

THE ODYSSEY OF RATIONALITY

by

Albert Lauterbach

Edited by

Gerard Braunthal

and

Manfred J. Holler

Accedo Verlagsgesellschaft – Munich

Studies of Action and Organisation (SAO), Vol. 1

YTHIAHODIAN

CIP-Titelaufnahme der Deutschen Bibliothek

Lauterbach, Albert:

The odyssey of rationality / by Albert Lauterbach. Ed. by Gerard Braunthal and Manfred J. Holler. - Munich : Accedo-Verl.-Ges., 1989

(Studies of action and organisation ; Vol. 1)

ISBN 3-89265-005-5

NE: Studies of action and organisation [organization]

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ISBN 3-89265-005-5

© 1989 Accedo Verlagsgesellschaft mbH, Munich, FRG

Satz: Accedo Verlagsgesellschaft mbH, Gnesener Str. 1,
8000 München 81

Druck: Fotodruck Frank GmbH, Gabelsbergerstr. 15, 8000 München 2

Foreword

Among social democratic economists, the late Professor Albert Lauterbach ranks high. This volume is evidence of the wide range of interests he had and represents but a fraction of the number of articles, not to speak of books and pamphlets, that he wrote in his lifetime. The prolific outpouring of published works is the more impressive when one becomes aware of their quality, originality and felicity in style. The turgid and jargon-filled prose of many scholars that makes their publications nearly incomprehensible to the average layman is lacking in Lauterbach's books and articles though they appeared primarily in scholarly journals. The author was constantly concerned about the precise use and meaning of terms, such as socialism, communism and development that filled the scholarly literature. He wanted the reader, as this volume shows, to understand the terms and to be aware of their misuse and lack of precision.

In addition, Lauterbach's writings demonstrate that he rejected the model of a scholar who wraps himself into the cloaks of a value-free observer secreted in an academic ivory tower far removed from the realities of the crises-ridden world. On the contrary, his writings show a deep humanitarian concern for the problems of the underclass in many societies. He was committed to social change as a means of achieving the goal of democratic socialism. But in the years before his death in 1986 he became less optimistic that a transformation of society would produce the goal for which he had shown a lifelong commitment. He was a staunch opponent of communist states, whose ideological affirmation of "socialism" was a sham; thereby adding to the confusion in the semantic use of this ideology. Rather, he contended, such totalitarian states, committed in theory to achieving communism, were restricting civil liberties and human rights. On the other hand, western states led by democratic socialist governments made significant progress in social policy, codetermination, women's and youth rights, social security, democratic and parliamentary processes, environmental protection and the promotion of peace. But Lauterbach warned about the illusion of

an "inevitable, one-dimensional progress in society."¹ He quotes a Swiss social democrat (Valentin Gitermann) who even before World War II entitled his book "The Historic Tragedy of the Socialist Idea."

Lauterbach saw the 1980s as a period of transition in which it is too early to tell whether socialism has fulfilled its historical task of creating welfare states or whether it remains a viable movement by adapting to changing environments and abandoning the hope that all people are basically rational and reasonable. Rather pessimistically he asked whether mankind can be cured of much of its irrationality. But he concluded in his writings that a revised democratic socialism has some chances for success if it gives up its illusions and confronts new dangers lurking on the horizon.

Complementary to Lauterbach's interest in democratic socialism was his interest in the Third World, especially Latin America. His numerous trips to the area to do research and publish the results, and to teach at its prestigious universities, evidences a commitment to help set the theoretical basis for improving its economies. He was concerned especially about the nature of development aid from the industrialized world. In one coauthored report he wrote: Each of the *newly* developing nations, provided it embarks extensively on searching its own soul rather than on merely looking for foreign scapegoats, will have a chance not only to avoid the earlier, often inhuman forms of industrial development including an alienation of the individual from his society and culture; it may in due course also be able to teach the industrialised nations of our period a lesson or two on how to improve the way of life in an industrial environment. In development aid as in many other spheres of life ethical behaviour may thus turn out to be of benefit to donors and recipients alike.²

Lauterbach counseled paying special attention to the rural poor and underemployed and to grassroots initiatives to promote social activism and reforms on the local level. Development aid, he insisted, must be given in an understanding spirit rather than out of selfish motives or guilt feelings by the rich nations. Among his many appointments as an adviser to Third World countries may be mentioned his position in 1962 as senior development economist, United Nations technical assistance mission

in Western Samoa. To encourage economic development in Latin American countries, his primary area of specialization, Lauterbach undertook an ambitious ten-country project of managerial attitudes in the business community toward such development. In the study, more than 400 managers of companies and non-managerial experts were interviewed about their views on selection of executives, need for executive training and progress on productivity. He concluded that they were not particularly well equipped to lead their countries in economic development, although he saw hopeful signs that some businessmen were beginning to see a need to involve themselves in social responsibilities, such as promoting education.

Although Lauterbach had an area specialization, he had global interests as well. He explored the possibilities of a convergence or a lessening of differences between Third World, western and communist economies. I am obliged to Professor Arthur Schweitzer (Indiana University) for his recollection of an international conference organized by Lauterbach on behalf of the Association of Comparative Economics "of which he was a very active member." Schweitzer writes: "The conference took place at the Rockefeller Mansion near Bellagio, Italy, and was attended by economists living in capitalist, communist and less developed countries. For two weeks there was a lively discussion of the possibilities of convergence of the different systems."³ As with Lauterbach's Latin American study, he publicized the results of this conference in his writings to gain a wider audience.

Lauterbach's wide-ranging interests are reflected in his efforts to seek a closer understanding among social scientists in order to break down the compartmentalization between them. He also attempted to bridge a gap between social scientists and psychiatrists and psychologists as a way, among others, of establishing a relationship between the socio-economic background and mental disorders of individuals. He wrote: "As for the academic discipline of economics, it has often operated with either unrealistic or purely hypothetical assumptions concerning the functioning of the human mind. In particular, economic theory has often implied a static rigidity of psychic behavior and has neglected irrational and unconscious factors which affect economic decisions."⁴

To this brief survey of some of Lauterbach's views and writings, partly reflected in this volume, must be added words of appreciation about him as a person. Professor Schweitzer aptly notes: "My impression of him as a man and his character is his solicitude as a friend, his steadiness as a researcher, his carefulness as a thinker, and his genteelness as a person."⁵ Lauterbach's many friends in the United States (the undersigned included), Latin America, and Europe, including Austria where he grew up and spent his last years, can testify to the accuracy of this observation. Finally, mention must be made also of his commitment to teaching a generation of undergraduate students at Sarah Lawrence College, Bronxville, New York.

Readers of this volume will be indebted to the untiring efforts of its publisher, Dr. Manfred J. Holler of Munich and of the Institute of Economics and Statistics, University of Aarhus, Denmark, for printing this legacy of Lauterbach's writings. Special thanks also must be expressed to his widow, Mrs. Orillie Lauterbach, and his niece, Dr. Elisabeth Fordinal, who have been very supportive of this effort.

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Notes

- 1 Albert Lauterbach, "Was wird aus dem Sozialismus?" Europäische Rundschau, No. 3, 1985, p. 79.
- 2 Hans W. Singer and Albert Lauterbach, "The Concept of Development and the Ethics of Aid," Vienna Institute for Development, Occasional Paper 84/4, p. 26.
- 3 Letter, August 28, 1987.
- 4 Lauterbach, A. "Economics and Psychiatry: An Economist's Point of View," American Journal of Psychotherapy, III, No. 1, 1949, p. 118.
- 5 Letter, August 28, 1987.

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