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An enthusiastic round of applause for the history of economic ideas

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ARTICLE HISTORY

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It is indeed a great privilege to stand in front of such a distinguished audience as the 2022 ESHET new honorary fellow. Walking up to this room was a humbling experience. I was again asking myself why the Society's Council had decided to shower on me such an honour: at least half a dozen members present in this room are worthier than I to get such an award. The only good reason for such a choice is probably my venerable age.

Let me humbly express my utmost gratitude to all of you and to the Council members for this award. And thank you as well for being here to listen to some fully expected remarks by a dinosaur of the history of economic thought. After fifty years in this line of research, you can hardly expect anything original from an old trickster like me.

I could of course bore you to death with some of my favourite topics: Keynes on the rate of interest and the principle of effective demand; or Walras's tâtonnement as a market mechanism or as a straightforward algorithm; or the impossible solution to the Hahn problem of the positive value of money; or even the nature of Sismondi's critique of Say's law and its links with his price theory. Having recently accepted (a sin of old age!) to put together forty-five old papers of mine in French and English, I can only paraphrase what I said in my introduction:

For a historian of economic thought whose job it is to work daily with ancient texts, rereading one's own articles is an intellectually acrobatic but salutary exercise. Applying to myself a hermeneutics used to examine and interpret the texts of past and present

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Revised version of the honorary member lecture given at the 23rd ESHET conference in Liège, June 3rd, 2023. This text has greatly benefited from the insightful and sometimes sharp comments offered by various conference participants and by three very wise referees. Despite strenuous efforts to make this essay sounds more academic, the final version inevitably retains some of the oral flavour of the Liège conference. Some arguments (and references) only hinted at should have been carefully developed and vindicated. Such shortcomings are however part and parcel of the *genre*. Solving this sin of conciseness is beyond the limits of a forty-minute speech and best left to a hypothetical full-blown article.

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giants of the economics profession, I emerged with a strong sense of the extreme modesty of my contribution. The incessant repetitions, the threadbare themes, the theoretical obsessions, not to mention the flagrant contradictions, the obvious errors and the highly annoying tics of language, the rereading of articles sometimes dating back almost forty years made me realise the completely chaotic nature of my intellectual journey (2022, p. 7).

That said, it leaves me with very little choice but to try to offer some thoughts not on the past, not even on the present but on the hope-for future of our much-despised discipline. From Pigou to Schabas, from Schumpeter down to Blaug, Morgan, de Vroey and Düppe, or even from Weintraub to Marcuzzo (or is it not from Marcuzzo to Weintraub?), we all know the poor standing of our discipline among economists (and dare I say, more recently among philosophers of science). Moreover, the more provincial squabbling between various approaches to the history of economic thought or, alternatively, the history of economics, are unfortunately distracting some young colleagues from trying to make a name in our profession.

Hence, to organise my modest ruminations, let me set up the stage with the help of no less than Shakespeare in *As you like it*:

All the world's a stage,
And all the men and women merely players;
They have their exits and their entrances,
And one man in his time plays many parts,
His acts being seven ages ...
etc.

As you like it, Act 2, scene 7.

Replace “one man” by “history of economic thought” and, without of course going through its possible seven ages, let me use this metaphor to reflect on the many roles played on the academic stage by the various members of the cast necessary to, ideally, set up a convincing future for the history of economic thought. From the leading part to the most modest supporting actor or actress, there seems to be a vast array of components who should be harnessed together to ensure, in my opinion, the success of any intellectual expedition in the realm of the history of economic ideas.

Besides the actors of this comedy, (because after fifty years of practise, I am convinced it is a comedy) one should of course not forget colleagues, students, conference organisers, journal editors, referees, copy editors as well as, finally, the various audiences we are desperately trying to address.

And all these participants deserve an enthusiastic round of applause (some of course more than others).

By far, the leading and central part in our comedy is played by ideas, theories, economic analysis or whatever you want to call Schumpeter’s “insights in the ways of human mind” applied to “the history of the intellectual efforts that men have made in order to understand economic phenomena” (1954, 2). The history of ideas primarily explores the development and evolution of intellectual concepts, theories, models, and philosophies, throughout the evolution of economic theory. It examines how ideas emerged, spread, and influenced different approaches to economics. This field of study is interested in understanding the origins, transformations, and impacts of

ideas on various aspects of economic life and social structures. The history of ideas often emphasises analytical and philosophical movements, the analysis of key texts, and the examination of the intellectual context in which ideas emerged.

Clearly, such an approach implies that *knowledge is far more interesting than a study of knowledge production*. Besides being first and foremost an economist, as a historian of thought I give priority to the history and evolution of ideas and theories. My ideal approach is that of an economist tackling the history of his discipline by way of a historical reconstruction based on a rigorous exegesis of founding texts. After all, any science advances by conjectures and refutations of ideas. One should also be perfectly aware of the limits of this approach inherited from a long line of researchers (from Joseph Schumpeter to Mark Blaug). Without ignoring the dangers of a whig history, I am also convinced that it is impossible to write the history of our discipline while ignoring contemporary theoretical developments. As it is musically obvious that the contemporary "baroque" school owes much to historically informed interpretations, it is impossible, for example, to speak today of Sismondi's vision of the instability of nascent capitalism without being conditioned by the impossibility of conceiving today a theorem of stability within the restricted framework of general equilibrium analysis. Moreover, the past is a foreign country; they do things differently there and tomorrow's past is today's present. It is therefore obvious that this analytical history of old ideas is never definitive and can only be rewritten by each generation. In the final analysis, a historian of thought should above all be interested in the history and evolution of ideas and theories and much less by that of the production mechanisms through which "knowledge" is created, validated, reproduced, and legitimised: social structures, institutional practices, technologies, intellectual network constructions, the sociology of research, institutions, funding, the personality of the authors involved or the methods of financing their research. Not that this type of HET historiography is uninteresting, but it does run the very real risk for the discipline of neglecting the substance for the modest benefit of factual knowledge that is too anecdotal if not, sometimes, borderline gossip. I would gladly convert to science studies, the day the net added value of these would allow me to revise my judgement on any point of analytical history. Without being unduly Platonic, ideas have their own life regardless of how they have been produced. From time immemorial, and this is their strength, ideas and theoretical concepts have always had the power to transcend the contingency of their origins, in particular their links with their designers.¹ By way of example, and in a field close to some of my own research, the connection between Sismondi and Marx's primitive accumulation, the progressive conceptualisation of the principle of effective demand by Keynes or the definition of the existence theorem of a general equilibrium cannot be modified by savoury revelations about the private life, the social and cultural environment, or the academic practices of these different thinkers. As Einstein once wrote, science searches after all for relations which are thought to exist independently of the searching individual and tries to make the chaotic diversity of our sense-experience correspond to a logically

¹ After all, we know next to nothing about Plato's life and education though, as Whitehead famously wrote, "the safest general characterization of the European philosophical tradition is that it consists of a series of footnotes to Plato" (1978, p. 39).

uniform system of thought. And so is the history of any science, including economics.

In my comedy, the prize for best supporting actor goes to the texts, textual exegesis and/or hermeneutics. This should not come as a surprise in an intellectual world still very much determined by the religions of the book. Even if the task of the ideal historian of economic ideas is to state and to interpret, texts need to be explained and translated. Thus, by revealing the many layers of a text, the historian of ideas transmits these texts through time. This work of exegesis shows some meanings among the many that the original author might have tried to convey to his contemporaries, and others that were unintended within the author's own context,² but that speak, for example, to the readers of our time.

Even when the meaning of a text results from a dialectic between text and reader and from the interpretative collaboration between them, there is a limit to possible interpretations. That is why editions of texts stake out these limits. As in other fields of knowledge the question of how to qualify an interpretation is very present in the history of economic ideas. Beyond the conviction that not all interpretations are equally valid, there is the precious idea (borrowed from biblical studies) that 'the text does not exist in itself, is not an invention out of nothing'; it is based on social facts, historical contexts, and the audience for which it is written, so much so that it becomes hermetic over time. It calls of course for a wide spectrum of methodological approaches. To take up again a well-known typology, interpretative work covers *Geistesgeschichte*, as well as historical and rational reconstructions.³ To understand and shed light on any text, it is necessary to study the history of the periods that surrounded its birth. Without of course forgetting the counter-history since many episodes are recounted for purely ideological reasons. Marx's selective readings of Ricardo and Sismondi, or Pigou's initial reading of the *General Theory* are good examples at hand.

However, such an approach should only play a supporting role in my comedy. For fear of drowning the leading parts played by ideas, such arguments should be kept in the background, even, *horribile dictu*, in footnotes. On this point, and referring to Heidegger no less, Bourdieu (1988) seems initially to encourage the historian of ideas not to dissociate the social individual from the epistemic individual. Nevertheless, and just as clearly, Bourdieu also urges the researcher not to seek "easy profits" (the author's social environment) to the detriment of his "scientific results". Endless and minute studies of knowledge production mechanisms should not obscure the pure logic of the very knowledge it tries to illuminate. But, of course, and Bourdieu is

² A scholarly referee remarked wisely on an earlier version of this text that my sentence echoes Rorty's position which adopts a restricted use of 'meaning' to differentiate the words 'meaning' and 'significance' for historical reconstruction and rational reconstruction respectively (Rorty 1984, 54–55). This oversight is, of course, entirely mine.

³ I am of course aware of the division, introduced by Blaug, between rational reconstruction and historical reconstruction (see also above p. 2). The evolution of Blaug's position on this question is also well known. In the 1960s, Blaug began with an opposition between absolutism and relativism and then, referring to Rorty (1984), borrowed from him the structure *Geistesgeschichte*, historical reconstruction, rational reconstruction, doxography (Blaug 1990). To the best of my knowledge, and despite an abundant literature, a synthetic history of this evolution remains to be written.

perfectly right, the rarefied atmosphere of scientific results is much more difficult to master than the low hanging fruits of production mechanisms.

By order of importance, the third character in my little comedy is, of course, epistemology. And, as an economist by training, I am particularly careful when handling this discipline. Let me just give you an example of a basic use of what passes sometimes as the sciences' science. And for someone who has had the great honour of holding Walras and Pareto's chair at Lausanne, I borrow this example from the so often mis-called Lausanne school.

In one of his *notes d'humeur* ('mood notes') Walras illustrates unequivocally and in a particularly concise way the methodological and epistemological distance which separates the two authors from the so-called Lausanne school: "M. P(areto) believes that the goal of science is to get closer and closer to reality by successive approximations. And I believe that the goal of science is to bring reality closer to a certain ideal; that is why I formulate this ideal" (Walras 2000, 567). Indeed, on the epistemological level, the distance between Walras and Pareto does not exclusively concern the conditions of validity and the methods of scientific knowledge in general and of general equilibrium in particular, but implies, more profoundly, the nature of this knowledge. For Pareto, the referent of the theory is identified with the contingent phenomena that the scientist seeks to apprehend in successive stages including applied economics and sociology. For Walras, the pure theorist seeks to grasp the essence of phenomena which are only imperfectly present in the contingent. Although Pareto appropriates the tools of Walrasian general economic equilibrium theory, his use of them is completely different from the viewpoint of his predecessor. Although similar, the formal mathematical apparatus of general equilibrium refers epistemologically speaking to two different objects: the contingent and the ideal.⁴

My fourth player in my little history of thought comedy is, of course, philosophy, and not only political philosophy. Economists such as Amartya Sen and philosophers such as Daniel Hausman have demonstrated time and again that there is a very constructive crossing of the frontier that is possible between political philosophy and economics; and that philosophical expertise can result in significant substantive progress regarding important theoretical or empirical problems within the discipline of economics. Without falling into the comfortable trap that "everything is philosophical", and hence to attribute any theoretical problem to an author's philosophical prejudices, it goes without saying that, in our narrower field of history of economic thought, the philosophical background of an author does often shed light on his theoretical apparatus. As we already saw in the case of Walras and Pareto, we can also see this in the opposition between Smith and Sismondi on the overall (exclusive?) priority given by economics to wealth.

Although both fight vigorously against the deception by nature that hides behind this priority given to wealth over the moral sensitivity of agents, the intellectual distance between Smith and Sismondi seems greater than generally admitted. Despite his

⁴ Going beyond the mere observation of this difference between Walras and Pareto, I elaborate more on this issue (Bridel, 2009) to review the intersection between both constructions, and their possible complementarities. I try to show that this epistemological difference is analytically important. A good example at hand is Pareto's total lack of interest for Walras's idealized and cherished "tâtonnement mechanism" (see Bridel, 2023).

frequent very admiring references to the political economy of Smith, Sismondi moves however in a philosophical framework very different from that of the author of *The Wealth of Nations*.

Smith tries to reconcile social and material expectations so that a spontaneous order can exist. For the coordination capacities of the market to constitute an efficient natural order, it must be demonstrated not only that such an order exists (and that it leads to a coordinated result of economic interactions) but also that it does not offend the agents' morality. This is the age-old Adam Smith's problem recently brilliantly revisited by Amos Witztum (2019).

Heir to a very different philosophical background, Sismondi has always considered that the spontaneous harmonisation of interests by the market operates *in parallel* and simultaneously with an organised and somewhat centralised harmonisation of these same interests. Between 1803 and 1817, and as Sismondi came to regard the price system as an inefficient and unjust institution (Bridel 2021), the mode of coordination by the market and prices simply lost its influence in Sismondi's approach in favour of an organised harmonisation of individual interests. Unfortunately, Sismondi remains very vague on the institutions that should compensate for the market failures and makes it possible to consider "the feelings, needs and passions of men". His political economy as a science of the legislator is ultimately only a means which implies government intervention to provide society with a coordination between an inefficient spontaneous harmonisation and an organised (but very hypothetical) harmonisation which guarantees both wealth, freedom, and happiness (Bridel 2024).

In any theatre, however brilliant the actors might be, the audience is indeed the most crucial element to the success of any play (be it a comedy or a tragedy). While most sub-disciplines in economics have little problems finding an audience (quite often unfortunately reduced to this very subdiscipline!), since the 1960s, the history of economic thought community has been torturing itself about the question of giving up the audience of economists and moving closer to other intellectual historians posing more general questions about knowledge. Since the mid-sixties and Blaug's last attempt to draw Harvard graduates' attention to our topic, and with some serious Continental and South American exceptions, teaching and researching in the history of economic thought have largely disappeared from the economic curricula of most English-speaking universities. As the old Blaugian saying goes, "no history of ideas, please, we are economists"; and I would be the last to deny this lack of interest from most of my fellow economists (if not downright hostility as my experience with the Lausanne economics department taught me years ago). It does not mean however that we should run into the arms of unresponsive intellectual historians. As a matter of fact, I have never met or read an intellectual historian asking, "more general questions about knowledge" and displaying simultaneously a working knowledge of economics. However, the opposite (an economist with a working knowledge of intellectual history), though tempting, does not seem to be a workable solution either. No one can be a serious Jack of all trades, particularly if you are interested in the history of economics of the post WWII period: the extreme complexity of this literature leaves little time to the intellectual historians to ask informed and more "general questions about this type of knowledge". With a few exceptions, those who have tried

to adopt such a strategy tend to display either a poor knowledge of the technical literature or a rather primitive practice of intellectual history; or both.

This leaves us with the question of the audience some historians of economics are desperately looking for. At the risk, again, of being either ill-informed or even impertinent, this question is, for me a *non sequitur*. The division of labour and specialisation within economics have split sadly our discipline in countless subfields who seldom speak to each other: theoretical microeconomists have very little to say, if anything, on monetary policy and standard macroeconomists rarely address an audience made up of game theorists. Why should it be different with historians of thought? Why can't we give up our obsession of being recognised outside our modest subdiscipline? We are a well-organised little community; even if our methodological viewpoint might often differ (which is good), we all share some sort of interest for big or small issues in the history of economics/history of thought. Why should the intellectual historian look down on the traditional analytical historian (even if the latter seems, like me, to be an endangered species)? Or why should the latest fashion in epistemology despise time-consuming but indispensable archival work? The lack of a unified approach in our sub-discipline is precisely what makes it original and exciting. Our audience, our intellectual community, the fifth actor in my little comedy, is here, in front of us; with all its diversity, why should we absolutely look somewhere else to test the usefulness of our discipline? If clearly not self-sufficient, our diverse community has no need to look elsewhere to justify its existence. And all in all, why should each member have the same ranking than mine between my five actors -even if, again, I consider these five actors taken *together* as necessary to play our history-of-ideas play.

Having started with a theatrical metaphor, let us conclude with another theatrical metaphor. You might have noticed that there are five actors in my little history of economic thought comedy. The same number of parts than in Beckett's *Waiting for Godot*. Like these five actors endlessly waiting for someone who will never turn up, the five components of my history of economics comedy have been endlessly waiting for at least a couple of centuries for the ideal history of thought to reveal itself in all its glory... But, lo and behold, it will never turn up. Our profession will fortunately never agree on the ideal combination among the endless possible sequences between my five components. We are all in the same fragile boat; young colleagues should not worry too much about the sequence they intend to choose or, indeed have already chosen. Our modest discipline needs all the human resources it can muster to survive. Bearing in mind, however, that work on economics and the history of thought which contains no knowledge of the discipline can hardly be serious, no one should look down on any meaningful piece of work even if it does not fit his or her own methodological prejudices.

Finally, all this is a result of my 'theoretical agnosticism' and of my refusal to adhere unconditionally to any so-called 'school'. Despite a minimum of intellectual sympathy for each of them and a good dose of cynicism on the purity of the intentions of others, the incessant analytical dismantling of the various authors I studied, the highlighting of their strengths and weaknesses, eventually convinced me that economic theory is an open house that can accommodate Ricardians and Sismondians,

Walras and Marshall, Edgeworth or Menger, Keynes and Keynesians of all persuasions, Sraffians and Austrians, just like the immense diversity of the neo-classical school (from Friedman to Hahn and Lucas via Hicks and Patinkin). The history of economic thought should encourage syncretism more than the defence of successively dominant monotheistic religions or sects.⁵ That said, while my theoretical and ideological prejudices are obvious and will not have escaped even the least informed reader, I remain steadfast in favour of a history of economic ideas centred on the development and influence of intellectual and analytical concepts more than on the way through which they have been reached by the scientific community. As Keynes famously observed in a memorable passage on the influence of economic ideas:

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas. (1936, p. 383).

Hence, and despite the desperate efforts of some and the illusions of others, economic theory and the history of economic ideas remain eventually for me no more than a sophisticated way of talking about politics.

Disclosure statement

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⁵ Coming from a country where political consensus is a quasi-religion should explain, at least partly, my temptation for the virtues of syncretism.

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