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# History of economics, economics and economic history in Britain, 1824–2000\*

*Roger E. Backhouse*

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## 1. Introduction

The field conventionally known as the history of economic thought, or increasingly as the history of economics, lies between history and economics. Most of its practitioners are economists, attached to economics departments, and see it as part of that discipline. Economists make up most of the membership of organizations such as the History of Economics Society (in the US), the History of Economic Thought Conference (in the UK) and the European Society of the History of Economic Thought.<sup>1</sup> When Schabas (1992) appealed to historians of economics to abandon economics and move towards history of science, many responded with strongly held reasons why such a move did not make sense. However, the view of many economists is different: the history of economic thought is not seen as economics. Most ‘general’ economics journals no longer publish history of economic thought papers, or do so only rarely. Even among those who support the field, it is widely viewed as sufficiently peripheral that it can be dropped from curricula in response to the pressure to make more time available for more technical training.

On the other side, historians have had little time for the history of economic thought. There are clearly times when economic ideas clearly impinge on economic and even political history, notably when the design of economic policy has been a major issue. Historians have, therefore, paid attention to the role of Keynesian economics in influencing policy (or not influencing it) in the 1930s and after. ‘Mercantilism’ is an issue that has concerned economic historians as well as historians of economic thought. However, historians have, to a great extent, been content to leave detailed discussion of economic ideas to one side. In part this may be the result of a

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### Address for correspondence

Department of Economics, University of Birmingham, Birmingham, B15 2TT, UK.  
e-mail: R.E.Backhouse@bham.ac.uk

more general indifference to intellectual history (cf. Blaug 2001). It may also reflect a reluctance to get involved in the history of a subject in which they have little training. They may also have harboured the suspicion that economists who specialize in the history of economic thought were focusing on the interpretation of published work rather than scouring archives, producing 'Whig' history rather than contextual accounts of the origins of ideas.<sup>2</sup> Such a belief is unlikely to have encouraged historians that existing work in the field was something they needed to take seriously. For the most part, however, it seems likely that historians have simply found the history of economic ideas peripheral to their main interests.

Though this picture, of a field that sits uncomfortably between economics and history, is widespread, there are considerable differences between countries.<sup>3</sup> In parts of continental Europe and in Japan, the history of economics has been more prominent and has become more securely established in the educational system than in the UK or the US. The UK and US differ in that economic history, with which the history of economics has natural links, is typically undertaken in economics departments rather than as part of history. It is important, therefore, to take account of national differences in the relationships and boundaries between these disciplines. This paper considers the case of Britain (defined to include Ireland before 1921), tracing the relationships between the history of economics, economics and economic history back to the nineteenth century, before modern disciplinary boundaries had been established.

## 2. History of economics in an age of generalists, 1824–70

Systematic study of the history of economic thought in Britain can be dated to J.R. McCulloch's *Discourse on the Rise, Progress, Peculiar Objects, and Importance of Political Economy* (1824).<sup>4</sup> Though McCulloch may not have been a Whig in his politics, his history was one of progress. Adam Smith was the founder of the subject. He had exposed the completely false doctrines of the mercantile system and since his day, the remaining errors in the subject had gradually been removed:

[T]he errors with which Political Economy was formerly infected have now nearly disappeared, and a very few observations will suffice to show that it really admits of as much certainty in its conclusions as any science founded on *fact and experiment* can possibly do.

(McCulloch 1824: 9)<sup>5</sup>

This view was shared by many of the classical economists, notably Torrens, Senior and the two Mills.<sup>6</sup> In the ensuing decades, there was some loss of

confidence, though McCulloch continued to reproduce statements such as that just quoted.<sup>7</sup>

McCulloch's view of the past served to provide support for his economics – it was, to use Hutchison's description, a 'conservative' version of the history of economic thought. He could, however, claim to be a serious historian. He had a wide range of the literature, including French and Italian works, and he played an important role in discovering and making known early economic writings, publishing several volumes of early tracts on economics. Most important, however, his belief in progress did not prevent him from taking early writings seriously and he sought to present them in a historical context.<sup>8</sup> He relates the late rise of political economy to the economic environment and to the ancient and medieval deprecation of commerce. He finds positive things to say about even mercantilist writers and relates their views to the economic problems that they confronted. His work might be considered naïve in relation to contemporary German historical work but the seriousness of his history cannot be questioned.

Similar remarks can be made about another, lesser-known, history – Travers Twiss's *View of the Progress of Political Economy in Europe since the Sixteenth Century* (1847). Like McCulloch's it was a history of progress and of 'fallacious' doctrines. However, it was serious history in that it sought to explain these doctrines in relation to the historical context provided by the policy problems that people faced at the time.<sup>9</sup> He also sought to explain why previous economists held the views that they did. The book showed how people had learned from experience and as a result produced better theories.

McCulloch and Twiss were both professors of political economy (at London and Oxford respectively) and their books were related to courses of lectures that they gave. McCulloch's professorship was, as was typical at the time, held for only a brief period. He was also a journalist (at one time editor of the *Scotsman*) and reviewer and was for many years a civil servant. However, though McCulloch was not primarily an academic, he can legitimately be described as a specialist in political economy. Twiss, on the other hand, though he spent more of his career as an academic, was not a specialist in political economy. Though Drummond Professor of Political Economy at Oxford from 1842–7, he was a professor of law, first at London then at Oxford, for much longer – from 1852–70. His main expertise lay in the field of international law, in which capacity he played a role in the Congress of Berlin in 1884–5. Neither McCulloch nor Twiss, therefore, was what would now be classified as a full-time academic economist. Disciplinary boundaries had not yet achieved their modern forms.

### 3. Embraced by both sides: historical economics, 1870–90

Whig historians, such as Macaulay, had little interest in economic affairs. The result was that for much of the nineteenth century, history and economics (political economy) remained largely separate. Economists used historical arguments (notable British examples include Smith, Malthus, Richard Jones and Thomas Tooke) but there was no serious engagement with professional historians whose concerns lay primarily in constitutional, political and diplomatic history. The history of economic thought was of little interest to historians. However, in the 1870s and 1880s this situation changed dramatically with the advent of what is perhaps best called 'historical economics'.

One strand in British historical economics comprises two Irish economists who used historical arguments to challenge the prevailing deductive approach to the subject. Cliffe Leslie, in a series of articles in the 1870s<sup>10</sup> mounted a methodological attack on deductive theory that started by reinterpreting Adam Smith. The *Wealth of Nations* was an inquiry into not just the natural order of things but into what had caused wealth to increase over the centuries: it was historical as much as theoretical analysis. Cliffe Leslie went on to argue that abstract political economy could say little about the nature of wealth, which required historical analysis of the stages through which society had progressed. In taking this view, his main influence was Henry Maine's work on historical jurisprudence (he was a lawyer as well as an economist, who worked extensively on land tenure) and to a lesser extent by German historical economics.

John Kells Ingram also offered a critique of orthodox economics that involved a reinterpretation of past writings. He tried to differentiate the work of Smith and Ricardo from that of their followers, objecting only to the latter. However, whereas Cliffe Leslie's foray in to the history of economic thought was combined with his reinterpretation of Adam Smith (better regarded as a contribution to economics than to the history of the subject), Ingram wrote *A History of Political Economy* (1967), first published in 1888.<sup>11</sup> This was a systematic study of the history of economic thought from Ingram's Comteian perspective according to which economics should be considered a branch of a more general sociology. He argued that, in the ancient and medieval worlds, economic inquiry could exist in only a rudimentary state because two essential conditions had not been fulfilled. Economic phenomena did not exist on a sufficiently wide scale to provide the necessary data, and the sciences on which scientific sociology rested had not been developed.<sup>12</sup> It was only with the advent of the modern world (at the end of the thirteenth century) that these conditions were fulfilled and scientific economic inquiry could develop. Ingram divided 'modern times'

into three phases: the spontaneous breakdown of the medieval order and the rise of new institutions; mercantilism; and the ‘system of natural liberty’. This led up to a chapter on ‘The historical school’. After a discussion of Comte, this surveyed historical economics in Germany, Italy, France, England and the US.

Cliffe Leslie and Ingram, though generalists with interests in law and sociology, were economists rather than historians. They turned to the history of economics to make a case for the reform of economics. They paid attention to historical context, as was inevitable given their view that economic ideas had to be understood in relation to the circumstances in which they were developed, even though their main concern was to provide a critique of theoretical economics.

A second strand in British historical economics involves Oxford, where Arnold Toynbee gave his lectures on the Industrial Revolution in Britain (1884). Though these were about economic history, in particular on how the industrial revolution had created immense problems of poverty, they provided an account in which economic history and the history of economic thought were intertwined. The four stages into which he divided his analysis of the industrial revolution each centred on a major economist. Adam Smith provided the focus for a discussion of England in 1760 and problems of regulation and free trade. Malthus’s writing raised the issue of poverty and the effects of the industrial revolution during wartime. The state of England after the peace was related to Ricardo’s work on rent, wages, trade and finance. Finally, in the fourth stage, represented by J.S. Mill, economists turned to the question of how wealth ought to be distributed.

Toynbee’s lectures served a dual purpose. On the one hand they were addressed to economists – demonstrating that the tools of economics were developed during the industrial revolution. Economists were wrong to speak as though there were but a single type of economic law. There were many types of economic law – historical generalizations as well as laws that could be derived *a priori* – and the appropriate economic policy depended on circumstances. For example, the appropriate extent of the state depended on the stage of civilization that had been reached. On the other hand, they were aimed at historians, making the point that political economy helped provide a better understanding of history. Historical analysis revealed that progress had been at the expense of the poor, even though there had been an improvement since 1846. However, though his advocacy of historical economics might seem unorthodox, his characterization of the industrial revolution was one of which it would have been easy for an orthodox economist, such as J.S. Mill, to approve – the substitution of competition for medieval regulation.

Two further points are worth noting about Toynbee. The first is that his weaving history of economic thought into his economic history contrasted with that of his Oxford semi-contemporary, Thorold Rogers.<sup>13</sup> His lectures, dating from the late 1880s, had no such emphasis. The second is that, again unlike Rogers, Toynbee was involved with the Historical Seminar and influenced the way in which students trained in history approached economic questions. Prominent amongst these was Ashley. Shortly after Toynbee's death, Ashley recounted going to him for advice on how to study economics. The advice he received was the following.

Take some one subject, *e.g.*, wages, and, beginning with Adam Smith, read in chronological order what each noteworthy English economist has said upon the subject, and see if you can make out the way in which various doctrines have arisen and been modified.

(Ashley 1889: 533)

Before turning to the final strand in the emergence of British historical economics, it is worth noting that more orthodox economists supported the history of economic thought. Jevons, while preparing the Preface to the second edition of his *Theory of Political Economy* (1879) in which he tried systematically to document previous instances of mathematical economics, encouraged the translation of Luigi Cossa's *Guide to the Study of Political Economy* (1880). In a letter to the publisher, Alexander Macmillan, he expressed the view that 'a fair sale' would be achieved.<sup>14</sup> A decade later, Alfred Marshall included a chapter on the history of economic thought at the beginning of his *Principles of Economics* (1890). Though his account had similarities with those of historical economists such as Ingram, he was much more complimentary about Ricardo and his English contemporaries. So long as they confined themselves to money and foreign trade, where desire for wealth was the dominant human motive, their reasoning was safe. Their failing lay in not recognizing that not all men were like those whom they knew in the city.<sup>15</sup>

The two decades between Cliffe Leslie's challenge to orthodox economics and the first edition of Marshall's *Principles* were ones where both historians and theoretical economists expressed great interest in the history of economic thought, even though they may have drawn different conclusions. Perhaps symbolic of this is L.L. Price's *A Short History of Political Economy in England* (1891), which was still being reprinted in the 1920s. Price was a product of the School of Modern History at Oxford and where he subsequently became Reader in Economic History. However, he was a student in 1884, the year when Marshall was lecturing on economic theory at Oxford. Marshall included him in a list of his best students.<sup>16</sup>

#### **4. History of economic thought and the split of economics from economic history, 1890–1930**

The third strand in British historical economics involved Cambridge and William Cunningham. His career nicely illustrates the blurred boundaries between economics and economic history at this period. Until Marshall (who took up the position of professor at Cambridge in 1885) pushed him out, he taught economics. However, his book *The Growth of English Industry and Commerce* which went through four editions between 1882 and 1907, expanding from one to three volumes was an important text in the emerging discipline of economic history.<sup>17</sup> For the present argument, Cunningham's importance lies in two things. The first might be termed his 'boundary dispute' with Marshall. It has been argued that this is one reason why Marshall placed much less emphasis on HET after the 1890s. The second (considered below) is that his book illustrates the fate of HET on the economic history side of the boundary that was being established. In 'The perversion of economic history' (1892), Cunningham confessed to having recanted his earlier view that the history of eighteenth century England could be studied 'as a series of illustrations of modern economic theory'. He went on to accuse Marshall of neglecting the 'serious study of facts',<sup>18</sup> criticizing the sketch of economic history included at the beginning of his *Principles*. His main charge was that Marshall assumed human nature to be the same at all times. Hutchison (1953: 69) has written of this:

Cunningham's attack shows signs of that professional departmentalism, or trade unionism, that resents any treatment of its subjects by anyone other than a full-time specialist with no other interests.

Marshall vigorously denied Cunningham's charges. He pointed out that his chapter drew on extensive earlier work on economic history. Moreover, he claimed, having taken Maine as his starting point, the constancy of human nature was something he explicitly denied. However, despite the strength of his response to Cunningham, in which he denied that Cunningham had taken care to understand him properly, he played down the role of economic history and, with it, HET. The Economics Tripos of 1903 contained surprisingly little history, and in the 5<sup>th</sup> (1907) edition of the *Principles*, the historical chapters that had appeared at the start of the first edition became appendices. It is not clear how far this move represented a change of mind on the importance of history in economics and how far it was reflected a desire to avoid boundary disputes with professional historians.<sup>19</sup> However, whatever the cause of Marshall's changed attitude, it contributed towards pushing history out of economics. In 1908, when the question of his successor arose, Marshall favoured the anti-historical



theorist, Pigou, over the historically inclined Foxwell. Pigou's attitude towards HET was even more negative than Marshall's ever was. When asked to review a book on HET, Pigou is reported to have written,

These antiquarian researches have no great attraction for one who finds it difficult enough to read what is now thought on economic problems, without spending time in studying confessedly inadequate solutions that were offered centuries ago.

(Pigou, quoted in Blaug 1997: 1)

Pigou's Cambridge colleague, John Maynard Keynes, exhibited more of an interest in history, though it was never his main concern and his interest was largely confined to issues that fitted in with his theoretical concerns. In the *General Theory* (1936) he sought to place his ideas in the historical context of a dissenting, under-consumptionist tradition, and as part of this venture he wrote what is arguably his most important contribution to the history of economic thought, his essay on Malthus. His attitude stimulated interest in mercantilism and under-consumptionism, even though his treatment of his precursors can arguably be described as a caricature or worse.

At the same time, just as Marshall and most of Cambridge economics were moving away from the history of economic thought, so too were economic historians. The fluctuations in Cunningham's interest in the subject can be seen in the successive editions of *The Growth of English Industry and Commerce* (1882–1907). In the first edition (1882) discussion of HET was limited – incidental to the book's main subject matter. Chapters where such discussion might be expected ('Mercantile empiricism', 'The refutation of the mercantile system') turn out to be primarily about policy. Even the section 'Political economy and modern industry', with which the book's concluding chapter opens, talks about political economy, not about its history. Most of the discussion of past economic ideas is in footnotes with the result that Cunningham fails to distinguish between two ways in which past writers can be used. One is as sources on which his economic history is based. The other is as characters in the historical story that Cunningham is trying to tell. Overall, it is natural to conclude that economic doctrine was not clearly demarcated from economic policy.<sup>20</sup>

In the second edition (1900–2),<sup>21</sup> on the other hand, seven out of the eleven 'Books' into which the work is divided conclude with a full chapter on HET (under titles such as 'Economic ideas and structure', 'Economic opinion' or 'Economic doctrine').<sup>22</sup> HET is also discussed in other places, such as at the end of Book II (Feudalism), which is among the minority not to contain a chapter on HET. The history of economic ideas was becoming differentiated from economic history, and Cunningham's placing it at the end of each Book suggests he attached considerable importance to it. However, in the third and fourth editions (1903, 1907), this material was

dropped. Gone are the substantial chapters on economic doctrine. There are short sections such as those on ‘Economic experts’ and ‘The humanitarians and Robert Owen’, though much of these is devoted to criticism of laissez-faire policies. It is reasonable to say that between the second and third editions, HET was written out of the book as a result of Cunningham’s ‘recasting it entirely’ to make it ‘more suitable to the objects for which it is intended’ (1907: viii).

A similar pattern can be traced, though not quite so clearly, in the work of Toynbee’s most distinguished student, William Ashley. Along with Cunningham, Ashley has been described as having determined the direction taken by economic history in Britain. When he approached Toynbee about attending his lectures on the industrial revolution, he was told instead to study ‘economic doctrines as dealt with by the English classical economists’: from this he learned that economic ideas could be studied historically.<sup>23</sup> In his early work, *An Introduction to English Economic History and Theory* (1894), which covered the twelfth to the sixteenth centuries, he provided an extensive discussion of economic ideas in chapters entitled ‘Economic theories and legislation’ and ‘The Canonist doctrine’. As the title might lead one to expect, this provided a detailed analysis of the theories as well as discussing their relations to economic events. He also edited what became, for many decades, the standard edition of Mill’s *Principles*. In contrast, Ashley’s later *The Economic Organisation of England* (1914) barely touched on doctrines. Despite being interested in creating a historical economics, and disparaging theoretical economics, HET therefore played a much smaller role in his work than in that of Toynbee or his own earlier economic history. Though it dispenses with marginalism, Ashley’s *Business Economics* (1926) was as non-historical as Marshall’s later theory. As in Cunningham’s later editions, or in the work of Ephraim Lipson, the Hammonds and J.H. Clapham, there was no place for significant discussion of HET: economic history had, like economics, by then established its own research agenda, in which it played no role.

The most important figure in HET in the early decades of the twentieth century was Edwin Cannan, who taught at the London School of Economics (LSE) from its founding in 1895 and was Professor there from 1907. Though his lectures, he influenced a generation of students, including Lionel Robbins, Lillian Knowles, and Arnold Plant.<sup>24</sup> His most important work was his *History of the Theories of Production and Distribution in English Political Economy from 1776 to 1848* (1894).<sup>25</sup> This dissected the writings of past economists in a style that had no parallels as regard its precision or critical tone. Cannan’s approach bore the hallmarks of absolutism – of judging past ideas by the standards of contemporary theory. However, Cannan’s attitude towards economics and its history was more complex. He

had been trained at Oxford, at the time when Toynbee was there, and absorbed what he describes, in language akin to that of a religious conversion, as 'the Historical Spirit'.<sup>26</sup> As an example, he explains that it was 'repulsive' to be asked to distinguish between the effects of private and State property without reference to 'time, place, or circumstances'. Such attitudes explain why some historians have, despite the evidence for absolutism contained in his *History*, seen a relativist streak in his work.

The words with which he justified the critical tone adopted in the book imply a certain sympathy towards the historical school of economics and, because of what it implies about HET during this period, bears quoting at length.

In the ordinary critical and constructive books on political economy there are frequent statements respecting the history of economic doctrines. But these statements are seldom of much value to the historian. They are often based on inaccurate quotations from memory, and the reader is scarcely ever given the references which would enable him to check them. So far as they relate to the early nineteenth century period they are especially unsatisfactory and untrustworthy. It has been constantly supposed that 'abstract theory' must be defended at almost any cost against the attacks of the 'historical school' and the result has been the creation of a mythical Ricardo and Malthus, who never wrote anything which cannot be 'limited and explained' till it ceases to be in conflict either with recognised fact or accepted modern opinion. With such idealisation I have no sympathy.

(Cannan 1894: vi)

Though his perspective is radically different, his book defined a syllabus that would (*mutatis mutandis*) have been recognizable to McCulloch or Twiss. However, in the first paragraph, he pointed out that 'no one any longer believes that political economy was invented by Adam Smith and perfected by John Stuart Mill'. One reason for this was, no doubt, the range of work that had been undertaken on the history of economic thought, in the UK and the US, as well as the discovery of research done in Germany and elsewhere in continental Europe. Examples include Henry Higgs's work on Cantillon (inspired by Foxwell's lectures); W.R. Scott's on Hutcheson; Charles Hull's on Petty; Edwin Seligman. At LSE, Cannan lectured on 'Principles of economics, including the history of economic theory, these becoming his *Review of Economic Theory* (1930).

The explanation for this seemingly paradoxical position is that Cannan was by nature a critic, relishing controversy.<sup>27</sup> When examining the great economists of the past he could not help but point out their mistakes and inconsistencies. At the same time, he was critical of any orthodoxy, even the Marshallian orthodoxy of his own day. He praised Marshall, and used Marshall's *Principles* in his teaching, but he was nonetheless very critical of his work. He was averse to mathematics and had what one commentator has

described as ‘a student’s, not a potential contributor’s, grasp’ of Marshallian theory.<sup>28</sup> He has been described as a ‘dissident classical economist’,<sup>29</sup> which may explain why, unlike Marshall, he used the history of economic thought as a means through which to teach economics.

Another place where HET continued to be used as a vehicle for teaching economics, in a way that was less theoretical and more historical than at Cambridge, was Scotland (see Dow *et al.* 2000). The Scottish economics profession was small in relation to its English counterpart and the education system was much less specialized. It has been argued that it was only after 1945 that specialized economics teaching (training those who considered economics their main field) was established in Scottish universities.<sup>30</sup> Given their small numbers, Scottish economists included a large number of specialists in the history of economic thought: Alexander Gray (author of a highly successful textbook (1931)) A.L. Macfie and W.R. Scott. In the 1950s and 1960s, Macfie and Ronald Meek, at Glasgow, offered a long, compulsory course in which the history of economic thought was central: modern ideas were explained through examining their origins.<sup>31</sup> It was only later, when the syllabus ceased being laid down by a single professor, who approached the subject historically, that, as in most English universities, the teaching of economic principles was separated from history. The history of the subject became relegated to a separate optional course that many economics specialists chose not to take.

## **5. Robbins and after: 1930 to the present**

Robbins, who learned economics and the history of the subject from Cannan, was professor at LSE from 1929 till his retirement in 1961. By the 1930s, he had arguably become the leading figure in British economics outside the Keynesian Cambridge. *The Nature and Significance of Economic Science* (1932) can be seen as a manifesto for economic theory, which had a significant influence in particular on attitudes towards welfare economics. John Hicks, considered from an early age the leading British economic theorist, can be seen as implementing this programme. However, although this programme involved a-historical, *a priori* theorizing (economics was essentially a deductive science in which economic theories are deduced from self-evident propositions), Robbins had a deep interest in the history of economic ideas. He published a series of books on classical economics and assisted in the reprinting and translation of many works in the HET. O’Brien (1988: 114) goes so far as to say that ‘Robbins made the greatest individual contribution to the revival of the history of economic thought in Britain’. He battled against British insularity, encouraging colleagues

(theorists such as Hicks as well as historians such as Hutchison) to read the continental literature, especially in German and Italian. His work on the nineteenth century (1952, 1958) provided a broader perspective on classical economics, encompassing figures outside the then-conventional canon, opened new perspectives on the subject, going beyond even Cannan's treatment.<sup>32</sup> To find a comparable level of scholarship in the field, it is necessary to go outside Britain, to people such as Schumpeter and Viner. His interest in HET was shared by Hicks. Though he did not have the same commitment to the field as Robbins, he made important contributions (see Hicks 1967; 1983).<sup>33</sup>

Robbins brought Hayek to LSE in 1931 where, in addition to his main work on business-cycle theory, he made important contributions to the history of economic thought, teaching the subject in some years (see O'Brien 1994b). However in 1950, he left LSE for the USA. In 1947, Terence Hutchison (trained at by Joan Robinson at Cambridge in the 1930s) joined LSE. Robbins assigned him the task of teaching the course on which his *Review of Economic Doctrines* (1953) was later based. There was also Marian Bowley, at University College London, who studied HET as well as working on applied economics. At Cambridge Piero Sraffa and Maurice Dobb had an active interest in the subject, though unlike Robbins their links to Marxism placed them outside the mainstream as regards economics. The first volume of their edition of Ricardo began to appear in 1951, the first of many scholarly editions of important works that appeared over the following decades.

During the 1950s and early 1960s, the number of economists specializing in the field grew. However, by this time it is inappropriate to speak as though there were an isolated national tradition in the subject. Students supervised or directly influenced by Robbins included historians of economics who made careers abroad (Haim Barkai in Israel; Samuel Hollander in Canada) as well as ones who continued to work in the field in Britain (Bernard Corry).<sup>34</sup> The generation that dominated the British profession in the 1960s and 1970s included many who came into the field through training in the USA. Bob Black, though his interest in the subject developed earlier, was strongly influenced by his contact with Jacob Viner at Princeton;<sup>35</sup> Donald Winch was supervised by Viner; and Mark Blaug was supervised by Stigler at Columbia.<sup>36</sup> Bob Coats, who went with the idea of studying J.B. Clark, was strongly influenced by time spent at Pittsburgh and Johns Hopkins.<sup>37</sup>

The institutionalization of the history of economic thought came with the first History of Economic Thought Conference, organized by Black and Winch at Sussex in 1968, which became an annual event, and the *History of Economic Thought Newsletter*. Of those who supported these ventures, some

had a PhD in the history of economic thought (such as Denis O'Brien, supervised by Black) but many were specialists in other fields of economics. At the 1968 conference there were discussions about setting up a specialist journal (Craufurd Goodwin talked about the plans that were to result in *History of Political Economy* at Duke; and Blaug and Corry explored the possibility of establishing a journal in the UK). However, there was widespread opposition to this idea, including from Robbins, on the ground that it would lead to history of economics becoming separated from economics, providing editors of general economics journals with an excuse to reject work in the field.

This was history of economic thought by economists undertaken mostly in economics departments (Coats was unusual in being in an economic history department). By the 1960s, the typical pattern was for history of economic thought to be taught, as at LSE under Robbins, as a separate course (either optional or compulsory) for economics students. It had become largely separate from general economics, except among Marxists and other heterodox groups. Interest from such quarters increased, temporarily, in the late 1960s at the time of the student protests and coexisted with interest in the field from those for whom it was not linked to any political commitment. At the same time, economic history had by then gone its own way and was experiencing its own 'golden age' with the number of separate departments at its height.<sup>38</sup> A clear division of labour had been established. Though economic historians might take an interest in history of economic thought, it was confined to issues directly connected to policy (such as Keynesian economics) and even there concern was much less with academic ideas than with what happened to them when they entered the policy-making arena. There was little interaction between economists specializing in HET and economic historians. It is, however, worth noting that of those in the field in 2000, 20 percent had taken a joint degree in economics and economic history as undergraduates, a high number, especially given the small numbers typically on such courses.<sup>39</sup>

The changing position of the history of economic thought within British economics during the post-war period has been part of a much broader change. This can be described as the spread of an American style of doing economics, with increased emphasis on the publication of journal articles, more formal graduate education and a professional conservatism, emphasizing the use of rigorous analytical techniques.<sup>40</sup> Undergraduates were increasingly given greater choice in what they could study, allowing them to focus on what they saw as 'relevant' options. The rising technical demands of economics meant that more formal graduate education was required, and the increased emphasis on learning mathematical and statistical techniques, resulted in other things being squeezed out of the

curriculum. History of economic thought occupied a more and more minor place in economic education. In addition, pressure to publish in prestigious journals, which published less and less work in the history of economic thought, deterred people from entering the field. During the 1980s, as the financial position of universities deteriorated and they were forced to become more competitive, these pressures increased.

Since its inception, the Research Assessment Exercise has played an important role in this process. Table 1 provides evidence on this derived from a survey of British universities. It shows a clear negative correlation between the grade a department received in the RAE and both the likelihood of history of economic thought being taught and there being anyone interested in teaching it.<sup>41</sup> Most dramatically, 58 percent of respondents from grade 5 and 5\* departments reported that there had been a decline in history of economic thought teaching over the past few years: it was taught in only 33 percent of such departments. As regards research, the RAE clearly inhibits work on history of economic thought. Here, the effect appears to be strongest, as one might expect, in departments that scored 4: presumably because they are attempting to raise their ranking and there is pressure on staff to direct their publication effort towards those journals that are believed to count for more with RAE panels. In economics, journals are so important that people even suggest (half seriously) that books should carry *negative* weight. Given that the most

**Table 1** Levels and trends in HET teaching by RAE score

RAE Score	Universities	Responses <sup>a</sup>	Number teaching HET <sup>b</sup>	Number with HET staff <sup>c</sup>	HET up or down <sup>d</sup>	Number facing pressure <sup>e</sup>
5–5*	13	12 (92%)	4 (33%)	8 (67%)	0–7 = – 7	3 (38%)
4	19	10 (53%)	5 (50%)	8 (80%)	3–3 = 0	7 (88%)
1–3	18	7 (39%)	5 (71%)	6 (86%)	1–3 = – 2	3 (50%)
Other	n/a	16 (n/a)	7 (44%)	10 (63%)	3–1 = 2	2 (20%)

This table is reproduced from Backhouse (2002) and is based on a survey of UK economics departments. The paper provides more detailed information on the survey and on other information gathered from it. **a:** Percentage of universities replying; **b:** percentage of respondents; **c:** one or more staff either teaches, researches or wishes to teach HET; **d:** number of respondents saying that HET teaching increasing (either number of students or availability of courses) minus number saying it is falling (over the past decade or so); **e:** number of universities where respondent says there is pressure not to work on HET (as percentage of universities with HET staff as defined above). Figures include some HET staff in Economic History (LSE). ‘Other’ comprises universities where economics departments either did not enter the RAE or were submitted under another category (typically Business Studies). **n/a:** not applicable.

prestigious journals have little interest in HET, the result is pressure to work in other fields. At the same time, scholars in other fields (sociology, intellectual history, and philosophy) have begun to show greater interest in the history of economics.<sup>42</sup>

## **6. Conclusions**

Looking back over the past 40 years or so, the 1950s and 1960s can appear as a golden age, from which there has been steady decline. The history of economic thought, once represented by the dominant figure of Robbins, has become marginalized to the point where people can seriously speculate on whether it will be able to survive at all. This change can be associated with the narrowness of modern economics, perhaps with what Blaug (1999) describes as the ‘formalist revolution’.

To set this view in perspective, consider the following quotation from Robbins (1952: 1).

30 years ago, the senior generation of economists in this country – Marshall, Edgeworth, Foxwell and Cannan – were all men who ... were truly learned in what may be called the scholarship of the subject; and some acquaintance with history of economic thought was usually deemed to be a desirable part of the equipment of the economist ... All that has changed.<sup>43</sup>

For Robbins therefore, the situation was one of decline, albeit showing some signs of health, notably the production of scholarly editions.<sup>44</sup> It is, therefore, possible to paint a picture of steady decline, throughout the twentieth century. However, it is important to note the precise sense in which there has been a decline. The subject has been progressively marginalized within economics: it is no longer considered to have practical or pedagogic relevance for economists, the theoretical framework for which is provided by abstract modelling combined with statistical testing and quantification.<sup>45</sup> The origins of this position go back far beyond the ‘formalist revolution’ of the 1950s. In the early 1890s, Marshall, Cunningham and Ashley (following Jevons and Toynbee, both of whom had died at an early age) all incorporated history of economic thought prominently into their textbooks. At this point, though there was no clear reason why this should have happened, it looked possible that the history of economic thought might have become an integral part of both disciplines. However, as the distinction between these two disciplines hardened, with the development of separate research and educational agendas, it became peripheral to both. The tradition of taking an interest in the history of economics did not die completely (Keynes, Hayek and Hicks are obvious



examples), but by the 1930s such an attitude to history had become the exception rather than the rule. Economics developed in such a way that history was marginalized,<sup>46</sup> and economists turned to the history of the subject mainly when doing so was to their rhetorical advantage. On the other side of the disciplinary boundary, historians learned to differentiate economic history from history of doctrine and left the latter behind.<sup>47</sup>

Against this picture of decline, it is possible to adopt a more positive view. Despite the exclusion, by both economists and economic historians, of the history of economic ideas from the core of their disciplines, the field continued to develop, notably through Cannan and Robbins. By the 1960s, partly due to the arrival of a strong cohort trained in the US, there was a sufficiently large number working in the history of economic thought for it to take its place alongside other fields in an economics discipline that was expanding very rapidly. In addition, though the bulk of the economists and economic historians were happy to leave history of economic thought to specialists, there were prominent individuals who chose to work in the field as a secondary activity.<sup>48</sup> Though, to a greater extent than the economists of Marshall's generation cited by Robbins, they kept their historical inquiries largely separate from their economics, Samuelson, Hicks, Baumol and Patinkin provide examples of economists at the top of the profession who took a keen scholarly interest in the history of the subject. Furthermore, because of the enormous increase in the number of economists, relative decline has been accompanied by a substantial increase in the number of people working in the history of economic thought.

Looking back over the history of the history of economic thought, the most interesting issue is probably not its decline, but the way changes in interest have been linked to changes in the field's role at the boundaries of larger disciplines. Until the 1890s, boundaries were fluid. HET was intertwined with what we now think of as economic history, straddling a very fluid and indistinct boundary between economics and history. Toynbee and Cunningham chose to make history of economic ideas an important part of his account of economic history but Rogers did not. Such a contrast is a symptom of very fluid disciplinary boundaries. The borderline between economics and history was not yet established. Related to this, there was no clear dividing line between, say, treating Adam Smith as a historical source and treating his work as the subject of study. From the 1890s, as disciplines became professionalized, the boundaries became clearer. The newly emerging discipline of economic history defined itself in such a way that history of economic ideas was not part of the field, and embarked on the process whereby it became progressively marginalized during the twentieth century. The general lesson to be drawn from this experience is that, in

considering the history of fields such as HET, it is important to take account of the way in which boundaries between disciplines have changed.

*University of Birmingham*

## Notes

- \* I am indebted to Bob Black, Terence Hutchison, Denis O'Brien, Avner Offer, Andrew Skinner and Donald Winch, to participants in the Economic History seminar at Oxford and the History of Thought Conference at Stirling, and to the referees of this journal for invaluable criticism of earlier drafts.
- 1 There are of course others, based in History of Science, in History, Sociology, and in other places. They may have different, parallel, stories to tell.
- 2 I do not wish to comment here on how far such a perception is correct.
- 3 See the country studies in the forthcoming *History of Political Economy* annual supplement on the future of the history of economic thought.
- 4 This circulated widely and the material was used in several of McCulloch's later writings. See O'Brien's Introduction to the edition cited here.
- 5 For further references documenting McCulloch's views on the past, see Hutchison (1978: 218–19).
- 6 See Hutchison (1978: 217–22).
- 7 O'Brien (1974: 7); Hutchison (1978: 219, n. 12).
- 8 I present this argument in more detail in the Introduction to volume I of Backhouse (2000).
- 9 See the Introduction to volume III of Backhouse (2000) for more detail.
- 10 These are reprinted in Cliffe Leslie (1879) and Backhouse (1997b) volume 5.
- 11 The 3rd (1915) edition contains an additional chapter by William Smart bringing the history up to date. The book started as an entry in the *Encyclopaedia Britannica* in 1885.
- 12 Ingram (1967: 5).
- 13 Thorold Rogers was Drummond Professor before Toynbee's arrival in Oxford and again after his death.
- 14 Black (1977: 41), letter 595. See also letters 602, 603, 611, 621, 641, 643 and 651.
- 15 Marshall (1890: 60–2).
- 16 Kadish (1989: 88).
- 17 See Coleman (1987).
- 18 Cunningham (1892: 493–8). After that he criticized Thorold Rogers for misinterpreting facts.
- 19 See Hutchison (1953: 69–70).
- 20 The same can be said of some earlier histories of economic thought which cover material that would nowadays be considered economic history, or history of policy, not history of ideas. See note 39.
- 21 The single volume of the first edition became two much larger volumes in the second. By the third edition, this had become three volumes.
- 22 I count the three 'Parts' of Book VIII, each of which comprises at least seven chapters, as separate 'Books' for this calculation.
- 23 Ashley (1932: 22).
- 24 See Robbins's (1935) recollection of his lectures.
- 25 His 1904 edition of Smith's *Wealth of Nations* was also very widely used.

- 26 Cannan (1912: 10–15). Cf. Ebenstein (1997: 9–16).  
27 See O'Brien (1999) especially pp. 6–8 on 'the paradox of Cannanism'.  
28 Maloney (1991: 72).  
29 O'Brien (1999: 8).  
30 Dow *et al.* (2000: 184).  
31 I owe this information to Andrew Skinner, an undergraduate in Glasgow in the 1950s, who took over from Meek in Glasgow in 1964.  
32 For an appraisal of Robbins's contribution to the HET, see O'Brien (1988b) chapter 4.  
33 He also ventured into economic history, though did so from the perspective of an economic theorist.  
34 Barkai and Corry had PhD theses supervised by Robbins. Hollander (1995: 294) describes Robbins as having had 'the greatest single influence on my career'.  
35 Backhouse and Middleton (2000), volume II, pp. 104–9.  
36 See Backhouse and Middleton (2000), volume II, chapter 7.  
37 See Coats 1992, chapter 1.  
38 See Coleman (1987).  
39 See Backhouse (2002).  
40 This is discussed in detail in Backhouse (1997a).  
41 There was also a strong correlation between RAE score and response rate but I have no reason to believe this will have biased the results. I ignore 'Other' because this includes economic units within business schools, which are not strictly comparable with standard economics departments.  
42 See Backhouse (2002).  
43 I am grateful to Terence Hutchison for drawing my attention to this quotation.  
44 He referred to this in a talk at the first *History of Economic Thought* Conference.  
45 Even Robbins believed that it gave practical insight.  
46 Cf. Hodgson (2001).  
47 The inability or unwillingness to demarcate clearly between economic history and history of doctrine is not confined to those economic historians discussed here. Many early texts on the history of doctrines (including continental ones) include material that, to modern readers, seems hardly about economic doctrines at all and more like economic history. For a selection of such texts, see Backhouse 2000.  
48 The best British examples are perhaps Hicks among economists, and Deane among historians.

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## **Abstract**

This paper tells the story of the field of the history of economic thought in relation to the changing boundaries between the disciplines of economics and economic history. The most important period was the late nineteenth century when, after a couple of decades during which both economists and historians took an interest in the history of economic ideas, both disciplines stabilized in ways that left no room for it. Despite the emergence of the history of economic thought as a recognizable field within economics, it was progressively marginalized within the broader profession.

## **Keywords**

Economics, economic history, history, history of economics, Britain