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The authors have done full justice to the towering contributions of Luigi Pasinetti. Their scholarly biography conclusively establishes Pasinetti's contributions as original and path-breaking. Pasinetti is possibly the last great system builder in the profession.

—GC Harcourt AO FASSA FAcSS FRSN – *Emeritus Reader in The History of Economic Theory, Cambridge, 1998; Professor Emeritus, Adelaide, 1988; Honorary Professor, UNSW Australia, 2016–2019*

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Through closing the gap between Keynes and Sraffa on the level of principles, Luigi Pasinetti has paved the way for building up a system of classical-Keynesian political economy. An immense achievement!

—Heinrich Bortis, *emeritus professor of economics, University of Fribourg, Switzerland; life-member of Clare Hall, Cambridge*

Professor Pasinetti's work on multi-sectoral dynamic analysis in the tradition of Adam Smith and other classical political economists has inspired a whole generation of economists to work on the importance of structural change in the development processes of a wide range of economies at different stages of development. He made this fundamental contribution amongst many others, such as those on income distribution, economic growth, and productivity analysis in a successful attempt to progress further with the themes of classical political economy and those of John Maynard Keynes.

—Michael A Landesmann, *the Vienna Institute for International Economic Studies and Johannes Kepler University Linz; formerly fellow of Jesus College, Cambridge*

Luigi Pasinetti is one of the leading and most original theoretical economists of our age. His contribution to the understanding of the structural dynamics of industrial economies and his development of a production-based theory of capital, value and income distribution make the scope and ambition of his work to stand comparison with the great Classical Economists of the past such as Quesnay, Smith and Ricardo. This intellectual biography is the first comprehensive reconstruction and assessment of his lifework.

—Roberto Scazzieri. *University of Bologna and National Lincei Academy, Rome. Gonville and Caius College and Clare Hall, Cambridge*

Mauro L. Baranzini • Amalia Mirante

Luigi L. Pasinetti: An Intellectual Biography

Leading Scholar and System Builder
of the Cambridge School of
Economics

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Preface and Acknowledgements

Born on September 12, 1930, Luigi Lodovico Pasinetti started writing and publishing scientific papers in 1955. At present (January 2018) he is working at the final draft of a volume entitled *A Theory of Value*, to be published in 2018. As he is blessed with a strong constitution, Pasinetti, whose scientific career has already spanned 64 years, may well continue working for many more years. By the early age of 40, Pasinetti had already stirred up three scientific controversies. These involved him in debates with at least eight future Nobel Prize laureates (Robert Solow, Paul Samuelson, Franco Modigliani, John Hicks, James Meade, James Mirrlees, Amartya Sen and Joseph Stiglitz) and many other highly distinguished economists, such as Christopher Bliss, Nicholas Stern, Frank Hahn, Robin Matthews, Mark Blaug, Samuel Hollander, Carlo Casarosa, Edmond Malinvaud and Avinash Dixit.

Yet, Pasinetti's scientific contribution is not limited to this. His research programme has led him to develop new analytical tools (hence, our label of 'tool-maker' rather than 'tool-user'), like the concept of 'vertically integrated sectors', as a 'completion' of 'input-output analysis'. He has also built on the dichotomy between 'natural models' (which describe the very basic relationships among variables) and 'institutional models' (where different institutional structures, or set-ups, come into play). We owe it to this original approach if a number of empirical rules and theoretical frameworks, often incompatible with traditional theory, came to

be more satisfactorily explained and understood. Pasinetti's entire scientific life has been driven by the desire to provide new frameworks of interpretation of the mechanisms underpinning modern economic systems.

Not only is Luigi L. Pasinetti considered the most 'senior living heir of the Cambridge School of Economics and the last of the great system-builders', but, since the late 1950s, he has also been one of the most influential economists of the Anglo-Italian school of economics.¹ He has in fact upheld the Classical Italian and British tradition of economic thought at the frontier of economic research.

As already pointed out in the Introduction to the Essays in his honour (see Baranzini and Harcourt 1993, p. 4), Pasinetti has an extraordinary clarity of mind and vision. On the strength of that, he has been able to carry out a remarkably unified research programme, one that encompasses a great number of strands within its scope. Because of the clarity and simplicity of his vision, unsympathetic critics have sometimes taken him to task; and this is not surprising for a promoter of several scientific controversies. Pasinetti's research programme, stretching over more than 64 years, has followed a coherent pattern. It first outlined the weaknesses of the marginalist or neoclassical model, and then, step by step, laid the foundations of the reconstruction (on mixed classical/'pure' Keynesian bases) of a 'more general theory' in order to identify, explain and analytically recompose the mechanisms and dynamics of modern economic systems. This has been carried out with powerful tools of analysis, in particular the methods of 'vertical integration' and 'hyper integration' (Pasinetti 1973, 1988). He made it possible for a number of very complicated phenomena taking place in the modern economic systems to be clarified and understood. Let us mention, in particular, the unequal distribution and pace of technical progress and productivity, the non-linear variations in the composition of demand, the presence of a great variety of asymmetric behaviours, the complex role of institutions (though Pasinetti begins with a core model which is free from institutions) and the relevance of income and wealth distribution among factors of production and different socio-economic classes.

¹ As, for instance, pointed out in Baranzini and Mirante (2013, 2016).

This volume is not simply a tribute to the scientific achievements of a distinguished scholar; it is also a comprehensive and specifically planned, up-to-date assessment of the nine most important lines of inquiry of Pasinetti's vast research programme. This was done by evaluating his contributions, suggesting new insights and providing an all-inclusive bibliography that has directly taken up the contributions of Pasinetti. In the case of just one line of research, concerning the Kaldor/Pasinetti theory of income distribution and profit determination, we quote at least 400 scientific papers and volumes spawned by the so-called Two-Cambridges controversy. Last, but not least, the volume provides a more general assessment of the significance and implications of a number of issues of the second generation of the *Cambridge School of Keynesian Economics*, of which Pasinetti has been the 'senior heir', along with Geoff Harcourt, since the death of its founding members Richard Kahn, Joan Robinson, Nicholas Kaldor and Piero Sraffa in the 1980s.

This scientific biography has had an incubation of at least 20 years. A number of institutions, scholars and friends have supported our project in several ways. First of all, thanks are due to our present academic institutions, respectively the Faculty of Economics of the University of Lugano (which Pasinetti contributed to set up in 1996) and the University of Applied Sciences and Arts of Southern Switzerland. We also thank the following institutions for providing, at various stages, research facilities and an intellectual environment that stimulated our work in a fundamental way. In Italy, we thank the National Lincei Academy, Rome, and the CRANEC (Centre for Research on Economic Analysis and International Economic Development) of the Catholic University of Milan. In Cambridge, we thank the Marshall Library and the King's College Modern Archives; in Oxford, The Queen's College. We are particularly grateful to a number of scholars and colleagues for their valuable help and support. Among these, in alphabetical order, Enrico Bellino, Heinrich Bortis, Simona Cain, Alvaro Cencini, Terenzio Cozzi, Carlo D'Adda, Nadia Garbellini, Kazuhiro Kurose, Giandemetrio Marangoni, Caterina Mari, Antonietta Mira, PierCarlo Nicola, Micaela Notarangelo, the late Pier Luigi Porta, Alberto Quadrio Curzio, Claudia Rotondi, Takao Sasaki, Mario Seccareccia, Kumaraswamy Vela Velupillai and Ariel Luis Wirkierman. Roberto Scazzieri deserves a special mention: during

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Cambridge and Lugano, Switzerland
October 2017

Mauro Leo Baranzini
Amalia Mirante

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