diplomatic side and the juridical side of the world conflict."[71] The question was anything but innocent, since Morgenstern was at that point in time working at the RAND Corporation, the big government-funded military think tank that was at the heart of the Cold War mentality.[72] (The RAND Corporation was notoriously spoofed as the Bland Corporation in *Dr. Strangelove* by Stanley Kubrick.)

Morgenstern's response was supportive of the question, which he had "discussed with friends." But "the difficulty lies, of course, in the fact that it is much easier to use exact and rigorous thinking in military strategy than in political strategy . . . This is a great difficulty which nobody knows really how to overcome. Therefore, I am somewhat skeptical about the possibility of applying rigorous methods when the general situation is not very suitable for them." Morgenstern concluded that the chief problem in politics was that "nobody has really as vivid an imagination as is necessary."[73] If Tinbergen would have written that sentence, he would have thought that imagination was best applied to the development of a new shared vocabulary or a clearer way of showing how coexistence and peaceful solutions could be achieved. Morgenstern, however, thought completely in terms of the deterrence effect that atomic weapons might have, so the problem was that nobody could "imagine" how destructive their actual use would be. What was required for Morgenstern was a dystopian imagination that would make people and politicians aware how grave the danger was. What was required for Tinbergen was a utopian imagination of what the world could be. His theory of the optimal order was the furthest he ever reached in that direction.

There was another difference between Morgenstern and Tinbergen. Whereas Tinbergen strongly believed that mutual understanding would lead to more peaceful relations, Morgenstern was working on a rather different project. As one of the originators of game theory, he was exploring strategic interactions between individuals or countries, and how this depended on knowledge and rationality. Tinbergen believed that an enlightened rationality would lead to peaceful relationships among nations. One of the major outcomes of game theory as developed during this period

[71] JT to Oskar Morgenstern, 20 August 1954, TL.
[72] Erickson et al., *How Reason Almost Lost Its Mind: The Strange Career of Cold War Rationality*, 2015.
[73] Oskar Morgenstern to JT, 23 December 1954, TL.

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was that it is rational to deliver the first strike in a nuclear war.[74] If that result was not quite universally accepted, then at least the major symbolic impact for game theory was made through the game known as the prisoner's dilemma, which demonstrated that it was the rational strategy to not cooperate with one's "fellow" player.

Tinbergen hoped that an exploration of possible outcomes would lead to more cooperative outcomes. He made the point explicitly when he reflected on the coexistence idea in 1984:

> In principle there are two ways of dealing with the future. One is to speculate about the most likely future, the other to discuss the most desirable future. The former is more difficult than the latter. In order to arrive at a picture of the most likely future one has to know the most likely unforeseen events. An example is the escalation of one of the existing military conflicts to a nuclear war; another is that the use of nuclear weapons is triggered off by coincidence. Such forecasts are not only difficult to make but many of them are of little use also. They offer little help to the construction of an optimal world order.... So I propose to discuss the most desirable social order.[75]

Morgenstern planned for the worst; Tinbergen hoped for the best.

[74] Erickson et al., *How Reason Almost Lost Its Mind: The Strange Career of Cold War Rationality*, 2015; Morgan, *The World in a Model: How Economists Work and Think*, 2012.

[75] Tinbergen, "Coexistence: From the Past to the Future," 1984.

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