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Abramovitz, Moses (1912–2000)

Born in Brooklyn, New York, Abramovitz was educated at Harvard (AB, 1932) and Columbia (Ph.D., 1939). He held faculty appointments at Columbia (1940–2, 1946–8) and Stanford University (1948–77) and was a member of the research staff of the National Bureau of Economic Research from 1938 to 1969. From 1942 to 1946 he worked as an economist for several organizations within the United States government. He was elected president of the American Economic Association in 1979–80.

Abramovitz's work, which was particularly influenced by Wesley C. Mitchell and Simon Kuznets, centres on the study of long-term economic growth and fluctuations in industrialized market economies. His first major contribution was an empirical study of business inventories that demonstrated the importance of inventory change in the shorter swings of the business cycle, and showed how the classification of inventories by stage of processing aided in the explanation of their behaviour (Abramovitz, 1950). From this, Abramovitz went on to the study of longer-term fluctuations, Kuznets cycles of 15 to 20 years duration, and formulated the most widely accepted interpretation of these cycles. Using Keynesian aggregate demand theory, Abramovitz developed a model linking Kuznets cycles to long swings in building cycles and demographic variables, and to shorter-term business cycles (Abramovitz, 1959a; 1961; 1964; 1968).

Contemporaneously with his work on fluctuations, Abramovitz made important contributions to long-term economic growth. He was one of the first to demonstrate that only a small share of long-term output growth in the United States was explained by factor inputs (Abramovitz, 1956). He documented and analysed the increasing role of government during long-term economic growth (Abramovitz, 1957; 1981) and directed and coordinated a comparative study of the post-war economic growth of a number of industrialized market nations (Abramovitz, 1979b; 1986). Finally, he challenged in characteristically perceptive fashion the facile linkage made by many economists between economic growth and improving human welfare (Abramovitz, 1959b; 1979a; 1982).

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absolute and exchangeable value

> No one can doubt that it would be a great desideratum in political economy to have such a measure of absolute value in order to enable us to know, when commodities altered in relative value, in which the alteration in value had taken place. (David Ricardo, 1823, p. 399n)

The idea that changes in the relative or exchangeable value of a pair of commodities might usefully be attributed to alterations in the 'absolute value' of one or the other of them will appear rather odd to anyone accustomed to thinking of the basic problem of price theory as being the determination of sets of relative prices, with any consideration of 'absolute' value being confined to problems in monetary theory and the determination of the overall price level. Since in neoclassical theory it is the *relative* scarcity of commodities, or of the factor services which are used to produce them, which is the key to relative price formation, no conception of 'absolute' value, that is, a price associated with the conditions of production of a single commodity, is either relevant or necessary.

Yet the notion of absolute value arose naturally within Ricardo's analysis of value and distribution. The central problem of classical theory is to relate the physical magnitude of surplus (defined as the social output *minus* the replacement of materials used in its production and the

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