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Special Section:
The Past, Present, and Future of Economics for History

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Perhaps We *Can* Talk

Discussant Comments for “Taking Stock and Moving Ahead: The Past, Present, and Future of Economics for History”

The title of the 32nd Annual Meeting of the Social Science History Association in 2007 was “History and the Social Sciences: Taking Stock and Moving Ahead.” David I. Kertzer (2007), the president of the association at that time, explained that the focus of the conference was to determine “how far we have come in social science history” and to isolate “the most promising avenues for research.” The following essays were presented at the presidential session, titled “The Past, Present, and Future of Economics for History.” The presenters put forward a number of provocative arguments before a fully engaged audience, whose numbers spilled into the hallway of Chicago’s Palmer House. While the authors were all economists by training and by department affiliation, there was an intense interdisciplinary exchange between audience members and the panelists. The session, in short, was a huge success in generating a range of ideas about the future of economics *for* history.

It is no secret that cliometrics has been on the retreat in history departments for at least 25 years. Thus Robert Whaples began the session by asking if, at this point in time, there could be more collaboration between economists and historians. Drawing on a quantitative analysis of the economic history literature and a survey of historians and economists, he put forward a rather pessimistic response to the question posed by his paper, “*Can We Talk? Do Economists and Historians Agree on Anything?*” He argued that involving historians in economic history is problematic, for not only do they lack a minimal understanding of economic theory, but they are actually hostile to the dismal science.¹ Perhaps the supremacy of cultural studies and the fixation with “identity” among historians can go far toward explaining the differences in assumptions, approaches, and beliefs: today’s historians usually consider “culture” and human behavior much more complex than budget constraints, utility curves, and rational maximization. Cultural historians, in particular, perceive complex endogenous systems that usually involve “power” governing human relations. The descriptive models these researchers construct are usually complex, hypertheoretical, particular, and subsequently impossible to empirically measure with quantitative methods.

As Whaples’s data demonstrate, historians and economists possess competing views on how the world works, but are historians all that different from economists in their obsession with complexity? The second paper in the session, by Philip R. P. Coelho and James E. McClure, argues that “pure” economists have also gravitated toward theoretical discussions that offer no quarter to quantification. What the authors show in their essay, “*Lotta Lemmata: A Sour Harvest*,” is that the most prominent economists and economic journal editors have shown little interest in empirically testing ideas with real-world data. Mathematically complex lemmas—“proposition[s] assumed or demonstrated which [are] subsidiary to some other” (*Oxford English Dictionary*)—that are unlikely to be modeled or tested with real-world data have come to dominate top economic journals. What are apparently valued are “elegant,” “original,” “imaginative,” “innovative,” or “suggestive” models that ignore the “ugly facts” presented by real-world data.

But the split between historians and economic historians cannot be blamed entirely on the mutual preoccupation with complex theory. A more fundamental reason for the gulf between historians and economists is that the former are trained to avoid the present-minded trap. If there is a common method guiding professional historians, it is that they should approach

their subject on its own terms and be careful not to allow present-day thinking to bias their work. Contrast this widely held position with David Mitch's discussion of why economic history was first studied by economists at the University of Chicago. For these pathfinders during the early twentieth century, history and historical data were used to inform and test theory, something that is less important to today's economists and is heretical to post-Butterfield historians (see Butterfield 1931), who are less inclined to embrace present-minded assumptions about how individuals think and behave.

On the surface, the likelihood of greater historian participation in economic history appears slight. Most historians—and cultural historians in particular—reject the notion that there are universal models to describe human behavior. They are therefore unimpressed with studies that claim that (1) individuals are rational, (2) markets are efficient, and (3) utility is maximized. These building blocks to a microeconomic explanation of human behavior are probably considered circular thinking by cultural historians, given that “utility” is an unknown, describable only from actions in the marketplace, which is assumed to be efficient and filled with profit maximizers. Today's historians, more often than not, ridicule the language (the discourse) of economists and are more inclined to show how cultural formation is independent of or even hostile to market behavior. Rather than map out utility curves, cultural historians seek to demonstrate the range of individual wants, desires, and identities through a range of source materials but, most important, through textual analysis.

Perhaps the common ground where “we can talk” lies in the “historical economics” approach that Mitch highlights in his historiography of the Chicago school. The phrase *historical economics*, we are told, conveys the notion that economic theory and methods can be used to solve historical problems rather than history serving as an empirical laboratory for economics. The “historical economics” approach not only helps solve the present-minded problem but also will help historians identify culturally and temporally unique behavior. When one finds that historical figures or groups are not behaving in what we perceive as a “rational” fashion, it becomes more compelling to emphasize cultural imperatives. In other words, if conventional economic incentives fail to explain behavior, perhaps a close look at cultural pressures or traditional beliefs is in order.

A more specific program for collaboration between economists and historians, however, is offered by Whaples, whose survey data show that econo-

mists and historians appear to have similar attitudes toward how politicians behave and toward “political economy.” He suggests that it is in the area of politics that there is room for “a constructive conversation” between economists and historians. I would like to add that there are further opportunities for collaboration if we focus the conceptualization of *political economy* on the early economists (and political thinkers), whose basic concern was to discover the source of national riches. Historians of eighteenth-century western Europe and the United States are particularly interested in how the early political economists helped form national policy, mold national identity, and steer social change. Economists familiar with the theoretical underpinnings of monetary theory, the benefits to trade, and the functioning of labor markets, for example, have a great deal to offer historians who are wading through political economic texts. Furthermore, many of these early writers put forward testable hypotheses, which can be modeled with historical data. If economists hope to have a conversation with historians, I believe that it is important for them to think carefully about the questions historians are pursuing rather than wait for another cliometric revolution.

Notes

This session was organized thanks to the efforts of Farley Grubb, professor of economics, University of Delaware.

- 1 This paper has been published under the title “Is Economic History a Neglected Field of Study?” (Whaples 2010).

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