Edward Bellamy and Joseph Schumpeter in the Year 2000

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Abstract: Joseph Schumpeter, in his great History of Economic Analysis, dismisses the most influential vision of the future America ever had. Because the hero in Edward Bellamy’s novel, Looking Backward, 2000–1887, woke up in the year 2000, fifty years after Schumpeter’s death, after sleeping since 1887, a reappraisal is timely. Schumpeter was within his rights to exclude Bellamy. The introduction briefly summarizes Schumpeter’s views about Utopias. He may have made a mistake about the utopian work he thought highly of, Sir Thomas More’s Utopia. After this comes a discussion of Bellamy’s background and a short synopsis of the novel. Many of Bellamy’s predictions are described and then analyzed with respect to their accuracy. Schumpeter’s views on prophecy are stated. Although he sometimes hedged them, Schumpeter made many predictions. Some of these are discussed. Most were wrong. The paper concludes with reasons both were so wrong and comments about attempts to foresee the future.

Keywords: Capitalism, Democracy, Economic Analysis, Joseph Schumpeter, Edward Bellamy, Economic History, Socialism.

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In his classic History of Economic Analysis, Joseph Alois Schumpeter (1883–1950) has two brief discussions of Utopia. The first occurs in his comments about Plato’s Politeia (The Republic). Schumpeter thinks this kind of work best fits the category defined by the German term Staatsromane (state novels) but reluctantly settles for Utopia. Because reasoning of an analytic nature is not “pursued as an end itself” its contribution “does not go very far.” (55)

The second discussion of Utopias occurs in a “Note on Utopias.” (206–208). It is in a footnote to this discussion that Schumpeter mentions Edward Bellamy (1850–1898) and his classic, Looking Backward, 2000–1887. In footnote two, Schumpeter states that “we shall have no occasion to mention any of these more modern Utopias in this book.” (206). This was primarily because Schumpeter emphasized the distinction between economic thought and economic analysis in his history. (3)

Schumpeter also mentions Bellamy in connection with Thomas More (Sir, Saint) in Capitalism, Socialism, And Democracy. “Sir Thomas More’s (1478–1535) Utopia, read, admired and even copied right into the nineteenth
century – witnesses the success of Cabet and of Bellamy – unfolds the picture of a frugal, moral and equalitarian society that was the exact opposite of English society in More’s day.” (306)

1. A Possible Problem

Most of the “Note on Utopias” in the History of Economic Analysis is devoted to More’s Utopia, of which Schumpeter thinks highly. He concludes the Note with the quotation that follows. “And he [More – PRS] introduced the word and concept of oligopoly in exactly the same sense in which we use it now.” (208)

Despite the fact that I have carefully studied More’s work, I have not been able to find any mention of the term “oligopoly” in it. I have also searched the text by computer with the same result. Schumpeter refers to the English translation of 1551. (Footnote 4, 207) I used the modernized version of this translation so it is unlikely that I missed finding the term because of the use of a different translation.

Is it possible that this is one of the mistakes in this magisterial work? Even if it is a mistake, it would not make this classic less useful.

2. Edward Bellamy in the Year 2000

Looking Backward, although in form a fanciful romance, is intended, in all seriousness, as a forecast, in accordance with the principles of evolution, of the next stage in the industrial and social development of humanity, especially in this country; . . . (Postscript, 220)

2.1. His Life

Edward Bellamy (1850–1898) was born in Chicopee Falls, Massachusetts. He was the son of a Baptist minister. All of Bellamy’s biographers agree with the verdict in the online Encyclopedia Britannica. “Bellamy first realized the plight of the urban poor at 18 while studying for a year in Germany.” (Edward Bellamy, Britannica.com) Upon his return home he studied law at Union College. He was admitted to the bar in 1871 but never practiced.

His career was as a journalist and writer. He wrote his utopian vision of the future, Looking Backward, as a romance novel in 1881. It was not published until 1887. It was enormously popular, with sales of more than a million copies in the United States alone.