

General Equilibrium Theory behind the Iron Curtain: The Case of Victor Polterovich

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Abstract

In this article we address the story of developments in general equilibrium theory in the Soviet Union during the 1970s through the lens of a single biography. The Soviet advances in mathematical economics give an occasion to reflect on the extension of the Walrasian paradigm to nonmarket societies, as well as on the ideological effects of general equilibrium theory and its interpretations in a Soviet context. Our contribution is focused on the development of general equilibrium theorizing in the work of Victor Meerovich Polterovich (b. 1937), who has been one of the leading figures in mathematical economics and general equilibrium theory in the Soviet Union and post-Soviet Russia. His papers on the abstract models of exchange, dynamic general equilibrium and optimal growth theory, excess demand correspondences, monotonicity of demand functions, and disequilibrium theory were for the most part published in English and gained considerable attention within the field. We reconstruct the political and ideological basis of the general equilibrium concept and show how abstract mathematical models reflected the discursive shift from optimal centralized planning to various forms of decentralization. We argue that the Soviet work on general equilibrium was a part of the global development of mathematical economics but was not integrated into it institutionally.