

TOUSSAINT S. HOČEVAR (1927-1987): A PORTRAIT*

Toussaint S. Hočevar, American university professor, specialist in economics, and historian of economic evolution in the Slovene lands, belonged to the generation of educated Slovene immigrants to America who, immediately upon their arrival in the United States, were able and ready to reach out into the main stream of the American intellectual and professional world. He was born in Ljubljana on June 25, 1927. Educated at the Dominican Classical Gymnasium in Bol, on the island of Brač (Dalmatia) and at the Classical Gymnasium in Ljubljana, he devoted himself to the study of economics: first at the University of Ljubljana and then, from 1946/47, at the University of Innsbruck, Austria, where he received his doctorate in economics upon the defense of his dissertation "The Economics of Frederic Le Play" (1950). In 1951 Toussaint emigrated to the United States of America. For five years he worked as a clerk for the Pacific Fruit Express Company in Chicago, while attending graduate seminars in economics at the University of Chicago. His first professional employment was at the Northern State College in Aberdeen, South Dakota, in 1957. Subsequent positions were at Keuka College in New York State from 1960 to 1966, then from 1966 to 1968 at Florida State University in Tallahassee, where—in addition to his normal duties—he served as Assistant Director of the Center for Slavic and East European Studies. In 1968 he was appointed Associate Professor of Economics at the University of New Orleans, where he was promoted to Professor in 1970. He retired from that University in 1987 due to illness, and died on April 27 of that year. He is buried in the Santa Rosa Beach Cemetery in Florida.

Throughout his career Toussaint Hočevar remained an active and productive scholar. During the fifties and sixties the proliferation of literature in economic development stimulated his interest in this field. He drew upon the newly derived insights in a study of Slovene economic development that was published in book form [7]**. His research into the Slovene case generated new and original insights, particularly with respect to the impact on economic development of the choice of language used as the dominant vehicle of communication. In Slovenia modernization and the concomitant increase in communications at the turn of the century were accompanied by the substitution, as the institutional language, of the regional Slovene for the more widely used German; this was a seemingly paradoxical development, given the increased economic links with non-Slovene regions; but in his book, Hočevar devised a model of regional development which predicted this result. Under conditions of limited interregional mobility of human resources, the institutionalization of the regional language was important for lowering the linguistic barrier to the occupational and social mobility which was indispensable for economic development and modernization.

The theme of communication costs and language economics continued to occupy Hočevar throughout most of his career. The scope of investigation was enlarged by new models and by empirical research. Other economists—François Vaillancourt, Jack Carr, Timothy Reagan—joined the field. These extensions were not initiated, however, until 1974: in that year, upon the initiative of Aleš Lokar, Hočevar served on the Scientific Commission of the International Conference on Minorities that was held in Trst/Trieste. By this time he had expanded his interests in international economics, and had published articles [18, 19] that treated theoretical and policy problems of international trade. The

Heckscher-Olin model of international trade and the notion of product differentiation provided building blocks for developing a general equilibrium model of markets in which two linguistic groups interact [29]. To capture the economic aspect of the linguistic attribute of a group, Hočevár introduced the concepts of linguistically-differentiated goods and of linguistically-specialized resources. He showed that returns to linguistically-specialized but otherwise homogeneous factors can vary between linguistic groups even in the absence of discrimination, because factor prices derive from demand in markets for linguistically-differentiated products and services. A linguistic minority can therefore increase its wage rates and income by increasing the demand for linguistically-differentiated goods and services.

In a later article [82] Hočevár treated the dynamic aspect of minority languages, that is, their expansion into new domains of social activity. The economic choice hinges on a comparison of the costs associated with the institutionalization of the minority language and the savings generated through the removal of the necessity of learning a second language as a condition of economic and social mobility. Complementarities, indivisibilities, and external economies were also considered. In an empirical study [76] savings of the type just described were estimated for Uzbekistan, assuming a wider substitution of the Uzbek language for Russian.

In the final phase of his research in language economics Hočevár focused on financial intermediation as an example of a communication-intensive industry [100]. In pre-1918 Austria the indigenous financial institutions using regional languages provided the basis of a country-wide financial network. Earlier German-speaking institutions, while relatively successful in attracting savings deposits in non-German-speaking regions, invested these funds largely in securities outside the regions in question, not being linguistically equipped to become involved in communication-intensive mortgage lending. This led to a capital outflow from the Slovene, and also from the Czech, lands, and raised the interest rates in these regions. The establishment of indigenous financial institutions, which were involved in lending in local markets, ultimately contributed to a regional convergence of interest rates. This phenomenon had been noted before Hočevár, but had resisted explanation using conventional economic variables.

Among other strands of Hočevár's research were contemporary economic problems of Southeastern and Central Europe. This research resulted, among others, in papers on structural changes in the economy of Slovenia [71], on Yugoslav regional development [18], and on economic integration [96]. In the last-cited paper he developed a method for measuring inter-regional resource transfers within Yugoslavia, based on domestic trade balances and offsetting financial data. He found that over 25% of Slovenia's income was being absorbed by the other republics.

Finally, Hočevár's collaboration on a project that treated Eastern European minorities resulted in an article [87] and a book chapter [90] in which the existence and development of, first, Albanian, Hungarian and other linguistic minorities in Yugoslavia, and second, South Slavic minorities in Italy and Austria, were treated from an economic perspective.

Throughout his life Toussaint Hočevár remained committed to the international exchange of ideas. During the early seventies he organized and conducted *Economic Field Studies in Europe*, a program for American students sponsored by the University of New Orleans. In 1980 he directed a large multidisciplinary program at the University of Innsbruck. He was also instrumental in bringing European economics students to the University of New Orleans for graduate work; several of these came from Slovenia, where they now occupy positions at the University of Ljubljana, in economic research institutes,

and in industry. He himself served as visiting professor at the universities of Ljubljana (1964-65), Munich (1983-84) and Celovec/Klagenfurt (1983-84). For his contribution to the study of the changing international role of the French language the French Republic decorated him with the order *Palmes académiques* in 1981. In support of his research abroad he received two Fulbright senior faculty grants, and the Penrose Grant of the Americal Philosophical Society.

Toussaint Hočevar was one of the principal organizers of the Society for Slovene Studies, serving as its Secretary-Treasurer from its inception in 1973 until 1982. His legacy to the Society was the dedicated manner in which he set up its organizational structure and its operational system. With his organizational talent and his unfailing good judgement, he helped to build the Society for Slovene Studies into what it is and as it functions today. Among his special contributions were the creation of an unprecedented system of communication between scholars in Slovene studies in North America and beyond its shores, and his vision and subsequent setting-up of a cooperative and independent financial base for the Society's operation. We acknowledge this legacy with deep gratitude and appreciation.

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NOTES

- * In writing this *Portrait* I was fortunate enough to have access to Toussaint's own characterization of his research in a statement accompanying the *Vprašalnik za vključitev v Slovenski biografski leksikon*, dated December 8, 1983, that he filled in. I would also like to thank Mrs. Françoise Hočevar and Professor Carole Rogel, President of the Society for Slovene Studies, for additional information and comments.
- ** Numerals in square brackets refer to the entries in the *List of Publications by Toussaint S. Hočevar* which follows this essay.