ARROW'S SIGNIFICANCE FOR ECONOMIC SCIENCE IN THE NETHERLANDS**

BY

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'That my work has helped to motivate such a considerable number of excellent studies, queries, and even criticisms is a source of considerable satisfaction.' (Arrow in Feiwel (1987b), p. 727).

1 INTRODUCTION

The above remark by the winner of the Nobel Prize, Kenneth J. Arrow, comes from his own reaction to a collection of papers contributed by economists who wanted to pay tribute to their friend and/or teacher. Oddly enough, this reaction has been included in the collection itself, which, for that matter, has other curious features. But it is definitely not my intention to start reviewing here, although reviews can be very readable as well. Donald A.R. George, for example, shows this in his recent review of the abovementioned collection, and George's opening sentences may serve as a perfect means of cutting short the introduction to the subject of this article. 'Every profession needs its heroes. Physicists have Einstein, guitarists have Eric Clapton, do-gooders have Batman and economists have Kenneth Arrow' (George (1988), p. 373). With a sense of respect that seems to put everything into perspective, George then looks at this heroism in the light of the need for 'authorities,' which, according to George, is characteristic of fields of knowledge that are not real sciences, such as economics. And Arrow is such an authority, who like an elevated arbitrator passes judgement on what goes on in the field of economics. From that point of view it comes as no surprise that on the occasion of his sixty-fifth birthday many people within the profession literally and figuratively felt called upon to bear witness to their ties with Arrow and his work. What may cause surprise is that it happened in such an exuberant way. For the collection mentioned above formed only half of the voluminous work undertaken by George Feiwel...
In addition, a trilogy was published with the title: *Essays in Honor of Kenneth J. Arrow* (Heller et al. (1986a), (1986b) and (1986c)). All told (i.e. duo and trio together), about 2300 pages full of articles on economics, biographical details and other 'Arrovian memorabilia' – as George subtly characterizes them – surely suggest the importance of Arrow and his work for the study of economics.

2 KENNETH J. ARROW

Arrow was born in New York in 1921. He also studied in New York, first at City College and later at Columbia University, where he received his M.A. in mathematics in 1941. In his young days Arrow was attracted to some of the ideas of Marxism, but the reports of the Moscow trials of 1935–1936 made him change his mind about central planning and the inherent danger of dictatorship in state ownership (Feiwel (1987b), pp. 5–7). After World War II he completed his university studies with, among other people, Harold Hotelling, and joined the Cowles Commission, which was still at the University of Chicago at the time. At this institute for research in mathematical economics and econometrics he met Jacob Marschak, Leonid Hurwicz, Lawrence Klein, and Tjalling Koopmans, who pushed him in the direction of quantitative economic research. As early as 1949 Arrow became an assistant professor in economics and statistics at Stanford University, which is near San Francisco in California. Since 1948, incidentally, Arrow had been working for the RAND Corporation, which had only recently been established and which was also situated there. In 1950 he obtained his doctorate with the dissertation *Social choice and individual values*, which was officially published in 1951. In the same year Arrow's article 'An extension of the basic theorems of classical welfare economics' appeared, while in 1954 his paper on economic equilibrium, which he had written together with Debreu, was published.

Arrow's academic career flourished: associate professor in 1950 and full professor in 1953, both in economics and in operations research. Between 1968 and 1979 Arrow was a professor at Harvard University in Cambridge, Massachusetts (U.S.A.). In 1972 he was awarded the Nobel Prize for Economics, together with Hicks. Since 1979 Arrow has been teaching at Stanford University again.

The above information has largely been borrowed from the trilogy, each volume of which begins with an identical biography of Arrow. Of course there is much more worth reading in those approximately 2300 pages of celebratory writing about Arrow, and about his work and its impact. Understandably, none of the contributions, not even Intriligator's article about the impact (ch. 30 in Feiwel (1987b)), deals with the study of economics in The Netherlands. So much remains to be done in the context of the title of this article. 'Unfortunately,' one should perhaps add here, for only a firm 'no' would in the first instance have been the right reaction to the editors' request to write this paper. Surely,