

IN MEMORIAM — JOSÉ ENCARNACIÓN, JR.*

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In July of 1998 the Economics profession lost one of its outstanding economists, José Encarnación Jr., acknowledged both in Asia and internationally as a leading theorist. He made permanent contributions to our profession as an author and as Dean of the School of Economics at the University of the Philippines for the past twenty years. We will miss him sorely.

José (Pepe) Encarnación was born in Manila in 1928. His father was a Professor of Medicine at the University of the Philippines. His mother was reported to be distantly related to Jose Rizal, the country's national hero and martyr in the struggle against Spain. The family roots lie in Cavite, a province widely known for its independent and hard-working people.

I first met Pepe upon joining the University of the Philippines faculty as professor in 1961. He had just returned from Princeton where he took his doctoral degree. His first important published paper was completed while still at Princeton, and was a refutation of the so-called inconsistency between Say's Law and the Cambridge equation (1958). Pepe showed that the two were essentially consistent.

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His main theoretical work focused on the notion of lexicographic preferences. Pepe's first contact with this subject was through the work of his advisor at Princeton, William Baumol, who in analyzing the behavior of firms came to the conclusion that they did not simply maximize profits, but sought to maximize sales, subject to the constraint of profits not falling below a specified level. His interest was further peaked by an article of Georgescu-Roegen which portrayed decision-making as a process of choosing between objectives (or preferences) when these objectives are *ranked*. In the early 1960s he wrote a series of papers casting this decision-making process in terms of L^* functions which formalized the lexicographic decision-making process in utility terms (1964a, 1964b, 1964c). Through the years Pepe continued to publish in this area, refining the theory of consumer choice and extending application of these principles to portfolio choice (1990, 1991). As Professor Day has pointed out, "José Encarnación...almost single-handedly kept alive this important and relevant, yet much neglected topic" (1996).

While his main interest was in the area of utility theory and decision-making, he worked in a number of other fields as well. His papers span the areas of macroeconomics, econometrics, population, macro-planning, money and finance, education and employment. His mind was continually reaching into new areas. When I last saw him about two years ago, he told me of his growing interest in economic history and his desire to see more published, particularly with regard to the history of the Philippines and Southeast Asia. Altogether he published over 70 pieces during his career. A number of these were published in foreign journals such as *The Economic Journal*, *Journal of Political Economy*, *Economica*, *Econometrica*, and *The Journal of Economic Behavior and Management*. Other articles appeared in local journals such as *The Philippine Economic Journal* and *The Philippine Review of Economics and Business*.

Pepe's other love was teaching, and this he pursued in many ways. I remember his habit of popping into our office in the late afternoon on Friday saying "join me for some 'liquid bread'." We would walk over to a nearby café and sit around for a couple of hours drinking beer and discussing ideas and anything else that came to mind. Regulars to these Friday sessions usually included all faculty in residence—Gerry Sicat, Dodong Kintanar, Steve Resnick, Amado Castro and myself. From time to time Vern Ruttan (who was then at IRR)

in Los Baños) would join us when he was at the University. Somewhat later the sessions also included Jeff Williamson (while there on a Ford grant), John Power, Romy Bautista and Mahar Mangahas. Many of us were recently out of graduate school, and we all learned a lot at these sessions during which we traded ideas, discussed the research we were doing, etc. I have been at other universities where informal sessions like this have been organized and intensely promoted, but most have not been anywhere near as successful. Later on, as the composition of personnel changed, and after Pepe became Dean of the School of Economics, he continued to get together with this faculty, especially over lunch. I attended a few of these luncheon sessions when visiting him years later, and they appeared just as successful as the earlier ones in generating discussion in providing a learning and integrating vehicle for faculty. The present strength of the faculty at the School of Economics at the University of the Philippines owes its prominence in considerable part to the intellectual leadership of Professor Encarnación. A number of his students are also teaching at universities in other Asian countries and in the U.S. J.M. Keynes once remarked that every economics department should have one first-rate theorist—to keep students and researchers analytically focused and methodologically on track. Pepe performed this function admirably both for the School and for our profession generally.

Pepe Encarnación was thoroughly committed to a democratic way of life, and in that sense a true Caviteño. He rejected the view of some Asian professionals who feel that democracy can be shelved temporarily in the interest of organizational streamlining and administrative efficiency. In fact, he was always an outspoken critic of dictatorial regimes both at home and abroad. His outspoken devotion to democracy was costly to him during the 14 years that followed the imposition of martial law in the Philippines in 1972. My conversations with him during this period left me with little doubt concerning the discomfort he felt at that time. I am convinced that he would have done more traveling abroad and participated more actively in international meetings and conferences and had he been free to do so. This undoubtedly contributed to a lower international professional profile than would have otherwise been the case.

One of the secrets of Pepe's success as a teacher is that although he was first a logician, he was never dry. There was an element of drama—even bravura—in his approach to ideas, and also to life, which was contagious. He had a good sense of humor and capacity for fun. Pepe could always find interest in the ladies. Like so many of his countrymen, he was a superb dancer.

Pepe was active right up to the end. He continued as Dean of the School of Economics until 1994. After that, even when confined to his home, he continued with research, completing his last discussion paper only a couple of months before his death.

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