

History of Economic Thought as Analytic Tool:

Why Historiography of Ideas is More than Watching old Movies

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Abstract

Especially when an economic crisis occurs, as it was in the last big crisis in 2008, contemporaries tend to question certainties of belief systems including academic systems of knowledge. Paradigms evolve to become a subject of inquiry. One of those new topics is a claim to increasingly acknowledge history of economic thought (HET) as an important, although neglected, domain of economic inquiry. During the last decades, HET has mostly been abolished or has disappeared in many contemporary teaching curricula in economics. An – unforecasted – crisis teaches us the lesson that our academic understanding may be incomplete. However, can we learn anything by reading in HET? The answer is that HET makes current debate less sterile because it embeds the matter into a flux of changing paradigms. Many brilliant argumentations exist hinting to the fact that HET has to be interpreted as a permanent over-writing process of academic failures by which we can learn about directions of new knowledge. The paper will primarily argue with Joseph A. Schumpeter who dealt in detail with the question why and how to deal with historiography as a tool of doing appropriate economics in his substantial introduction to the *History of Economic Analysis* (1954).

1. Economics within Social Sciences: Specialization and Differentiation

Economic theory as a body of common knowledge is never stationary nor stable as set of monolithic systems of academic belief but it is always embedded in changes of intellectual thought and related processes of struggle. What the ancient Greek philosopher Heraklit meant by his “everything flows”, is also valid for social sciences. John Maynard Keynes came up with his observation very clearly: “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 influences, are usually the slaves of some defunct economist” (Keynes 1936, p. 383).

Especially when an economic crisis occurs, as was the case with the last big crisis in 2008, contemporaries tend to question certainties of belief systems including academic systems of knowledge. Existing paradigms evolve to become a subject of inquiry. One of those new topics is a claim to acknowledge more thoroughly the history of economic thought (HET) as an important, although neglected, domain of economic inquiry. During the last decades, HET has mostly been abolished or has disappeared in many contemporary teaching curricula in economics. When latest methods in econometrics and mathematical procedures are put into the reading schedule in university education, reading of the history of the own discipline appears to be nearly forgotten. In general, the study of the history of economic thought is held in low esteem by “mainstream economists and sometimes openly disparaged as a type of antiquarianism” (Blaug 2001). An – unforecasted – crisis such as the economic crisis and downturn in 2008 teaches us the lesson that our academic understanding of economic processes may be incomplete, that our analysis of economic relations must be more comprehensive, integrating further perspectives of thought, and that contemporaries cannot afford to have a good command of economics without a working knowledge of the changes in and the tradition of the own subject.

Although huge active societies exist in many countries which try to celebrate and foster the history of economic thought, especially the US-based “*History of Economics Society*” (HES) and the “*European Society for the History of Economic Thought*” (ESHET), which have an annual conference each, maintain journals and many further activities, it doesn't look as if

those societies and related scholars belong to the core faculties of the subject economics. Practice tells us that courses in history of economics are taught less and less, and in many places, they do not belong to the curriculum anymore. Also, many critically raise the question whether the history of economics should not be considered a subject of history rather than of economics.

However, can we learn anything by reading in history of economic theory, and – if yes – what may it be? Peter Boettke raised the pertinent question: Why, indeed, read the classics in economics? “There are antiquarian reasons—reading the works of the great political economists of the past does give us a glimpse of the genius of an earlier age. But reading an old work in economics is not unlike watching a silent film or news clips of an old baseball game. It is quaint and romantic to look in on the past, but it is useful to remember that this world we sometimes worship from afar was a world without indoor plumbing, without modern transportation.” (Boettke 2000). The paper is about the question why it is not only useful but also necessary.

It is difficult to mark the domain of economics in clear words when teaching undergraduates. Usually we operate with simplifications, which highlight a general theory as a body of “cohesive ideas set within a structure that seems internally consistent”. As Jacob Viner put it already in 1917: “There is a tendency among economists to fear overmuch for the integrity of their science and to try to maintain its borders intact by carefully avoiding encroachment on the fields of other science” (Viner 1917, 236). At a first glance, such a monolithic view of theory may be convincing, since it does not acknowledge contradictions, empirical failures, a plurality of competing paradigms and, especially, it ignores change. “Methodology used by economists today is very different from what was used 30 years ago, and what was used 30 years ago was very different from the methodology used by such great economists as Adam Smith and David Ricardo. The economic methodology that is taught in undergraduate courses today is the result of centuries of intellectual debate, and the origin of this body has been filled with differing thinkers often in violent disagreement with each other” (Wunder 2010).

The situation of many contemporary academic areas, not only economics, is that we are experiencing a multiplication of material in terms of the publications and people involved. The subjects have multiplied in a vertical and a horizontal direction, and within the course

of constantly new subjects new own universes of discourse have emerged (Chafim 2016), each with separate research organizations, global conferences, journals, curricula, academic career opportunities, as well as patterns and publication routines. Parallel, we are observing shifting disciplinary boundaries, within and outside economics (Cedrini, Fiori 2016). Especially during the second part of the 20th century, an organizational cell increase had started, which gave proof of Max Weber's statement given in his famous article „Science as Vocation“ (1988a [1922]), namely that the individual can achieve something really substantial on academic ground only if it is in a situation of increased specialization: “In our time, the internal situation, in contrast to the organization of science as a vocation, is first of all conditioned by the facts that science has entered a phase of specialization previously unknown and that this will forever remain the case. Not only externally, but inwardly, matters stand at a point where the individual can acquire the sure consciousness of achieving something truly perfect in the field of science only in case he is a strict specialist” (Weber 1988 a [1922], 526).

A variety of new special fields of economics were founded, which had not existed decades before, among them e.g. industrial economics, labour economics, small business economics, household economics, and economics of aging, but especially also game theory and diverse applications in combination with econometrics. Especially advanced statistics and econometrics (Weintraub 2002, Morgan 2012) came onto an agenda, which were summarized broadly as diverse sorts of “mathiness” (Romer 2015).

2. The Loss of History of Economic Thought

In recent times, we have experienced a tricky situation in economics, on the one hand increased specialization, abstractness and mathiness, and on the other hand ongoing tendencies towards processes of an increased pluralization of economics (Hodgson et al. 1992, Davis 2006). Economics is being applauded for its imperialism in the direction of further social sciences (Lazear 2000, Fourcade et al. 2015) or blamed for seemingly having forgotten its social foundations (Buckley, Casson 1993, Granovetter 2002, Davis 2016, Chafim 2016, Marchionatti, Cedrini 2017). Many further new areas have evolved and serve as impressive fields of the general trend of academic specialization and differentiation. The more complex economics proved to become, the smaller the real terrain of neoclassic theory

remained, although the general image of economics, especially when looking *at* the field from the outside, still shows a dominance of neoclassic orthodoxy. However, mainstream economics is also in itself fragmented and always changing (Cedrini, Fontana 2017). The 21st century looks back at this scientific period of development, differentiation and consolidation as a feature of the 20th century.

Economics has changed and the type of economists was and is changing. The former link, which was maintained by economics and further social science domains, especially to philosophy, was exchanged against new links to econometrics and mathematics. Mainstream economics became increasingly associated with abstractness and formalism, which went along with an ongoing trend that even the history of economic theory was forgotten. History of economic theory was abolished or pushed to different disciplines (philosophy or science theory). One could argue with Hodgson that “prowess with formal technique has replaced the broader intuitive, methodological and historical intellectual grounding required of the great economist. Such qualities were emphasized and personified by both Alfred Marshall and John Maynard Keynes. Today, economists are no longer systematically educated in economic history, the philosophy of science or the history of their own discipline” (Hodgson 2007, 19).

What Heilbroner (1979) wrote already in 1979, namely that History of Economic Thought is taught on a very small scale, has become even smaller since then. “The history of economic thought is not in very high esteem these days. Few universities include it as a prescribed portion of the standard training curriculum for budding economists. The history of thought is usually taught in a single semester in which the student dashes through Physiocracy to Smith and Ricardo, stops for a moment to regard from afar the mysterious figure of Karl Marx, learns about the Marginalist Revolution, and is finally delivered safely to the arms of Modern Economics when he reaches the 1930s and the General Theory is born” (Heilbroner 1979, 192).

Practically, history of economic thought is regarded as something which is more and more disappearing (Vaughn 1993, Backhouse 1994, Samuels 1997, Fogarty, Naples 1998, Laidler 2001), especially since many contemporaries don't acknowledge history of economic thought as part of the domain of economics: “No History of Ideas, Please, We're Economists” (Blaug 2001). What Boulding (1971) reported already more than 45 years ago,

namely that modern graduates have rarely read a piece which is older than 10 years, is still true. The half-life knowledge of publications is getting shorter and shorter.¹ Also the number of publications in history of economics has been declining compared to the total of publications in economics while a large body of those publications concentrate just upon five highly specialized journals (Marcuzzo and Zacchia 2016, 36).

The payoff is that recent graduates of economic studies are more competent in the application of mathematics and statistics and ambitious computer simulations, than in having a working knowledge of the history of a specific subject. In mathematics, the small multiplication table is a precondition for the larger multiplication tables, but in modern economics, one can skip the elementary steps contained within the history of economic ideas. In other words, “recruitment and professional advancement are almost on the basis of technical competence, rather than on knowledge of the real economy or of the evolution of economics as a discipline. This bias towards formalism has become deeply ingrained and institutionalized in the academy. It is compounded by the fragmentation of the profession into technical specialisms, often lacking the generalist background that enables communication and synthetic advance”, as Hodgson (2007, 19) explained.

3. History of Economic Thought and Historiography

History of economic thought is practically close to historiography. Talk about historiography oscillates always between the two quite different perspectives of writing history in a practice as used by social and economic historians and methodological reflections on the use of history as a heuristic tool. The double-sided understanding of historiography as data collecting and furnishing of economies and societies on the one hand and of a methodological tool to arrive at a deeper understanding of processes inherent to sciences and their change, on the other hand, is not always clearly separated in practice.

¹ “The antihistorical school, which is now so common in the United States, where the history of thought is regarded as slightly depraved entertainment, fit only for people who really like medieval Latin, so that one became a fully-fledged, chartered Ph.D. economist without ever reading anything that was published more than ten years ago ...” (Boulding 1971, p. 232-33).

The term “historiography,” literally “the writing of history,” carries two distinct meanings. “On the one hand, it refers to historical accounts of the past, in contrast to the past itself. On the other hand, the term is used in a meta-theoretical sense as the reflection on how historians account for the past. Historiography in this second sense has two aspects. It may refer either to the particular historical methods employed by the historian, or to a broader reflection on the methodology underlying her historical research. According to the broader interpretation, historiography is to the practice of the history of economics what the methodology of economics is to the practice of economics. An additional complexity arises because both history and methodology of economics are meta-discourses ... in respect to the discipline of economics, which increasingly draw upon one another” (Klaes 2003, 491).

Just reading a contemporary piece in economics (or any other social science) doesn’t allow one to get the full sense of that piece, if not reading this piece in its *context* of creation: Ideas, it was said, have their own history; telling the story of an idea’s development was “internal” or “absolutist” history (Emmet 2003, 533). “However, there is a difference between arguing that ideas are determined by their context and interpreting the historical meaning of texts. Rather than seeking the link between ideas and historical events, historical reconstructions seek to reconstruct the sense (meaning) that someone gave a particular text at some historical point. The most obvious form of historical reconstruction is the effort to understand the original author’s meaning” (Emmet 2003, 533). However, Kurz (2016) indicated not only that it is important to remember that the huge changes in the economy over the last few centuries have also changed our view of economy and society (Kurz 2016, 3), but that the history of economic thought is also changing: Each generation writes its own history, new knowledge is always made up and each generation is “keen not only on being original but on being perceived as such. But each generation also searches for meaningful progenitors so it can share in their renown and brilliance” (Kurz 2016, 2).

We may distinguish between history of economic thought, which is a kind of intellectual history, while other concepts focus more on the history of economic theory. Marcuzzo and Zacchia (2016) distinguish between history of economics and history of economic thought raising the question if both differ. While the first version mostly attempts to understand the ideas of past thinkers and how and why those ideas have developed and changed through

time (Biddle 2003, 2), the other version is much more concerned with very concrete authors, meaning (Faccarello, Kurz 2016) that most research in the history of economic thought has “involved textual exegesis or interpretation; that in a sense the work of most historians of economic thought has been similar to the work of theologians seeking the true interpretations of scriptural writings, or legal scholars and judges seeking the true intent of legislators” (Biddle 2003, 2). Both versions are at the intersection with philosophy and methodology of economics. Empirical studies on journal publications in the area of history of economic thought show clearly the trend that research on individual authors has been going down (Marcuzzo 2012, Marcuzzo, Zacchia 2016).

A very different way to work is under the flag of economic history. Economic history deals with different empirical facts in a series of social arrangements and physical processes by which human societies have produced the material conditions of human life since the emergence of the human species, mostly devoted to the development of modern economic growth (Headlee 2010, 13).

4. Younger and Older Historical Schools

The younger and older historical schools in German economics were close to the version of doing economic history. The German Historical School represents an approach in economics which had its zenith during the late 19th and the first two decades of the 20th century in Germany. The German Historical School is an essential part of the history of economic thought and it is ultimately identified as (German) way of old institutionalist thought (OIE) (Dorfman 1959). Behind the label, we find different authors and related debates covering nearly 80 years from the 1840s till the 1920s, in which academic procedures, methodological standpoints and normative orientations were perpetually changing. The German Historical School did not ultimately unify researchers through a unique view without contradictions, since remarkable conflicts were carried out between authors commonly identified as members of that school. However, the common bond was that all people associated as members of the historical school were, to a certain degree, concerned with a type of research, which had a focus on historical investigation in relation to economic topics. The profile has become most clear as an approach of historicism competing with attempts in economics

which tried to formalize economic observation and analysis by universalizing and neglecting the framework of time and space. The credo of the historical school was that researchers should dive into the ocean of economic history with its manifold historical details in order to gather so many details that they serve as good descriptions or may be generalized (Shionoya 2001, 2005).

From today's point of view, the German Historical School is of interest because it represents a type of thought, which has many convergences with current ideas of new institutional economics (NIE). Also, modern economic sociology, which has newly discovered the idea of social embeddedness of social behaviour and institutions has some intellectual closeness, which provides one of the reasons that the German Historical School is perceived to be going through a revival. Another important factor for the relevance of the German Historical School lies in the methodological concerns connected to the schools and their debates. The first two (so-called) "battles of methods" in the social sciences took place on the grounds of that school and involved different proponents. Their arguments are still important pieces in the history of intellectual ideas and methodological concerns.

Literature distinguishes between an "older", "younger" and "youngest" historical school (Herbst 1965). The "older" historical school is represented by writers such as Wilhelm Roscher (1817-1894), Bruno Hildebrand (1812-1878) or Karl G. A. Knies (1821-1898) and the "younger" historical school has its most famous representative in the figure of Gustav Schmoller (1838-1917), but authors like Karl Bücher (1847-1930) and Lujo Brentano (1844-1931) are also still well known. For the "youngest" school, commonly Max Weber (1864-1920), Werner Sombart (1863-1941) and Arthur Spiethoff (1873-1957) are counted as the most prominent representatives (Shionoya 2001).

The "older" historical school was not really a school, because the leading authors differed in what they were practicing and they were not very distant to other practices of doing economics. Roscher, Hildebrand or Knies claimed not only the use of statistical data but they also conducted methodological reflections on the use of employing statistics. Hildebrand also wrote about the evolutionary character of economic civilization where historical progress was thought of as a ladder starting from barter economy evolving through monetary economy up to a banking industry. Roscher und Knies both did a historically informed and inspired national economics, which was also guided by ethical ideas. Wealth is not an end-

in-itself of economy and society but one of the major questions closely related to issues of life-standards and their measurement. Later, Max Weber discussed Roscher and Knies and their logical implications of doing historic economics carefully and substantially by emphasising that despite all forms of preliminary thought, especially Roscher and Knies contributed considerably to the substantial development of historical economics in the 19th century (Weber 1988 b).

The subsequent “younger” historical school summarized many of those ideas, which were formerly worked out and went on to consolidate the academic area substantially. The common denominator was that profound studies in many economic sectors were undertaken and research programs were set up which studied economic sectors, geographical regions or individual branches or occupations in detail in a historical view in order to investigate their related dynamics. Especially, Karl Bücher and Gustav Schmoller dealt with the processes of the establishment of modern mass production and also with limits to growth (Bögenhold 2000). Lujo Brentano and Gustav Schmoller were programmatically engaged in finding a politically contrasting program for the social question of working classes, poverty, housing and living conditions in general. They endeavoured to find a political-academic perspective, which was distant to that of evolving Marxism. What the German Historical School had in mind was a kind of social-reformism within the borderlines of the constitutional society, which was labelled as “Kathedersozialismus” (socialism provided by professors), which was later regarded as a swearword by the left-wing workers’ movement for not being radical enough.

Schmoller was the informal leader of the “younger” German Historical School, because he was not only very engaged, having submitted several books and further studies in which he had undertaken historically informed studies by using sources of diverse kinds. He also controlled several academic affairs in Germany. Being an influential professor in Berlin, Schmoller was consulted by the policy administration in Berlin and he converted his networks into power. Schmoller’s position was strengthened further once he became president of the Verein für Socialpolitik, which was founded by Schmoller and associates in 1872. The Verein für Socialpolitik was the first academic organization of mainly German speaking economists and still exists today as major economic organization joining economists of Germany, Austria and Switzerland. The annual conferences were often

focused on academic discussion around concrete social problems connected to the rapid industrial-capitalist explosion (housing, handicraft production, working conditions etc.).

When Schmoller was at the top of his career he saw himself confronted with published critiques by the Austrian economist Carl Menger who argued against Schmoller and the German Historical School in general (Backhaus, Hansen 2000, Louzek 2011). Menger, who set up the marginal utility theory, which later served to be the consolidation of neo-classic theory in economics, argued against the methodological principles of the German Historical School. Menger's message was that the attacked German Historical School was far away from being a theoretical science (Bögenhold 2008). The historical-analytic and in some ways reconstructive-narrative method of the historical school would not be sufficient to meet with the requirements of being a theoretical science. In history of science, the dispute between Menger and Schmoller with a few replies serves as the first battle of methods. The methodological implications of the controversy are concerned with questions about the status of theory and principal different methods to practise science. At the end, one can conclude that the controversy was about inductive versus deductive methods. The history of economic thought and the sociology and philosophy of science both treat this - still unsolved - "battle" as classic piece in the history of intellectual ideas.

According to the literature, a "youngest" German Historical School also existed. Max Weber, Werner Sombart and Arthur Spiethoff are regarded as major representatives. Arthur Spiethoff is acknowledged as one of the founding fathers of conducting research on business cycles by employing historical methods. Max Weber and Werner Sombart both conducted, in different ways, besides many further things, historical research, which was connected to the rise of modern capitalism with a strong emphasis on cultural variables for its interpretation. Weber, whose famous "Economy and Society" (Weber 1972 [1921]) was published posthumously, was a professor of economics, but also very much concerned with reflections on a sociology of science and a sociology of religions. Weber's typology of human motives and behaviour with a categorization of (ideal-)types of action argues against current ideas of a simple-minded homo oeconomicus, which Weber regards as a non-realistic figure close to a mathematical ideal case.

Weber was initiator and major proponent of the second battle of methods in which he attacked, again, Schmoller and the research, which was typical for many members of the

Verein für Socialpolitik (Swedberg 1996). Textbooks speak about the value judgment debate where Weber said that ethical orientation might be fine but it is also a long way from being a science. He claimed the objectivity of economic statements, which was also an attack on the self-conception of many other economists of that time. Economics could also not be in charge of imperialist Germany but must be neutral. Discussions at the annual conferences of the Verein für Socialpolitik were very controversial, so that many members dissolved their membership.

Sombart always assisted Weber in his fights for “objectivity”. He succeeded to Schmoller’s chair after Schmoller’s retirement and is well known for his historically, culturally and hermeneutically inspired economics. With his major work “Der moderne Kapitalismus” (1987 [1902]), Sombart attempted “an historical and systematic exposition of Europe’s economic life from its beginning to the present day” (Sombart 1982). Sombart’s approach was similar to that of Max Weber but with far less emphasis on the role of religious institutions. More than any other thinker, Sombart was responsible for the general option of the term ‘capitalism’ as a description of the modern business economy.

Especially, the “youngest” German Historical School is of central concern for the current discussion on interdisciplinarity, since convergences between economics, historical scholarship, religious studies and sociology were practised at that time as a matter of course. Economies were not taken “in abstracto” but always “in concreto”, which is not too far from the credo of new institutional thought. Taken as a whole, the German Historical School went down over the course of the 20th century, but it seems that some major ideas are showing signs of recovery in recent times, since many ideas of that school converge with ideas of pluralist economics and arguments for economic institutionalism.

Much of current discussion is far removed from those debates, which ran a hundred years ago under the slogan of historical schools. Recent economics has become “cleaner” and more theory-driven, but even mainstream authors now write about some parallels between old and new institutional economics. Recent scholars and especially students should be better trained to have some idea about the underlying trends and tendencies of the own academic field in which they want to concentrate their studies. History of economic thought belongs to those tools, which are important to keep the engine of changes visible and to learn to understand directions of change.

5. Why Study History of Economic Thought? Answers Provided by J.A. Schumpeter

About 10 years after the last serious economic crisis, contemporaries still criticize the obvious inability of economics to forecast those economic occurrences appropriately. What's wrong with modern economics?, was one of the most reported questions. Of course, answers must be diverse and complex, but the fact remains that the best mathematical and econometric modelling techniques did not manage to forecast the development. If economics is a science and more than an ex post reporting branch one must expect that economics is better equipped and also more self-reflexive. In these times, several questions and claims were brought onto the agenda, which must serve as table of content for a separate discussion.

Of course, one of the comments was that the academic subject and also recent education in economics has to invest better into history of economic thought, especially as a tool to get to know the context of thought and historical knowledge, mistakes and progress. If students graduate nowadays and receive diplomas in economics without having read about names like A. Smith, J. M. Keynes, J. A. Schumpeter, F. v. Hayek or others, economics is in danger of becoming an autistic science, which loses economic and social context and the meaning of "Begriffsgeschichte" or "Dogmengeschichte". We are observing new trends even in the mainstream of economics in the sense that increased processes of social-scientification of economics are occurring (Bögenhold 2000, 2008) and we are surfacing noticeable trends of shifting boundaries within and outside of economics (Cedrini, Fiori 2016), but we don't acknowledge systematically enough the appropriate foundation of thought in social-sciences where contemporary authors should always try to draw links to heroes like Marshall, Weber, Pareto, Keynes and so many others in order not to get into danger of reinventing ideas. Not only teaching of history of economic thought seems to have run out of fashion but – consequently – also publishing in this field. Marcuzzo and Zacchia (2016) show that we are experiencing a decline of publications in the area of HET which concentrate almost on a small number of journals.

It is interesting enough that Joseph A. Schumpeter in his "*History of Economic Theory*" (1954) already came up with the methodological advice why history of economic theory is (always) newly needed and why historiography is about more than watching old movies (Bögenhold 2014): Schumpeter argues not only in favour of economic history as rendering

a service to economic theory, but also in favour of “a sort of generalized or typified or stylized economic history” (Schumpeter 1954a: 20), which includes institutions like private property, free contracting, or government regulation.

According to Schumpeter, there are multiple reasons to study history, pedagogical advantages, new ideas and new insights into the ways of the human mind. First of all, regarding the *pedagogical* advantages, he argues that for students it is very difficult to approach a field without knowing how it relates to the specific historical time. For a thorough understanding, a historical background is required. One could affirm that methods presently in use already embody what has been done in the past, and what is not a part thereof is no longer important and not worth considering. However, present methods and results are meaningful only with reference to their historical background. “Scientific analysis is not simply a logically consistent process that starts with some primitive notions and then adds to the stock in a straight-line fashion. It is not simply progressive discovery of an objective reality” (Schumpeter 1954, 4).

The second reason is that pertaining to the reading of “old” theories, one may discover other interpretations or new ideas; Schumpeter writes that “our minds are apt to derive new inspirations from the study of the history of science” (Schumpeter 1954, 4–5). In his discussion, Schumpeter adds an example: The productivity of this experience may be illustrated by the fact that the fundamental ideas that eventually developed into the theory of special relativity occurred first in a book on the history of mechanics (Schumpeter 1954, 5).

The third cause is that history can give us insights into the manner in which the human mind works. Particularly in the history of science, various types of logic are used. Scientific performances are self-revelatory by nature; that is, they reveal the mental processes that have taken place in order to arrive at a certain law or theory. “Scientific habits or rules of procedure are not merely to be judged by logical standards that exist independently of them; they contribute something to, and react back upon, the logical standards themselves” (Schumpeter 1954, 5). Finally, the fourth point deals with economics in particular, which is described as a unique historical process.

Fundamentally this process does not differ from analogous processes in other fields of knowledge, but “much more than in, say, physics is it true in economics that modern problems, methods, and results cannot be fully understood without some knowledge of how

economists have come to reason as they do. In addition, much more than in physics have results been lost on the way or remained in abeyance for centuries” (Schumpeter 1954, 6). Given these insightful instructions by Schumpeter as a plea for increased, or at least continuous, attempts to invest in history of economics, one also has to consider Schumpeter’s writings as good exemplification of what the history of economic writings can highlight. Brilliant ideas are often hidden and neglected for long periods of time. If one wants to analyse a painting hanging on a wall, one must take a few steps back to see the painting as a whole in order to get a sense of the full composition. The same applies to dealing with science and economics specifically. History of economic thought is a neglected academic area of necessary contextualizing of knowledge, which provides a more sufficient working compass. If we are really serious that economics is a part of social sciences (Marchionatti, Cedrini 2017) one has to look for the links of neighbouring fields of economics in the social sciences; anthropology, sociology, (social-)psychology and, of course, history belong to those neighbours (Bögenhold 2015), which always provide fruitful ideas and links to prevent economics from getting sterile and too insulated.

If modern crises have any benefits, one may be to trigger a careful revision of the systematics of sciences, of tools and common bodies of knowledge. A science without a necessary understanding of the roots of the own subject is hard to accept. A graduate in economics who has never read a single line of one of the heroes of economics is a tragic caricature of a professional person. But, there are also systematic reasons, first of all, new knowledge in economics is made up, above all, of old particles of knowledge combined in new ways (Kurz 2016, 4). Going back to Boulding’s (1971) rhetorical question whether Adam Smith was still needed after Samuelson was published, economics as well as other social sciences have to learn to interpret their subjects as a permanent over-writing process of academic failures by which we can learn about directions of new knowledge.

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