



NEWS RELEASE

6/5/02

Lisa Trei, News Service (650) 725-0224; e-mail: lisatrei@stanford.edu

Prominent economist Tibor Scitovsky dead at 91

Tibor Scitovsky, a prominent figure in American economics whose career spanned more than a half-century, died at Stanford Hospital on June 1 from complications following surgery. He was 91.

During his career, Scitovsky also became an unorthodox social critic who argued that the American economy placed too much emphasis on comfort and safety, depriving consumers of the "joys" of challenging, unexpected and even risky activities. His book *The Joyless Economy: An Inquiry into Human Satisfaction and Consumer Dissatisfaction* garnered a skeptical response from economists when it was published in 1976.

However, a revised edition published in 1992 attracted a growing following. In 1995, London's *Times Literary Supplement* named it among "the 100 most influential books of the post-World War II era."

Professor Emeritus Mel Reder, a longtime colleague and friend, said that Scitovsky, the son of a prominent Hungarian family, had much broader interests than most American economists of the day. "He was interested in the world," Reder said. "He was interested in art. He had a deep aversion to mass culture and came to reflect on why America was so different from Europe. He was a U.S. citizen, but he was always a European."

Professor Emeritus Kenneth Arrow, another colleague, said that *The Joyless Economy* reflected a critique of capitalist bourgeois society from an aristocratic perspective. "It contrasted mundane, limited horizons with more daring ideas and the aristocratic virtues of independence of mind," he said. "Tibor talked about the pressures of conformity and playing it safe. It made you realize the limits of the world you live in."

Scitovsky was recruited to Stanford following World War II by Bernard Haley, the former chair who sought to build the Economics Department into one of the best in the country. "Tibor was one of the key figures," Reder said. "He was successful here." In 1972, Scitovsky became the first holder of the Eberle Professorship in Economics.

Scitovsky came to the United States in 1939 as a Leon Travelling Fellow after earning degrees at the University of Budapest, Trinity College, Cambridge, and the London School of Economics. He served in the U.S. Army from 1943 to 1946, at first driving a truck in England and later working for the U.S. Strategic Bombing Survey, which studied the effects of bombing on Germany.

Scitovsky's early academic career focused on the theory of international trade and welfare economics. The so-called Scitovsky Reversal Paradox threw much of welfare economics into confusion, explained Gavin Wright, the Economics Department's current chair. However, *A Reconsideration of the Theory of Tariffs*, published in 1942, depicted a scenario where

attempts by nations acting independently to advance their own welfare could lead the world into a downward spiral of protectionism and impoverishment. "Scitovsky thus contributed to the intellectual foundations for the postwar program of multilateral tariff reduction," Wright said.

The publication of *Welfare and Competition* in 1951 established Scitovsky's reputation as an American economist, Wright said. In the 1950s, Scitovsky's research turned to issues of regional integration, culminating in the publication of *Economic Theory and Western European Integration* in 1958, a study of customs unions.

Scitovsky remained at Stanford until 1958. Following the crushed 1956 anti-Communist uprising in Hungary, Scitovsky tried to raise money for scholars who escaped from his homeland. Reder explained that Stanford's development office "became quite incensed by him asking for money" because it competed with their own activities. "This annoyed him to no end," he said.

Scitovsky left Stanford and taught at the University of California-Berkeley until 1968, serving as department chair for several years. While at Berkeley, he was a visiting professor at Harvard and a fellow at the Development Center at the Organization for Economic Cooperation and Development in Paris. During that period, Scitovsky made fundamental contributions to the debate over the relationship between international trade and economic development with the publication of *Money and the Balance of Payments* (1969) and *Industry and Trade in Some Developing Countries* (1970).

Scitovsky accepted a position at Yale but stayed only two years. "He was not happy there," Reder said. "He was a shy person, reserved and very dignified. He wasn't the kind of guy who could come into a new situation and make his own way."

In 1970, Scitovsky's colleagues successfully lobbied to bring him back to Stanford. He remained on the faculty, teaching courses in economic development and country studies until his retirement in 1976. Scitovsky went on to teach at the London School of Economics and the University of California-Santa Cruz until the mid-1980s. He remained intellectually active until the end of his life, publishing articles on economics through the 1990s.

Scitovsky's beliefs were deeply influenced by his early life. His family had aristocratic roots and he spent summers with his extended family in an isolated mansion 60 kilometers from Budapest. While the children enjoyed their escape from school and city life, the adults idled their time away doing nothing. "Every time I see a Chekhov play, it makes me think of those summers, because they depict that atmosphere of lazy boredom where people are too bored to enjoy their laziness and too lazy to rouse themselves to do something more enjoyable," Scitovsky wrote in a memoir published in Hungary in 1997. In his theoretical writings, he traced the origins of aggression and violence to boredom.

Scitovsky's parents also influenced his thinking. In 1922, his father became the president of one of Hungary's largest banks and, for a short time, was the minister of foreign affairs. Despite the family's rise in affluence, his father remained polite and compassionate, virtues that marked him apart from the "insolent swagger" of much of the ruling gentry. "I disliked that insolent swagger, adopted in some measure by all civil servants down to ordinary policemen," he wrote. "My resentment of their uncivil, masterful behavior, which belied their very name, may have been the origin of my lifelong leftist sympathies." Reder added that Scitovsky was raised by a chauffeur who was a Marxist. "He became a mentor," Reder said. Elisabeth Scitovsky, his wife of 33 years, said her husband's death was unexpected. "He was a terribly pleasant character; it was fun to be with him," she said. "He believed that having a good life doesn't hinge on having a lot of money."

Scitovsky is survived by his widow, a Stanford resident, and Catherine Eliaser of Novato, a daughter from a first marriage. A service celebrating Scitovsky's life will be held in the fall.

The first part of Scitovsky's memoir has been translated into English and is available online at the *Hungarian Quarterly*, Vol. 40, Autumn 1999, at www.net.hu/hungq/no155/033.html.