T W Hutchison

Born 13th August 1912 in Bournemouth, Terence Wilmot Hutchison attended Tonbridge School and then Peterhouse, Cambridge where Pigou and Keynes counted amongst his lecturers and Joan Robinson was his tutor. Graduating in 1934, he took up a post at the University of Bonn where he met and married Loretta Hack, with whom he had three children. In 1938 he left Germany for Baghdad but soon moved on to India to enlist in the British Army. After the war he lectured at the University of Hull before moving to the London School of Economics in 1947 and finally to the University of Birmingham in 1956 as Mitsui Professor of Economics. He held this post until his retirement in 1978. His wife died in 1981. In 1983 he married Christine Donaldson who predeceased him in 2003. He died 5th October 2007 in Winchester.

Apart from the academic side of his life he had a great love for cricket. At the age of 93 he recounted on Channel 4 — during the final of the Ashes series in 2005 — his memories of the 1926 Ashes Test!

A moderate and modest man, he had a great love for his family: his three children and six grandchildren with their spouses as well as 14 great-grandchildren all attended his funeral.

A factor that had an important early impact on Hutchison’s professional life was the Great Depression. Soon after going up to Cambridge to read Classics in October 1931, he responded to the developing economic catastrophe by deciding to switch to Economics and Politics. His urgency to begin with the study of economics led him to complete the two years of Part I in Classics in one year, before graduating in 1934 with a First in Part II of the Economics Tripos. From this time onwards, for Hutchison, the raison d’être of economics lay in its ability to provide practical knowledge assumption, in underpinning the central core of orthodox economic theory: the general maximizing self-adjusting model of economic behaviour. To view Hutchison’s concern with the inadequacy of theorizing based on this assumption as that of a naïve empiricist is not only mistaken, but too easily dismisses the extent to which economics still has much to learn from this long-standing empirical tradition.

Another factor that had an important early impact was his exposure to the work of Wittgenstein via his friendship with two fellow students at Cambridge who were among Wittgenstein’s note-takers. Their response to Joan Robinson’s Economics is a Serious Subject reinforced Hutchison’s scepticism concerning Robinson’s methodological claims. When Robbins advanced views along similar lines in his 1932 Essay on the Nature and Significance of Economic Science, Hutchison decided to investigate at first hand Robbins’s references to the German literature by taking up the post in Bonn.

The result was his 1938 classic The Significance and Basic Postulates of Economic Theory which, along with Robbins’s Essay and Friedman’s Methodology of Positive Economics, set the agenda in the methodology of economics for most of the remainder of the 20th century. In 1940 it was catapulted into the limelight when Frank Knight scathingly attacked it as a wrong-headed attempt to introduce logical positivism into economics. Later in the 1950s Fritz Machlup sought to present it as a form of ultra-empiricism. For various reasons both these responses misrepresented Hutchison’s 1938 intervention which, although drawing significantly on the then new ideas of logical positivism, fundamentally still followed in the tradition of a long line of British empiricists from Locke, Hume and Berkeley onwards. Hutchison’s aim in 1938 was not to proselytize positivism but instead to reassert the influence of a broader empiricism, and at the same time to counter the growing influence of a priorism, in economics.

It was from within this broader empirical tradition that Hutchison turned, at the London School of Economics, to his other main interest: the history of economic theory. This resulted in 1953 in the first of his major publications in this field, A Review of Economic Doctrines, 1870-1929. Unusually for a British author, this displayed a deep knowledge of the continental literature of this foundational period in neoclassical economics. Following numerous other works on the history of economic thought in the intervening years, he published Before Adam Smith in 1988. In this he comprehensively covered the emergence of political economy in the century preceding the Wealth of Nations. Among other concerns, it neatly exposed the fallacy of the conventional view of Smith as the founder, virtually ab initio, of modern economic theory. It was also a good example of the method Hutchison advocated, namely detailed empirical (in this case historical-empirical) examination of the question at hand.

Within the broad British empirical tradition, Hutchison consistently counselled caution when it comes to generalization in economics. Over his lifetime he has stuck — through thick and thin — to repeatedly drawing attention to the crucial role of assumptions, and in particular to the perfect knowledge assumption, in underpinning the central core of orthodox economic theory: the general maximizing self-adjusting model of economic behaviour. To view Hutchison’s concern with the inadequacy of theorizing based on this assumption as that of a naïve empiricist is not only mistaken, but too easily dismisses the extent to which economics still has much to learn from this long-standing empirical tradition.

Hutchison’s empiricist bent was revealed once again in his On the Methodology of Economics and the Formalist Revolution published in 2000. Here he argued that since the second world war there had been a profound transformation in economics in that its practitioners had become concerned more with the techniques of formal modelling than with empirical content. Form had come to dominate content. In similar vein he noted the tendency in the post-positivist,
postmodernist era for economic methodologists to be concerned more with meta-methodological questions of scientific method than with engaging in critical, fundamental scrutiny of actual trends in economic theory and policy.

Hutchison himself once wryly remarked: ‘In terms of professional career advancement, methodological criticism has an obviously negative pay-off’. It speaks to Hutchison’s integrity that in spite of such awareness, throughout his remarkably long publishing career (over ten books and dozens of articles from 1935 to 2001), he never shrank from trenchant criticism of a priorism in economics. At the same time he took every opportunity to put forward the case for a more empirical approach. For Marshall, economists ‘deal with man as he is: not with an abstract or “economic” man; but with a man of flesh and blood’. Terence Hutchison was, par excellence, such an economist.

*John Hart*
*University of KwaZulu-Natal*
*Durban*