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## The last generalists

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# The last generalists

*Hans-Michael Trautwein*

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History has... the enlightening and liberating task of teaching us to understand the existing order of things... [I]t is the best guide to progress and saves us from discarding, in rash eagerness for change, what may still be full of life and possibly too precious to lose, even though it is concealed by old forms.

Knut Wicksell on *Ends and Means in Economics* (1904, p. 467 – my translation)

## 1. Global trends of specialisation

Most historians of economic thought will subscribe to the idea that the study of economic thinking in the past is useful for understanding present phenomena. Most economists, on the other hand, doubt that. Yet, various old theories shed light on recent turns in the globalisation process that modern economists find hard to integrate into their analytical frameworks. These changes in the world economy, in their turn, display patterns of specialisation that help to perceive similar trends in the evolution of economics. Those trends include fragmentation of the discipline, which may give historians of thought a more prominent role in the future: the role of coordinating generalists. Hence, my story about the last generalists begins with some reflections on the recent turns of globalisation.

Trade theorists claim that a deep structural change is transforming the global economy. To put it in the words of Baldwin (2006), the world is seeing a second “great unbundling” of production processes in geographical space. The first unbundling evolved over thousands of years into what we know as international trade in goods. The second unbundling is a strong increase in the transnational “trade in tasks” (Grossman & Rossi-Hansberg 2006).

In the first unbundling, specialisation in the international division of labour occurred along the defining lines of sectors (inter-industry trade)

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or of firms within sectors (intra-industry trade), and it keeps doing so. Thanks to specialisation and trade, goods can be consumed far away from where they are produced, but the different stages and tasks in their manufacturing are mostly located near each other, in the same plant or the same country.

In the second unbundling, more and more stages and tasks are offshored to other countries, within transnational corporations or in global value chains of company networks. Products and services that used to be considered as non-tradable localised components of the production process have been transformed into objects of global trade across the internet and through other advanced modes of transport. The change is driven by technical and organisational progress in the shipping of goods and transmission of information; it is greatly facilitated by the standardisation of containers, protocols and qualifications.

Trade theorists argue that the defining unit of the second unbundling is no longer the sector or the firm, but the individual worker or her functional unit. The trade in tasks that follows from offshoring within firms, between firms and across sectors affects the wages and jobs of low-skilled workers in high-income countries much in the same way as does the trade in goods. Yet, it also undermines the job and wage security of high-skilled people to the extent that their tasks have become offshorable. This has contributed to political concerns about nationalist opposition to globalisation, and to some debate about a paradigm shift among trade theorists and other economists.

Do historians of economic thought have anything to say about all this? Yes, of course. The well-educated historian of thought will lean back and calmly point out that “it’s all in Adam (Smith)!” Open the economists’ bible, the *Wealth of Nations*, and look at the first chapters. There, in the Book of Genesis, you will find a clear description of the driving forces behind the emergence and global expansion of markets. The very first sentence of Book I, chapter I (Smith [1776] 1904, p. I.1.1) reads:

The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity and judgment, with which it is any where directed and applied, seem to have been the effects of the division of labour.

Smith then uses the famous example of the pin manufactory as “about eighteen distinct operations,... all performed by distinct hands” (p. I.1.3) to describe how the specialisation of individual workers in carrying out few tasks leads to an enormous increase in productivity. It gives rise to technical progress by the invention and “application of proper machinery” (p. I.1.8). The pin factory is just a metaphor; the cooperating specialists

need not carry out their production in the same place. If other factories are more productive in carrying out parts of the operation, the manufacturer may decide to buy those components from them. As Smith points out in chapter II, “the principle which gives occasion to the division of labour” is the exchange of goods in the market. The extent of specialisation is limited only “by the extent of the market” (p. I.3). Smith’s view is that of a market system open for global expansion, as the virtuous circle of trade, specialisation and productivity growth makes transport costs fall and “opens the whole world for a market to the produce of every sort of labour” (p. I.3.4).

Smith was admittedly very optimistic about the overall gains from trade and not overly explicit about the trade in tasks. To bring in some detrimental effects of global specialisation, our representative historian of thought would therefore add some doses of Marx and Schumpeter about creative destruction, plus various insights from the recurrent debates about Ricardo’s machinery problem. It should not be difficult to find historical narratives that would pass for anticipations of the ongoing “second unbundling”, casting doubt on talk about a paradigm shift.

Yet, who will listen to historians of thought these days? Not many, I am afraid. The message that “there is nothing substantially new under the sun” is unattractive for our fellow economists who base their careers on claims to *innovations* in peer-reviewed articles. They will not even take notice of more fine-grained analysis that explores the limits of old ideas in understanding recent developments, thereby distinguishing the real novelties from the hype. Nor will balanced accounts of older economists’ ideas about global specialisation make an impact on public debates where the *Zeitgeist* is full of *Angst* (to use two German words that have become global fare): The current mood in many Western societies is gloomy, full of fear and aversion towards further globalisation and European integration.

However, the main reason why historians of thought do not get much of a hearing these days is the marginalisation of their field within economics. This deplorable development, too, is a result of increased specialisation in combination with technical progress and the global standardisation of professional practices. There are now so many skills of modelling and measuring to acquire that most economists consider the opportunity costs of having the history of thought represented in departments, course programmes and core journals as unaffordable. In my function as president of the *European Society for the History of Economic Thought* (ESHET), it is my duty to argue to the contrary: The trend of specialisation tends to increase the opportunity costs of *neglecting* the history of economic thought (HET). In the following, I will show how the very same trend that contributed to the marginalisation of our field is now increasing the demand for HET.

My working hypothesis is this: Demand for our skills should be rising because we are among the last generalists. Historians of thought can help to reduce the costs of fragmentation in economics.

## 2. Fragmentation

Another word for the second unbundling is “fragmentation”, the slicing-up of value chains through the separation of tasks in time and space. It has become feasible because the costs of coordinating activities across different locations have dramatically fallen, due to the internet and the global standardisation of professional practices. The word “fragmentation” indicates that the new patterns of transnational production come at a cost, too (Gereffi et al. 2005, Baldwin 2013). Inside the value chains, it is costly to create and maintain the networks of increasingly specialised people across different parts of the world, to reduce frictions between different cultures and to gain acceptance for the transnationality of the business. The minimisation of such costs is usually the task of generalists, people with broad knowledge and strong skills of coordination and communication. The old quip that “a specialist knows everything about nearly nothing, while the generalist knows nearly nothing about everything” is losing its point. It dates back to the times when the deep knowledge of specialists and the broad knowledge of general managers were to match in local hierarchies. In the old days, the two groups were pursuing separate career tracks, but had a common background in the local language and culture. With the new patterns of transnational production, organisational cohesion based on such proximity is lost.

Who and what makes the “glue” that keeps the sliced-up value chains together? Myriads of MBA and trainee programmes re-educate specialists in, for instance, engineering or finance to broaden their skills for more generalist careers in transnational corporations and networks (Ferreira & Sah 2012). At the same time, special generalists in the branches of consulting, contracting, coaching and monitoring have diversified their tasks into cross-cultural communication to reduce the costs of fragmentation.

### 2.1 Trends of specialisation in economics

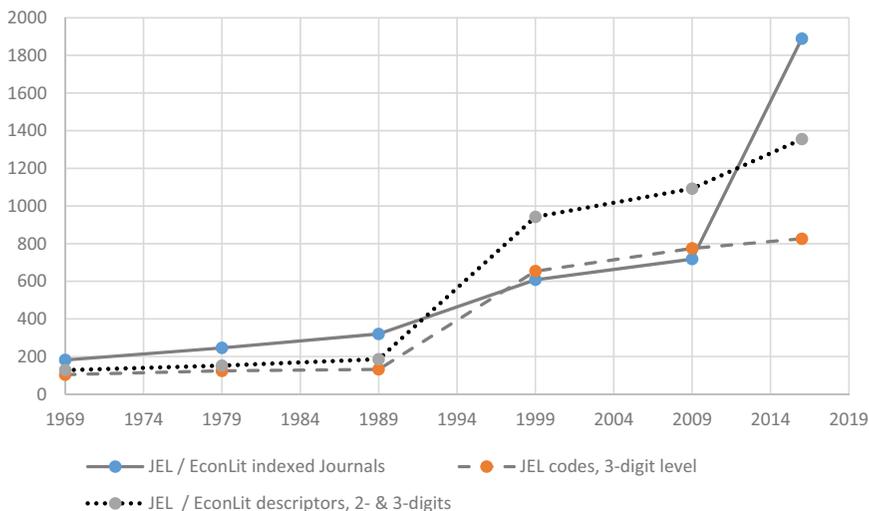
Let us look at the fragmentation of economics. We would hardly describe it as offshoring. Some developments point in that direction, though. A large share of the textbook industry is nowadays in the hands of a few transnational publishers who have offshored the task of textbook writing to teams around prominent economists at leading US universities. Universities in the US and Europe attempt to transform themselves into

transnational value chains with MOOCs (massive open online courses) and foreign campuses, especially in the fast-growing markets for higher education in Asia. Cynics will say that there is a trade in tasks going on between well-established Western professors and young researchers from Eastern Europe and Asia, who perform number-crunching tasks and other nitty-gritty research work in exchange for mentoring. All this indicates a rising degree of vertical division of labour and global standardisation of teaching and research. Keen observers might interpret it as a process that facilitates communication, instilling a greater sense of community and helping to overcome fragmentation rather than generating it.

However, it is hard to avoid the impression that economics is in a state of fragmentation. Here, the word does not refer to a spatial slicing-up of value chains, but to a splitting-up of research activities that makes it difficult to perceive economics as a well-defined discipline with a unifying core of concepts. The last five decades have seen a strong widening of the range of classified fields in economics, a huge rise in the number of journals competing in the subfields, and the emergence of a variety of sub-communities with heterogeneous research programmes – both within the mainstream and beyond. Let me illustrate this with some rough-and-ready indicators taken from the *Journal of Economic Literature* (JEL) and the *EconLit* database, both provided by the American Economic Association (AEA), the leading association of economists (Figure 1).

Since the start of the *JEL* in 1969 (and with *EconLit* taking over in 1987), the number of indexed journals has multiplied by factor ten (from 182 to 1,889). The number of JEL codes has increased by factor 8 (from 104 to 826, ranging from A10 to Z39). The number of the corresponding descriptors, among which economists choose the keywords for their submissions of articles, has risen by factor 10 (from 128 to 1,355, ranging from “General Economics” to “Tourism, other”). The three *General Categories* that have seen the largest increases in JEL codes are *C. Quantitative and Mathematical Methods* (+59), *D. Microeconomics* (+63) and, somewhat surprisingly, *N. Economic History* (+73).

Although the history of JEL codes offers some insights into how economists have perceived the evolution of their discipline (Duarte & Giraud 2016, Cherrier 2017), the interpretation of specialisation trends through JEL and *EconLit* descriptors comes with caveats. Not all descriptors map one-to-one into actual subfields of research. In search of strategically feasible keywords, desperate authors often choose codes that do not (fully) match their specialty. Moreover, the JEL classification does not always make sense, at least not to the expert. Take, for example, general category *B., History of Economic Thought, Methodology, and Heterodox Approaches*, a mixed assortment of specialties with only 29 JEL codes to cover a very wide



**Figure 1 Increasing specialisation in economics, 1969–2016**  
*Source: Journal of Economic Literature, various issues.*

range of topics (see Figure 2). In the History of Economic Thought, the sub-categories B.1 and B.2 draw a dividing line in the year 1925, apparently chosen because Alfred Marshall had died the year before.<sup>1</sup> Not everyone agrees that 1925 was a watershed year that separated antiquity from modernity.<sup>2</sup>

Yet, why worry about a trend of specialisation in economics? Adam Smith ([1776] 1904, p. I.1.9) was wholly optimistic about it 240 years ago:

In the progress of society, philosophy or speculation becomes, like every other employment, the principal or sole trade and occupation of a particular class of citizens. Like every other employment too, it is subdivided into a great number of different branches, each of which affords occupation to a peculiar tribe or class of

1. I have this from Charles McCann who remembered the decision to divide HET into pre- and post-1925 from conversations with Mark Perlman, the first editor of JEL. Cherrier (2017) offers a detailed history of the JEL codes, including information about the migration of HET in the classification systems over time. Marcuzzo (2008) used the *Econlit* descriptors in her presidential address at the ESHET 2008 conference to survey HET output in 1991–2008; see Marcuzzo and Zacchia (2016) for an elaborate update and Duarte and Giraud (2016) for a bibliographic survey with a different design.

2. There is a code for “Neoclassical”, but only “through 1925”, not “since” – as if neoclassical economics had vanished or become ubiquitous in all JEL categories beyond B that year.

**B. History of Economic Thought, Methodology, and Heterodox Approaches**

B00	General		
B1	History of Economic Thought through 1925	B3	History of Economic Thought: Individuals
B10	General	B30	General
B11	Preclassical (Ancient, Medieval, Mercantilist, Physiocratic)	B31	Individuals
B12	Classical (includes Adam Smith)	B32	Obituaries
B13	Neoclassical through 1925 (Austrian, Marshallian, Walrasian, Wicksellian) <sup>†</sup>	B4	Economic Methodology
B14	Socialist • Marxist	B40	General
B15	Historical • Institutional • Evolutionary	B41	Economic Methodology
B16	Quantitative and Mathematical	B49	Other
B17	International Trade and Finance		
B19	Other		
B2	History of Economic Thought since 1925	B5	Current Heterodox Approaches
B20	General	B50	General
B21	Microeconomics	B51	Socialist • Marxian • Sraffian
B22	Macroeconomics	B52	Historical • Institutional • Evolutionary <sup>†</sup>
B23	Econometrics • Quantitative and Mathematical Studies	B53	Austrian
B24	Socialist • Marxist • Sraffian	B54	Feminist Economics
B25	Historical • Institutional • Evolutionary • Austrian • Stockholm School <sup>†</sup>	B59	Other
B26	Financial Economics		
B27	International Trade and Finance		
B29	Other		

**Figure 2 JEL codes, general category “B”**

**Source: American Economic Association, JEL Classification System / EconLit Subject Descriptors (as of 23 August 2017).**

philosophers; and this subdivision of employment in philosophy, as well as in every other business, improves dexterity, and saves time. Each individual becomes more expert in his own peculiar branch, more work is done upon the whole, and the quantity of science is considerably increased by it.

Smith belonged to the class of *moral philosophers* that came to beget the peculiar tribe of economists. In the spirit of Robert Heilbroner ([1953] 1999), Virginia Shiller and Robert Shiller have recently deplored that economists are no longer “worldly philosophers”, because “the strong impulse to pursue narrow specialisation in order to propel research to the frontier [has] led to some loss of *moral* perspective.” Specialisation has increased the quantity of economic science, but not its *quality*, because it has led to an inability of “most economists to see the big picture and to sound the alarm about problems that [are] developing” (Shiller & Shiller 2011, p. 171). In this perspective, the fragmentation of economics is the outcome of specialisation gone too far – and one may wonder in how far this is the normal course of things. Standing on the shoulders of giant Smith it is not difficult to detect circular causation: Since specialisation in different lines of research increases the quantity of science, the ways to the frontiers of research tend to become longer and more diverse. As Cedrini

and Fontana (2015, p. 2) put it, this makes specialisation, in turn, “an economizing (and sustainable) way of reaching the frontier of economics by reducing both the competence-difficulty gap and the potentially paralyzing burden of knowledge.”<sup>3</sup>

In other words, in order to become innovative, to get recognition by the peers, and to make a career in research, it is more than ever necessary to put on blinders that produce communication barriers. Economists who specialise in different theoretical approaches and empirical methods have great difficulties of understanding each other even when they do research on the same subject. Take, for example, investigations of trends in international trade and transnational production as described in the introduction. Researchers who work with sectoral data on trade, investment and employment find it increasingly difficult to discuss with colleagues who use firm-level data. Data-driven differences in the usage of econometric methods determine the theoretical questions that come up on the agenda and define different states-of-the-art in the two branches. The conceptual terminologies begin to diverge, creating needs for “translation” and other costs of coordination. Trade economists who earlier felt lost in fragmentation when they went to the European Economic Association conference start feeling a bit lost at the meetings of the European Trade Study Group.

## 2.2 *Plurality*

What about the rule of “neoclassical orthodoxy”, the lack of plurality in economics so often deplored these days? There is indeed some evidence for a majority consensus on basic issues in the profession, such as the principle of describing “the economy” in terms of constrained optimisation of individual agents (Sandmo 2011, pp. 458–60, Gordon & Dahl 2013). Does that not indicate the existence of a unifying core that counteracts fragmentation? I would argue quite the contrary. The view that economics is strictly unified in neoclassical orthodoxy is a view from the outside. Inside the mainstream, most economists will rather emphasise the diversity and plurality of approaches that deviate in one way or other from what used to be perceived as the neoclassical core, represented by Arrow-Debreu-style general equilibrium analysis. It is probably more than an educated guess that most economists know rather little about that core. They pay lip service to standard neoclassical tenets, and then rush off to their special research frontier where the findings tend to limit, if not reduce,

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3. The journal version of this paper is Cedrini and Fontana (2017), but it comes without this elegant formulation of specialisation as a cost-minimizing strategy in researchers’ careers.

the general scope of those tenets. It has been observed that economics has undergone a transformation since the 1970s, from the supremacy of “pure theory” to a dominance of “applied work”, in a “quantitative turn” that shifted the emphasis “from models to methods” (Backhouse & Cherrier 2014, Panhans & Singleton 2016). Yet, that turn has not produced a new unifying core. The methodological preponderance of basing applied economics on the study of individual economic behaviour and the increasing variety of methods for doing so appears to have made it even more difficult to get the big picture.

The earlier understanding of economics as a discipline based on a set of common theorems has largely given way to quantifiable mechanisms of reputation, such as the ranking of journals, departments and even single researchers, and to a purely formal insistence on some (higher) degree of formalisation that differentiates economics from other social sciences.<sup>4</sup> The corporate identity of economics has come to centre on such symbols rather than on common theorems. A deeper look at the current “mainstream pluralism” and the multitude of professed heterodoxies makes one wonder who and what will in the longer run produce the cohesion, the “glue” that keeps the profession together.

If, as the Shillers argue, it is necessary to regain “the big picture” of economic behaviour and systems, there is a need for special generalists that help to keep ongoing specialisation manageable for the progress of economics as a whole. In this respect, the demand for generalists in economics develops in analogy to the need for generalists in global value chains. Are historians of economic thought qualified for that kind of job? A first answer would be “yes.” Our specialty has the generically unifying name of “economic thought”, i.e. the field is special in being general.<sup>5</sup> Upon a moment of reflection, the second answer might be “no.” The trend of specialisation presents a dilemma: It creates the need for generalists, while making it difficult to become a generalist. Demand does not create its own supply, nor does Say’s law work in this particular market. Young researchers who want to specialise in the HET are ill advised to concentrate fully on that specialty only. In terms of academic career prospects, it would be a highly risky investment.

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4. Many of the anthropological observations on “life among the Econ” made by Leijonhufvud (1981a) are still valid. Yet, quantitative turns have been taken in other social sciences, too. A driving factor is technical progress; computerization has greatly facilitated and transformed the collection and processing of data. For a post-war history of the social sciences, see Backhouse and Fontaine (2010).

5. As expressed by Agnar Sandmo (2011, p. 11): “[T]he history of economic thought is a *special* special field. It encourages one to reflect on the contents and development of the subject” (his emphasis).

So, how can historians of economic thought (whose tasks are not even considered as offshorable, but simply displaced by technical progress) play a role in reducing fragmentation and, hence, in lowering the costs of specialisation in economics? To answer this question, the following sections will take up four further questions:

- What is a generalist in economics?
- What makes HET a generalist specialty?
- What are the comparative advantages of specialising in HET?
- How can the scholars of HET improve the terms of their trade?

The first question is about different types and tasks of generalists (Section 3). The second relates to functions of the history of thought that, in varying degrees, match the tasks of special generalists (Section 4). The third question concerns the special skills of historians of thought that qualify us for those tasks (Section 5). The final question regards the use of these skills to improve our chances of survival and prosperity in the profession (Section 6).

### 3. Generalists in economics

What is a generalist in economics? There are, at least, three different types of them: the polymath, the monotheorist, and the communicator.

The *polymath* does not conform to the cliché that a generalist is somebody who knows nearly nothing about everything. The polymath is a person who knows a lot about a lot, who excels in many fields and disciplines. The most famous polymath in more recent economics was Paul Samuelson, who considered himself in the mid-1980s to be “the last generalist in economics.” Here is the full quote:

“I can claim that in talking about modern economics I am talking about me. My finger has been in every pie. I once claimed to be the last generalist in economics, writing about and teaching such diverse subjects as international trade and econometrics, economic theory and business cycles, demography and labor economics, finance and monopolistic competition, history of doctrines and locational economics.” (Samuelson 2004, p. 52)<sup>6</sup>

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6. Commenters have suggested mentioning John Hicks, Kenneth Arrow, William Baumol or Harry Johnson as well. To my knowledge, they did not claim to have their fingers in as many pies.

The *monothorist* is a generalist in the sense that s/he works on a general theory, i.e. a unifying framework for analysis that derives the explanation of the whole economy (or its essential features) from a few basic elements, the “first principles.” There has been a variety of conflicting “general theories” in 20th century HET. Take, for example, Walrasian general equilibrium analysis in the style of Arrow and Debreu (1954), based on the marginal principle on the one hand, and the revival of the classical surplus approach to production and distribution in the spirit of Sraffa (1960), on the other. Take Keynes’s *General Theory* (1936), which set the focus on macroeconomic coordination problems ignored by micro-oriented neoclassical theory, on the one hand, and the insistence of Lucas (1987) that Walrasian microfoundations in a “New Classical” setting make any distinct approach to macroeconomics redundant, on the other. There are attempts to overcome such conflicts by creating more encompassing frameworks. Take, for example, the New Neoclassical Synthesis that integrates New Keynesian (though not necessarily Keynes’s) ideas into New Classical theory (Goodfriend & King 1997, Woodford 2003). The notion of a *New Neoclassical Synthesis* relates to the original “neoclassical synthesis”, a term coined by Samuelson (1955) to describe the consensus view on stabilisation policies that macroeconomists had developed some six decades ago. Whether or not the self-confessed “last generalist” Samuelson himself was a monothorist, is an open question; his macroeconomic views were more of the pragmatic than the principled kind. Yet, he claimed his *Foundations of Economic Analysis* to be “a general theory of economic theories” (Samuelson 1983, p. xxvi). Obviously, he considered himself a monometatheorist.

The third category is the *communicator*, a generalist in the sense that s/he communicates economic “basics” and standpoints to the general public and takes care of preserving the profession’s communal identity. The latter task includes the internal communication with the specialists’ sub-communities. Within the category of communicators, we can distinguish three sub-categories: the opinion leader, the instructor, and the research coordinator.

The *opinion leader* acts as if he were the “representative economist” (it is mostly a “he”, not a “she”).<sup>7</sup> He plays the role of the “general expert” who communicates the harsh messages from the dismal science to the public. His views are often controversial among economists, and the specialists

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7. Paul Krugman and Hans-Werner Sinn may serve as leading examples, at different ends of the range. See the contributions to Mata and Medema (2013) for a selection of American and British opinion leaders and other economists who acted as public intellectuals in the past.

tend to put his general expertise in doubt. Yet, many colleagues welcome the willingness of the opinion leader to represent the profession in the media, because it allows them to do research and other business that they consider more meaningful. Forming and communicating an economist's opinion on whatever happens in the world has become a special art in itself, with increasing differentiation in the blogosphere.

The *instructor* teaches general economics via textbooks and other media. She or he is doing the groundwork of introducing undergraduates and others to economics in general. That work is eminently important, but not highly estimated and often left to those who have not advanced much further into economic thinking than their students.

The *research coordinator* is a multiple type of functionary (not necessarily embodied by the same person) who does community service as journal editor, as coordinator of a research cluster with a broader mix of specialists, as member of a research-funding committee, or as officer of an economics association.

Paul Samuelson played all those roles in different functions. As his talk about being the last generalist indicates, the polymaths and the monotheorists are almost extinct species, at least for the time being. Specialisation and fragmentation have increased the odds against the polymaths, and even monotheorists are facing a difficult time. Perceiving the turn from "pure theory" towards "applied economics", Hahn (1991, pp. 50/47) predicted:

"Not only will our successors have to be far less concerned with the general... than we have been, they will have to bring to the particular problems they will study particular histories and methods capable of dealing with the complexity of the particular... Instead of theorems we shall need simulations, instead of simple transparent axioms there looms the likelihood of psychological, sociological and historical postulates."

This development makes communicators the last generalists. I am not suggesting that historians of economic thought should take over all their tasks. Marginalised as we are, we can hardly aspire to become opinion leaders. Nor should we be content with merely being instructors at introductory levels, even if many among us face such restraints and take that important task seriously, nevertheless. Research coordination is often more rewarding, but scholars of HET rarely get into such positions. There are some activities, though, by which they can exert subtle influence on the different groups of communicators, if not enter them. They have the potential to do so because they are a sort of "generalists of last resort."

#### 4. History of economic thought: a general-purpose specialty?

What are the functions of HET that make it a specialisation of general interest for the profession and for society? To counteract fragmentation, such generalist functions ought to help sustaining a common identity of economists as members of an academic discipline, and they should serve the advancement of economic knowledge. These two definitions of general interest may not be fully congruent. Economists are people of a particular trade with specific career incentives. Their special interests can conflict with the general interest of society in the progress of science.<sup>8</sup>

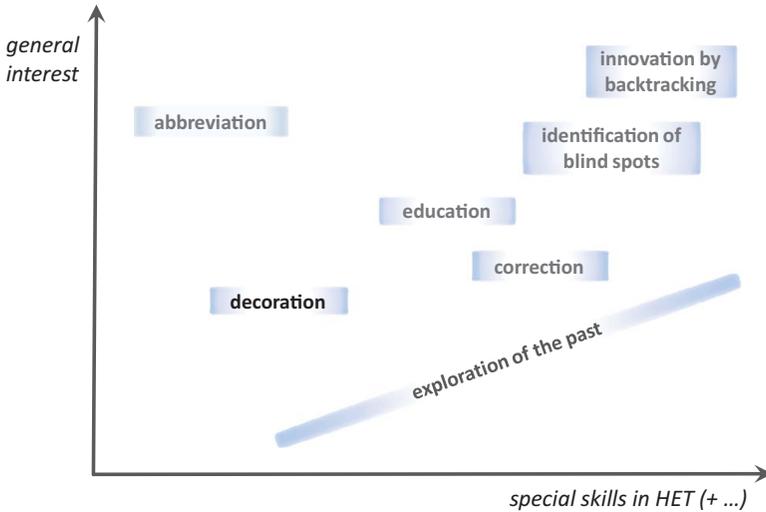
However, in the following I take an idealistic view for practical reasons: in Figure 3, I locate different functions of HET in the two dimensions of general interest and special skill requirements. I assume that the general interests of society and the profession are *normally* compatible with each other and, hence, range on the same (vertical) scale in the diagram; differences and conflicts will receive special attention. The further we move to the right, the higher the requirements of special HET skills to perform tasks of archival research, textual and contextual analysis, analytical reconstruction, bibliometric and lexicographic work, etc.<sup>9</sup> Most of the functions of HET demand complementary skills from the special field under scrutiny. Assessing the role of econometrics in the evolution of economics, for instance, requires some knowledge of econometric techniques. Note, though, that there is no database or rigorous theory behind Figure 3. It represents nothing but my personal conjectures and biases, but I hope it has some heuristic value.

##### 4.1 Exploration of the past

The first and basic function of HET is the exploration of economic thinking in the past. This is the specialty as such. Scholars of HET have some passion for exploring the past, and it is perfectly legitimate to do *l'art pour l'art* because “The past is a foreign country” (L. P. Hartley, quoted after Lowenthal 1985), and passion may help to write good travel reports about

8. One need not go as far as Adam Smith ([1776] 1904, p. I.10.82) who argued that “[p]eople of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public”. The codes of ethics and disclosure principles recently introduced by the *American Economics Association* (2012), the *Verein für Socialpolitik* (2012) and other professional associations attest to the potential for conflicts of interest. The introduction of the codes was prompted by public attention to such conflicts in the wake of the global financial crisis.

9. For a description and relative assessment of HET skills see, for example, Marcuzzo (2008).



**Figure 3 Functions of the history of economic thought**  
*Source: Own illustration.*

the worlds from which we have come. The range and levels of skills required vary with the ground under exploration. Some of the explorations of the past are so skilful, artful and/or lucky in their timing, that they arouse general interest in the profession and beyond.<sup>10</sup> They get recognition for supplying parts of the “big picture” that put the present in perspective by (re)constructing its past. Yet, most economists consider this “pure” type of HET somewhat disdainfully as “just an art”, not science. For them it is not of general interest.

#### 4.2 Abbreviation

A second basic function of HET is abbreviation. All economists practice it all the time, though often quite unaware of the historical dimensions of their terminology. Here I speak of the use of historical names, both of past thinkers and of schools, as shorthand for describing concepts, effects, theorems, or even paradigms. Take, for example, the Fisher effect, the Coase

10. Going by the resonance in general interest journals and wider circles I would mention, for example, Robert Heilbroner’s *Worldly Philosophers* ([1953] 1999), George Stigler’s *Essays in the History of Economics* (1965), the Keynes biographies by Robert Skidelsky (1983–2000) and Donald Moggridge (1992), and Perry Mehrling’s *Fischer Black and the Revolutionary Idea of Finance* (2005).

theorem, Nash equilibrium, Armington elasticity, Say's law, or Keynesian economics. The use of such labels requires no special skills of HET. The practice comes more or less automatically, first with studying general economics, and later with specialising in some field or other. The practice of abbreviation is of general interest for the profession because it provides convenient shortcuts in communication. It is also some "glue" for the community feeling as standing on the shoulders of past giants gives a sense of continuity. Whether or not the name-dropping contributes to scientific progress depends on a clear common understanding of the context. Like with any other jargon, the downside risk of abbreviation is the creation of an insider language that acts as a barrier to communication with others who work on the same subjects. Moreover, in Economese many of the terms, such as Say's law or Keynesian economics, suffer from sloppy usage and misinterpretation.

#### 4.3 *Decoration*

The next function of HET, decoration, is the opposite of abbreviation insofar as the economics profession demonstrates awareness of its own history. More often than not, however, it is Whig history: The past is used as a dark foil to celebrate the present for its achievements, for the enlightenment that comes with analytical rigour and technical progress. We also find here celebrations of past heroes, like our representative agents Smith and Samuelson, or of anniversaries of institutions and events. The HET skills invested and the quality of the outcome vary considerably. There are many excellent studies by historians of thought, most of them not Whiggish at all, but the dabbling of prominent economists usually receives higher shares of attention. The profession tends to regard work in this category as ornamental acts of community service, not as pieces of generally interesting research.<sup>11</sup> It is hard to deny that the departments of teleology produce very little of value by preaching that economics is a science continuously making progress. Unfortunately, researchers' disdain for such decoration easily spills over onto serious commemorative work that deserves better.

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11. Take, for example, the reviews of twentieth century macroeconomics by two great names in the field, Michael Woodford (1999) and Olivier Blanchard (2000), or Paul Krugman's Ohlin lecture on *Geography Lost and Found* (Krugman 1995, pp. 37–59). Together with my coauthors I have discussed the merits and the Whiggishness of these contributions in Ehnts & Trautwein (2012) and Tamborini *et al.* (2014).

#### 4.4 Education

A generic general function of HET is education. In the past, when the past was held in higher esteem, HET courses were part of the general education in economics (Samuelson 1987, Goodwin 2008). History was integral to the sense of identity in the discipline. It was an asset to have a historian of thought in the department, though not a necessity, since many in the profession felt competent enough to teach and write in the field. With the proliferation of methods of modelling and measuring, the opportunity costs of having HET in the course programme have risen, and the interest in HET has declined.<sup>12</sup> The “applied turn” towards methods has fostered scientific attitudes that make “modern economists more than their predecessors regard economics as a cumulative science” in which “new insights will always tend to make the views of earlier scientists dated and erroneous” (Sandmo 2011, p. 4). If all the good ideas of the past are preserved and ameliorated in the present range of textbooks and research literatures, what more could HET courses offer than accounts of past errors?

There are signs for a HET comeback, though. A significant number of students and young researchers have rediscovered some value-added in historical economic thinking (see e.g. Caldwell 2013). Student initiatives for pluralism in economics demand the reintroduction of HET courses to prepare the ground for new economic thinking. Even young researchers who prefer to move with the mainstream are showing a greater interest in HET because they find the whole discipline of economics so confusingly pluralistic that they are looking for some orientation, with history as a navigation system. While following their peers’ advice to pursue narrow specialisation in order to reach the research frontier by reducing the competence-difficulty gap, they feel that they have lost “the big picture.” Their specialised knowledge rarely helps in understanding the systemic issues, on which economists ought to have something to say – such as the global financial crisis, or the economic causes and effects of climate change, demographic change, migration, and digitalisation. The grand visions of the “worldly philosophers” of the past are generally more accessible than modern attempts to come to grips with the big issues. If read and taught appropriately, the older visions offer diverse routes to

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12. Samuelson (1987, p. 52) observed about his own graduate education in the 1930s: “Graduate students need at least 4 hours a night of sleep: that is a universal constant. So something had to give in the economics curriculum. What gave, and gave out, was history of thought.” Considering that the marginalisation of HET began so early, it is somewhat surprising that it is still alive.

systemic thinking about the present world economy by reducing the competence-difficulty gap.<sup>13</sup>

HET can thus be part of a general education that complements specialisation and counteracts its detrimental effects. We may take recourse to Adam Smith again, to Book V of the *Wealth of Nations* ([1776] 1904, p. V.1.178), where he declares “the Expence of the Institutions for the Education of Youth” to be a task for government because

[i]n the progress of the division of labour, the employment of... the great body of the people comes to be confined to a few very simple operations... The man whose whole life is spent in performing a few simple operations, ... generally becomes as stupid and ignorant as it is possible for a human creature to become.

Research work in economics usually requires more than a few simple operations, but when researchers feel made stupid and ignorant by fragmentation, we should stand ready to help.

The educational function of HET stretches beyond teaching the grand visions. Young economists benefit from learning about the evolution and revolutions that shaped modern economics, both through theoretical developments and institutional change. Why are there long swings in economic understanding? How did economics become a scientific discipline, and how has it been evolving? Why was it Americanized and what drives its globalisation? Are there still different national traditions, and if so, what role do they play? How have the mechanisms for quality assessment changed over time?<sup>14</sup> Looking at theoretical and institutional trends in combination helps to show that economics is not a “cumulative science” in which an efficient selection mechanism weeds out bad ideas while preserving and ameliorating the good. Some of the latest research is nothing but “old wine in new bottles”. Some inspiration for progress comes from the

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13. Pouring some cold water on the matter, it should be noted that students’ interest in HET tends to grow only in times of crisis (Caldwell 2013, p. 755 n 2) and to wane when students realize that serious studies in the history of ideas require deep and wide reading (anecdotal evidence).

14. Axel Leijonhufvud (2003) describes the “long swings in economic understanding” since the Great Depression. In his presidential address given at the ESHET 2014 conference, Cardoso (2015) discusses the emergence of political economy as a scientific discipline. In an another presidential address, given at the ESHET 2010 conference, Hagemann (2011) delineates the influence of European emigrés on the “Americanization” of economics. For a discussion of national traditions and the other questions, see the essays collected in Coats (2000) and Lanteri & Vromen (2014).

rediscovery of old ideas.<sup>15</sup> Remember Schumpeter's answer to the question "why do we study the history of economics": "The gains with which we may hope to emerge from it can be displayed under three heads: pedagogical advantages, *new ideas*, and insights into the ways of the human mind" (Schumpeter 1954, p. 4 – emphasis added). This brings me to the last three functions of HET: correction, identification of blind spots, and innovation by backtracking.

#### 4.5 Correction

Proving Stigler's law of eponymy – "no scientific law is named after its original discoverer" – is a favourite pastime of historians of economic thought.<sup>16</sup> Yet, there are other, more relevant aspects of *correction* as a function of HET. The problem with the past is not so much that it is a foreign country, but that it is a foreign country of our own making – or somebody else's. History is always and everywhere an *ex post* construction. The representative economist has the unfortunate habit of being careless or even biased in his historical references, and it is a task assigned to historians of thought to draw attention to grave misinterpretations or abuses of the past.<sup>17</sup> This is especially important where modern economists use the history of thought as "rhetorical weapon" (Laidler 2003) to assert their intellectual monopoly, misrepresenting the great authors of the past as primitive precursors who essentially had no other intentions than following the specific approach that these moderns propagate.<sup>18</sup> The correction of such Whiggishness and other misinterpretations ought to be in the general interest of advancing our knowledge, but one should not be overly optimistic about the acceptance of historical corrections in our profession. Our fellow economists tend to ignore them or simply skip historical references when persistently criticised. Yet, even if it is an uphill struggle,

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15. Examples for progress by historical analysis follow below. Note that it is not my intention to argue that *all* research amounts to recycling or rediscovery.

16. As Stephen – not George – Stigler (1980, p. 147) put it: "I suspect that most historians of science, both amateur and professional, have had their interest fuelled early in their studies by the discovery (usually accompanied by an undisguised chortle) that some famous named result was known (and better understood) by a worker a generation before the result's namesake."

17. Since this article started with international trade theory, a befitting example is the close re-reading of Ricardo's *Principles* on international trade, by which Faccarello (2015) shows that Ricardo's arguments about comparative advantage differ substantially from their popular interpretations.

18. David Laidler (2003, pp. 12–19) criticises, in particular, the rhetorical abuse of classical writings by Robert Lucas and associates from the "New Classical" camp.

quality checks of the discipline's current constructions of its past are indispensable for improving future research and teaching.

#### 4.6 Identification of blind spots and innovation by backtracking

The use of HET for spotting blind spots in modern theories is another corrective task. To understand both this spotting function and innovation by backtracking (the HET function with the highest level of general interest in Figure 3), it is helpful to think of the evolution of economics as the growth of a decision tree:

“Economists are wont to reduce everything to choices. Economics itself develops through the choices that economists make. To use the past for present purposes, we should see the history of the field as sequences of decisions, of choices, leading up to the present. Imagine a huge decision tree, with its roots back in the time of Aristotle, and with the present generations of economists... twittering away at each other from the topmost twigs and branches. The branching occurs at points where economists have parted company, where *problematic decisions* had to be made but could not be made so as to command universal assent. The two branches need not be of equal strength at all; in many cases universal agreement is eventually reached *ex post* so that one branch eventually dies and falls away. The oldest part of the tree is, perhaps just the naked trunk; but the sap still runs in some surprising places.”

Leijonhufvud (2006a, pp. 4–5)<sup>19</sup>

Modern theories have grown out of earlier decisions about modelling standards that, at the time of their making, appeared feasible for reducing complexity. The topmost twigs may thus have come to provide a wide scope and allow seeing various things with great precision. Yet, modelling conventions do also limit the sight and create blind spots. They make it difficult to study pertinent phenomena if the topmost twigs have grown on the wrong side of the tree (coming out of inadequate analytical choices and splits between specialties) or reached too lofty a level of abstraction (by excessive use of the *as if* clause). In many cases, it is possible to detect the blind spots by comparison with research questions from theories that branched off in other directions at lower junctures of the econ tree. Moreover, with the help of some analytical reconstruction, climbing out on those older branches may lead to new insights about the phenomena in question.

The present state of macroeconomics offers conspicuous examples for the employment of HET to identify blind spots and to innovate by

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19. The passage is taken from the invited lecture on “The Uses of the Past” that Axel Leijonhufvud gave at the ESHET 2006 conference in Porto.

backtracking. Twenty years ago, Blanchard (1997, pp. 289–90) observed that almost all macroeconomists work within a framework that combines three ingredients: intertemporal optimisation, imperfect competition and nominal rigidities. This triangle of analytical choices defines the New Neoclassical Synthesis, a consensus view by which the only rigorous way to analyse short-run fluctuations of aggregate output is to model them as effects of frictions, i.e. as deviations from the standard perfect competition model in a dynamic stochastic general equilibrium (DSGE) setting. In that framework the economy is stably evolving close to the steady-state growth path; a well-designed rule for monetary policy will generally suffice to neutralise the effects of wage and price stickiness, thereby closing the gaps between actual and potential output. Two decades later, a global financial crisis has led to the addition of more frictions, but the Blanchard triangle still characterises the consensus view.<sup>20</sup> The latter has also run under the labels of “New Keynesian Economics” (Clarida 1999 et al.) and “neo-Wicksellian theory” (Woodford 2003) to mark innovations that do away with blind spots of the underlying Real Business Cycle theory by taking recourse to key insights of Keynes and Wicksell.<sup>21</sup> Yet, it did not even need that global financial crisis to see that DSGE macroeconomics is hardly capable of dealing with financial instability and its real effects. Long before, Leijonhufvud (1968, 1981b, 2004) and Minsky (1975) had voiced fundamental critique of the stability-cum-frictions approach in the old and new neoclassical syntheses, demonstrating that this approach is blind on the systemic coordination failures in monetary economies which were in the focus of the original approaches of Wicksell, Keynes and various of their followers.<sup>22</sup> Leijonhufvud’s (1968) reinterpretation of the economics of Keynes in

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20. It should be noted, though, that Blanchard (2016: 1) has recently argued that “DSGE models... have to become less imperialistic and accept to share the scene with other approaches to modelization.” Caballero (2010) describes a variety of other approaches in his critique of the “pretense-of-knowledge syndrome” that characterised pre-crisis (DSGE-style) macroeconomics.

21. The Keynesian flavour results essentially from relative speeds of adjustments to shocks, with aggregate output reacting before the price level, and the Wicksellian flavour is in the determination of aggregate demand by gaps between ‘the natural rate’ of interest and the rate set by monetary policy. However, there was no backtracking involved in the construction of the New Neoclassical Synthesis, as it branched off from the New Classical approach of Real Business Cycle theory. Blanchard (2000, p. 2) regards the progress made in 20th century macroeconomics as “a surprisingly steady accumulation of knowledge”.

22. For a post-crisis critique, see Leijonhufvud (2011). Further pre-crisis critique was articulated in an exchange with Woodford at a *History of Economics Society* (HES) symposium in Toronto 2004; see Hoover (2006), Laidler (2006), Mehrling (2006), Boianovsky & Trautwein (2006), and Woodford (2006).

terms of a “cybernetic” approach, followed by his subsequent demands for computational macroeconomics to explore the adaptive dynamics of complex market systems in agent-based models (Leijonhufvud 2006b), have inspired a number of attempts to innovate macroeconomics by backtracking.<sup>23</sup>

The history of economic ideas certainly holds further inventories for innovation. In an analogy with Kenneth Arrow’s view of technological progress, Kurz (2006, pp. 476–7) has conjectured (tongue in cheek) that progress in economics “typically proceeds by recombining and developing known ideas: new ideas are produced by means of old ones... Would the entire potential of recombinatory possibilities always be exploited in full, then the growth of the number of knowledge particles would over time increase almost without limit... [I]t follows that it would be self-damaging if economics were to get rid of the history of economic thought.”<sup>24</sup>

This is not to argue that *all* new ideas in economics are recombinations of older ones. If well done, historical assessments of current research are acts of joint production: They trace the lineages of older ideas, thereby also identifying the novelties. By their specialisation, historians of thought tend to set the focus on the lineages and leave it to the (other) economists to appraise the innovations. There is certainly room for fruitful cooperation.

## 5. Comparative advantages of doing history of economic thought

Are historians of economic thought up to the job of counteracting the fragmentation of economics – if not individually, then at least in the aggregate? In the following, I proceed from the heroic assumption that scholars of HET employ their technical skills efficiently at the production possibility frontier, since my aim is to describe their comparative advantages as generalists in exchanges with economists from other fields of specialisation. However, rather than framing my argument in terms of a

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23. See, for example, the works of Peter Howitt, Domenico Delli Gatti and their co-authors (Howitt 2008, Delli Gatti et al. 2011, Ashraf et al. 2011, 2016). For a demonstration that replacing the Blanchard triangle with a Wicksell–Keynes triangle leads to different results even with minimal deviations from other DSGE standards, see Tamborini *et al.* (2014).

24. Kurz made this argument in his presidential address at the ESHET 2006 conference, in which he also illustrated the HET functions of (a) spotting blind spots and (b) innovating by backtracking with two examples. For (a) he compared Paul Romer’s growth-theoretical treatment of the diversity of capital goods to older theories, and for (b) he discussed Piero Sraffa’s redevelopment of the classical surplus approach to the theory of value and distribution (Kurz 2006, pp. 478–82).

representative scholar of HET, I would stress the importance of heterogeneity in terms of different specialisations inside the field. I imagine the typical historian of economic thought as a composite, not an average.

The first comparative advantage of historians of thought has already made appearance in Section 2: They are *generic generalists*, because their field is the largest in terms of themes and theories. Since most scholars of HET have to cover much ground by nature of their research, they are inclined to put their work in greater contexts and to reflect on the general evolution of economic thinking. Even so, there is naturally much room for diversity.

The second comparative advantage lies in *multiple cross-cultural competences* in the dimensions of time, space, methods and schools. Scholars of HET are widely travelled in time. The past is not just one foreign country but many, with wide varieties of languages and institutions. Hence, historians need to acquire competences in contextual and comparative analysis. While they may have had their basic training either in economics or in history, they learn to stand on two legs of academic culture: one in science, and the other in humanities. The history of economics is to some extent a study of social physics, but also a study of arts, such as “the art of central banking”, in which, say, discourse analysis can be helpful.<sup>25</sup> Historians of thought need therefore to be open-minded when it comes to the acceptance and employment of methods from different backgrounds.<sup>26</sup> In comparison with the average economist, they tend to have more opportunities to enter into conversation with scholars from other disciplines and to reap benefits of cross-fertilisation.

Scholars of HET are also travelling widely in space – both physically and virtually. Transnational cooperation in HET societies and networks is increasing. This is not *per se* different from other sub-disciplinary communities in economics. However, while the other communities mainly converge by standardisation of their communication, historians of thought communicate, by virtue of their subject, more intensively over cultural

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25. A referee has pointed out that history is more readily acknowledged to be of great pertinence for the course of affairs in the realm of money and banking than in other fields. It is therefore logical that central banks (at least some of them) employ specialists in the history of economic thought and monetary theorists with an interest in history. A prominent example is Charles Goodhart, appointed Honorary Member of ESHET at the Paris 2016 conference. Among his many excellent recourses to monetary history and theories of the past his debunking of “Myths about the Lender of Last Resort” (Goodhart 1999) may serve as an exemplification of the uses of HET in that area.

26. This is not say that the understanding of formal methods of economic analysis (“the science leg”) is as high as it should be in the HET community; there is certainly much room for improvement.

differences and what insights they can gain from the latter. Whatever the problems of the European Union these days, we can consider ESHET a success story of European integration. More activity on the Eastern and Northern flanks would be desirable, but the society has made a lot of headway in its first twenty years. Moreover, it cooperates closely with other HET societies in the Americas, Asia and Australia. In the global HET community, we see a bundling across space, rather than an unbundling: It becomes a joint task to explore the transnational diffusion of ideas as well as the parallels and the differences in regional developments.

In this way, the globalisation of activities in the HET field *produces* cohesion *per se*, as long as interaction at conferences is ecumenical. It is not always free from conflicts between groups that consider each other (but never themselves) as sects, strongly diverging in their views about what is good (and bad) content and practice in HET. I would nevertheless argue that the global HET community is a broad church that houses research on many schools of thought – some that are plainly heterodox, some that were orthodoxies of the past, and some that were at the origins of present orthodoxy. Staying in conversation with each other (if they do), the different streams and approaches create a further dimension of cross-cultural competences that make historians of economic thought capable to play the roles of generalists in economics.

The third comparative advantage of historians of economic thought is *improvement with age*. Observers from the outside like to point out that the average age in the HET community is high, and there is no denying that the gestation period of knowledge in HET is rather long. One has to read so much indeed, but the burden of knowledge is not paralysing. It gets lighter over time, when one comes to see more and more connections, antagonistic and antagonistic, between ideas and the persons and institutions behind them. History provides safe prospects for the future of its practitioners. The research field is continuously expanding – contrary to the shrinkage or scrapping of other specialties – since the past is growing longer all the time. Furthermore, as the previous section should have made clear, the material of research does not get out of date. Much of it gets “back into date” by recurrent reinterpretation in changing modern contexts.

The long-term perspectives of HET foster an understanding of continuity and change, and there is little fear of disruption in the HET industry, as the accumulation of knowledge proceeds at a low pace of technical obsolescence. Even though the use of modern techniques – say, in the digitisation of archives, or in bibliometric work – facilitates and accelerates research, experience still matters, at any rate more than in other fields of economics. Finally, academic careers in HET tend to be quite long. It is

certainly difficult to enter the profession as a scholar of HET at a younger age, and it is highly recommended to have second leg of specialisation. Yet, life in the HET community is quite safe, when getting older. There is even a chance of getting into interesting conversations with eminent economists from other fields who would hardly have condescended to “talk seriously” to the historian of thought when they were younger. When economists get older, many among them start feeling left behind by turns in their sub-disciplines that they find amnesic or unacceptable, and some of them become willing to share their expertise for writing the history of their field.<sup>27</sup>

## 6. Strategies to improve the terms of our trade

It is all very well to argue that HET is important for economics, and that historians of thought are well qualified for generalist tasks – but how do we make our fellow economists pay us due attention? Here are five suggestions. Note that practicing what I preach is not as trivial as it reads.

The first suggestion is to *stand on more than one leg*. If we want to get into conversation with economists on relevant topics of their research and the uses of the past, we should know what they are talking about. This implies that historians of thought ought to be competent in the fields of specialisation that correspond to their specialty in HET. For those who have come to history through their research in a special field of economics, the task is to stay abreast of new developments in that specialty. All others should make themselves acquainted with the theories and methods that field specialists employ for addressing the topical issues on which they (the historians) want to show that economists should pay more attention to insights from the past. It might seem needless to say all this, but my experience as a conference organiser, reviewer and editor of a HET journal indicates that we could do better if more of us knew what is going on at the relevant research frontiers in economics.

The second suggestion is to *challenge and innovate*. Study the econ decision tree on the side facing your fields of interest and look for interesting bifurcations in the past! Do they have a potential for correcting errors in the present, for the identification of blind spots in current approaches, or even for making scientific progress by backtracking? If so, try to cooperate with specialists in the relevant field to make the point! That, in itself, may become very stimulating for your historical research. Do not ignore the applied economists and their empirical approaches! “Quants” can be quite open-minded to reorientation and innovation by backtracking. They are

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27. Examples abound, but I suppose I ought not to name them here.

less heavily invested in conventional modelling strategies than the “pure theorists”. Whenever they have empirical results that do not fit with the standard theories of the present, they might be willing to try some theory of the past that could be more adequate, in particular when made operational by analytical reconstruction.

The third suggestion is to *intensify collaboration among historians*. Clearly not all scholars of HET aspire to producing generalist glue for the profession. Many just want to be specialists and do their work on a particular thinker, school or era, dig in the treasures of archives, study the contexts etc. That is all fine – and it can be part of an internal division of labour in the global HET community. Scholarly explorations of the past provide material and insights that other historians of thought can use for education and further generalist purposes of HET pointed out in Section 4. Adding to the standard library and internet resources, direct distribution of information about research inside the global HET community would make the division of labour more efficient. Some steps have been taken, more can be done.<sup>28</sup>

Beyond such loose forms of cooperation, it is also important to have big research projects in HET that yield increasing returns by reducing the burden of knowledge. Such projects require teamwork, both in research and in making efforts to secure the required resources. The latter may be generally more difficult for scholars of HET than for applied economists, but joint initiatives for big projects with a clear design increase the chances for success. Moreover, they help to counteract fragmentation of HET into tiny projects with decreasing returns to scale and at the margin.

Historians of economic thought should also intensify collaboration with economic historians. Rosselli (2013) pleads for a revival of the old relationship between historians of facts and historians of ideas, pointing out that it too has suffered from fragmentation in economics. “[W]hile historians of economic thought and economic historians often appeal to economists, urging the relevance of their work to developments in economic science, they never appeal to each other, stressing the importance of collaboration” (Rosselli 2013, p. 866). Collaboration would increase the potential for contextual analysis of important developments of economies and economic thought in the past and the present. As Wicksell (1904, p. 467) pointed out, “[h]istory has... the enlightening and liberating task of teaching us to

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28. The SHOE mailing list of the societies of the history of economics (<https://list.serv.yorku.ca/archives/shoe.html>) is an example for a long-standing intra-HET information system. In spring 2017, ESHET and HES opened a Twitter account named “SHoET (@Societies\_HET)”.

understand the existing order of things” (see the motto of this article). As if he had anticipated the quantitative turn towards cliometrics, he added:

[I]f statistics and history are indispensable aids to systematic economics, it is also equally true that the latter is an aid, an auxiliary science, to the former. It may not be possible to study economic – or even political – history successfully without a proper knowledge of the fundamental concepts and principles of economics.

Wicksell was always keen to point out that proper knowledge of economics included the economic thinking of the past.<sup>29</sup>

It goes without saying that it is also worthwhile to seek more collaboration with historians of science. As an academic discipline, the history of science and technology provides many insights into the evolution of academic disciplines and into patterns and trends of the production, or “construction” of scientific knowledge. Historians of economic thought may benefit both from such insights and from joining forces with a large community, for example, to raise funds for multi-, inter- and meta-disciplinary research on the challenges of scientific specialisation and fragmentation.

The fourth suggestion is to *increase the visibility of HET*. We should learn from the economic historians, who have been more successful in attracting attention by making use of big trends and events (such as globalisation and the financial crisis). Closer collaboration might help here, too.

Another strategy of increasing visibility lies even closer at hand. In economics, ranking journals by impact factors is a reputation mechanism of great importance for academic recruiting and research funding. Whether or not we like the rankings, they are likely to stay for some time to come. There are various reasons why HET journals are currently not doing well in those exercises. The HET community is small in comparison with other sub-disciplines, which makes for fewer citations. Historians of thought publish a great share of their work in books, which are well visible inside the community but not registered for most of the impact factors. Hence, that share of HET output is hardly “visible” for other economists. More relevant, though, is the questionable habit of many historians of thought to neglect the recent literature. They enter into a sort of private conversation with the old masters they study, with little interest in other research on that piece of history. We need not fall into the mechanistic practice in other fields where, in order to define the innovation slot of the paper,

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29. For Wicksell’s intensive recourse to Ricardo and other classical writers, see Trautwein (2015 and 2016).

Section 2 has to be a review of the latest literature (mostly “grey” by outlet, not by age). Yet, we could increase the visibility of HET by stronger efforts of reading and citing articles from HET journals, wherever appropriate. In the middle and lower ranks of most journal rankings, the numbers of citations underlying the impact factors differ by small margins. A few more citations per year can make a HET journal climb to positions, where scholars of HET would stand much greater chances of doing well and good in academia. This would raise the standing of HET in general.

Beneath such tactical reasoning lurks a fundamental quality issue. If scholars of HET in their writings do not take and give notice of the state of research on their subject, they fail to make scholarship in HET visible.<sup>30</sup> The lack of references to current work in the field gives outsiders the impression that anyone can do HET, without any need to acquire specific skills. Students who want to learn how to do proper research in HET will, on the other hand, find that difficult without guidance by the standards of discussion in the secondary literature. Consequently, HET journals struggle with a high share of submissions of “unnecessary originality” (reinventing the wheel) and low quality. The professional standards of HET should be better reflected in the literature to make the field thrive.

There are further ways to increase the visibility of HET. The most important one is to invest even more than hitherto in supporting students and young researchers who are interested in the evolution of economic thinking. We should offer researchers of all the specialties of which we can muster some knowledge (if only general) to help them checking on the giants and econ tree junctures beneath them. Much of that can be done in cyberspace, by way of qualified writings, talks, discussions and documentation in blogs, videoclips, MOOCs and social media.<sup>31</sup>

Another possibility is to invest in writing survey articles that bridge gaps between specialisations by taking historical perspectives. Once upon a time, major survey articles were a regular feature in journals and separate volumes, and “[c]onsiderable professional prestige went along with

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30. I owe this point to Pedro Duarte.

31. All this comes at a cost in terms of time and money. Some formats will be more efficient than others. David Laidler has pointed out (in private correspondence with me) that blogging can be effective in reaching “modern economists”: “In the monetary area, people with a real interest in history seem to be very well represented as authors, and I have heard more than one ‘modern’ economist who would not be caught dead in a department that took history seriously confess to spending almost as much time reading blogs as journals - so maybe we shall make a little progress by stealth here.”

authorship as well.”<sup>32</sup> Nowadays, survey writing carries little prestige, but it could provide a route for historians of thought with sufficient knowledge of the state of the art (see suggestion 1) to demonstrate the use of HET for identifying progress, blind spots and potentials for innovation by back-tracking. There are highly visible outlets for such work – take for example *JEL*, the *Journal of Economic Perspectives*, or the *Journal of Economic Surveys*.

Last but not least on the point of visibility, the HET societies could make a concerted effort to organise improvements in category B of the JEL codes.

My fifth suggestion is to *act as generalists*. In conversation with other economists, scholars of HET often take an outsider attitude, pointing out – especially when discussions get controversial – that they are “just historians”, as if they were a sort of cleaning staff not directly involved in the work on the premises. Given such modest attitudes, it is no wonder that functions of generalist communicators (see Section 3) are rarely open to members of our community. When such offers come nevertheless, do not shy away from taking the opportunity to act – in the general interest!<sup>33</sup>

Finally, in case our fellow economists keep ignoring our arguments, we might remind them of their future. For them, we may be figures stuck in the past, but it is us, who write their obituaries.<sup>34</sup> These come under JEL code B.32, so they are in our domain. We should let them know that we are the generalists of last resort.

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32. This observation was made by an anonymous referee who drew my attention to the integrative role of surveys in the past.

33. As a precondition for improving the terms of our trade, I continue to naively presume that the general interests of the HET community, the economics profession and society in general coincide.

34. Michael Woodford made that point at the HES 2004 symposium mentioned in footnote 22. Note that historians of thought also need to be fast and good enough to get the obituaries into the top journals.

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## Abstract

The general trend of research specialisation in economics has contributed to the marginalisation of the history of economic thought. However, it has also led to a state of fragmentation in the profession and thereby increased the costs of neglecting the history of economic thought. This paper argues that historians of thought can help to counteract fragmentation because they are special generalists that fulfil multiple

functions, for example, in the education of economists, the detection of blind spots in modern theories and the identification of routes for innovation by backtracking.

**Keywords**

Specialisation, fragmentation, history of economic thought