Form and Content in Appraising Recent Economic Developments

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The subjects of this paper are two interrelated questions: What is the role of the historian of economic thought in discussing and appraising current developments in economics? and What are the appropriate methods for studying these developments? My thesis is that the historian of thought has an important role to play in discussing and appraising current developments, but that the role is of a different nature than is his or her role in the study of history; therefore, the methods—the tools and means of analysis—are different. Specifically, I argue that historians of recent thought, in addition to the literary exegesis and archival methods, must rely heavily on interviewing, surveying, and bibliometric methods.

Since the contrast I am making is between “history” and “current developments,” I should make clear what I mean by these terms: The term “history” conveys a sense of events sufficiently removed so that the historian can bring an historical perspective to his or her analysis. While there is no specific time period associated with an event becoming history, a possible demarcation is the time period after which all participants are dead. Thus, something that happened a hundred years ago is history; something that happened seventy years ago is likely to be history, and something that happened in the last five years is likely to be current developments. Following that demarcation, economic historians have predominantly focused their attention on the history of economic thought, and the field is called “history of economic thought” rather than “development of economic thought.”

The reasoning for concentrating on history goes as follows: Current developments are not history and when considering such developments one necessarily lacks perspective that historians studying true history have. While I agree with this argument, I do not believe it means historians of thought should not study and appraise current developments. It simply means that they must replace the historical perspective with an alternative perspective, within the use of which they have a comparative advantage.

Recent developments in the profession of economics have increased the need for historians of thought to take on this role of appraising current developments. In the teaching of graduate economics, the profession has deemphasized literature and interpretation, emphasizing tools instead. Similarly in articles; whereas there once was a mandatory broad review of literature section, that literature review is narrowing. Much of the mainstream profession has eliminated any consideration of the context of their work, either within various schools of thought or within recent literature. In a survey of graduate schools done by Arjo Klamer and myself, only 9% of graduate students believed that a knowledge of economic literature was very important to being “on the fast track” as an economist, while 43% thought it unimportant.

This contextual void of current research leaves an opening for historians of thought to exploit their comparative advantage and provide additional insight into current developments in theory. In doing so they need not address the often-heard criticism of history of thought nicely captured by Whitehead’s comment that “a science which hesitates to forget its founders is lost.” The role of historians of recent thought is not concerned with its founders; that role is simply to get the profession to know its current practitioners and to get them to communicate with one another.

Historians of thought have generally failed in this role. Much of the work on current developments done by historians of thought has been unappreciated by the profession; their articles seldom appear in the top journals and their articles on current economic theoretical issues in history of thought-oriented journals are seldom read and little referred to by mainstream economists. This is sad, not only for the ego of the historian of modern thought, but also for the profession, because a critical need in the profession is not being fulfilled.

It would be easy to blame the mainstream profession for the situation; they, after all, are the ones who purged literature from their
articles and the profession. But blaming the profession is not going to change reality. Instead, I think historians of thought must blame themselves, not because that is where the blame lies (that's an irrelevant question) but because that is where they can do something about the situation.

Historians of thought are to blame because we have sent students to work on recent subjects without giving them a clear sense of the set of tools that they can use to analyze current subjects. In the absence of such a guide, students have had to rely on the work of previous historians of thought as guides. Unfortunately, the work depends on having historical perspective, and in considering current events we do lack historical perspective. The contribution of historians of thought to analyzing recent developments in theory can only be useful if they provide an alternative perspective (other than an historical perspective) which complements the theorists' perspective.

**Form and Content**

Historians of recent thought face a two-fold problem. First, they must design a good product that complements mainstream economics; second, they must convince mainstream economists of its value.

Analyzing current developments and problems in theory using historical methodology is the way not to solve both of the problems. Interpretative articles discussing the implications of the methodological jumps in, and the implicit values of a theory, while comparing and contrasting various theorists, is not the appropriate methodology for an historian of recent thought to use. This statement is independent of the content of the work; the work may be a superb product, and thus it may or may not solve the content problem, but that is irrelevant because these methods definitely fail to solve the second problem and thus will not sell. The form must be right for the content to be considered.

The "content" issue is a complicated one and one must judge for oneself whether an article has, or does not have, valid points. I believe that there is important content in many of the analyses of recent developments by historians of thought. But even if there has been good content in the argument, it will have no effect on the profession. The reason is that regardless of what I believe, there is a strong presumption held by mainstream economists that articles by historians of thought on methodology and current developments have little content.

Most good theorists know, or think they know, when they are making the methodological jumps; they know, or think they know, the implications and limitations of their model. They don't talk about these issues because, given the sociology of the profession, that is not something a theorist does. Moreover, they do not want to read or debate with others who do want to write or talk about these issues. They see themselves as scientists who want to get on with the business of doing science.

For a mainstream researcher to place himself outside of his small area of research and to assess and appraise that research would involve enormous hubris. The only activity that would involve more hubris would be for someone who is not a mainstream theorist to assess that research. Forget that this latter view follows from an even higher level of hubris, because it is based on a belief that if a theorist wanted to do so, he or she could write an article that would duplicate, and most likely surpass, anything an historian of thought could write, especially a young one who has not moved out to pasture after having been a "theorist." Young theorists do not write such articles because doing so would violate the allowable form of discussion, within which theoretical points may be made within the economics profession and they certainly are not going to read any non-theorist who violates these norms.

Having been a reviewer for a variety of history of thought-oriented journals and being an avid consumer of appraisals of current work, I could give a legion of examples of such articles without readership. But I have no need to pick on others' work. I can establish my credibility as knowing what does not work by using examples from my own work. When I first learned about rational expectations applied to macroeconomics in the mid-1970s, I, and now I suspect many others, saw the limitations and implications inherent in it. I wrote an article explaining these and relating rational expectations to the literature; I went around telling people my insights. The insights were greeted with yawns and with questions such as "Do you have a formal model?" The papers were rejected by the top journals. One of the papers (Colander 1978) finally was published in a conference volume (a primary outlet for such a piece) and was little read; a second (Colander
and Guthrie 1979), despite a great title, "Great Expectations: What the Dickens Does Rational Expectations Mean?", was published in the Journal of Post Keynesian Economics and soon forgotten, even by readers of the JPK.

Similar experiences with papers on the difference between the NARU and the natural rate (Colander, unpublished), the implications of implicit contracts (Colander, unpublished), the implications of the market anti-inflation plans (Colander, unpublished), and the limitations of optimal taxation analysis (Colander, unpublished) have finally made the point to me. The market for appraisal is small.

Now one might argue that the content of these papers was flawed - that my "insights" were not good insights and deserved to be forgotten. I strongly believe that content failure was not my problem and I encourage all who are dubious to consider them (Colander, 1977a, b; 1978a, b, c; 1979a, b, c; 1980a, b, c, d, etc.). My papers were disregarded because I "cheated"; I violated form, and the profession is loath to allow such violations.

Subsequent discussion with well-known economists has led me to the conclusion that the articles I wrote were articles that a number of theoretical economists could have written. Most of the arguments I raised and the methodological problems I pointed out were not new to them, although my ego still has me believe that others may not have thought of the problems in the particular way that I did. In Marshall's wonderful phrase, they were issues which they kept in the back of their mind. So by good mainstream economists my work was seen as pedestrian even though they might agree that the arguments I was making were sound ones. According to the standard practice of the profession, the only economists who are allowed to write interpretative articles are the grand old men of the profession who have paid their dues by playing the formal game."

I escaped the fate of most of those who violate the profession's norms. I was "discovered" by a famous economist, Abba Lerner, who had no sense of the profession's (or society's) norms. He went around telling people that the work I was doing deserved to be read. Out of professional courtesy and respect for Abba, some in the profession began to consider my work, especially that which was jointly done with Abba. Once he died, the interest waned, but by then I had a distinguished chair (albeit at an Undergraduate college) and hence made it to that status of "grand old man" from which I am allowed to comment. I still am little listened to, but I am no longer seen as a "cheat.""

As I stated at the beginning, I believe historians of thought have an important role to play in appraising theory. There is no invisible hand of truth to insure that all the pieces of the theoretical puzzle fit together. Somebody has to define what the puzzle should be. But I also believe that mainstream economists have a point. Young historians of thought who have not participated in the development of the theory are not the best people to establish what the important functions are; current researchers who are simultaneously interested in appraisal and interpretation, who have both a researcher's narrow and historian's of thought wide perspective, are the ideal people to do it. I also believe that it would be nice if elephants could fly. Until they do, there is a role for the historian of thought (even young ones) to play in analyzing and appraising recent theory. Thus, I turn to the second question: How to do it?

How Form Can Provide the Missing Perspective

In appraising recent developments in theory, all the historian's tools and methods are still necessary: they are not, however, sufficient for the historian of recent thought. How insufficient depends on the individual. For current researchers, or grand old men and women, literary exegesis combined with logic and good writing is sufficient; when Hicks writes, people listen. For all others that approach is insufficient, even if it involves a complete mastery of all the articles and issues in the field. These others need a set of tools to provide them with the missing perspective; the tools substitute for, or at least complement, their reflective judgment. Content follows form. The writer is not appraising; the writer is simply using a set of tools. (The interrelation between the tools and the appraisal is obviously much more complicated, since the writer's appraisal shows through in the tools, but at least there is some separation of the writer and the appraisal, and that separation provides the needed perspective.)

It is important that we find different methods. As I stated above, the profession needs historians of thought to provide the insights, appraisal, and interpretation because the grand old men are becoming less grand as the narrowing process continues and literature is
purged from the subject matter.

The three methods I consider in this paper are interviewing, surveying, and bibliometrics. There may be others, but, I argue, these three should be part of the tool kit of every historian of recent economic thought. None of these methods is a stand-alone method. The information derived from these methods is not always accurate, and is often contradictory. To get the most helpful information one must know the literature. Thus, these methods do not replace knowledge of literature; they complement it.

Interviews

The advantage of interviews is two-fold. First, in the process of interviewing, the profession's interest in your work is piqued; its members want to know what they and others have to say, but are forbidden by the profession to talk about in articles. In asking questions of mainstream theorists, historians of thought become natural allies of the scholar being interviewed, and become seen as people who are complementing the theorists' work, not duplicating it. One of the things that has amazed me as I have interviewed scholars is how open they are and how much they want to convey their ideas. Second, and most important, interviewing adds the missing perspective; interviews replace your perspective with the researcher's perspective. Thus, the hubris charge is avoided. I would argue that all appraisal of current research by historians of thought should make extensive use of interviews. The argument can be made even stronger; any appraisal work by someone who is not doing the critical work himself and which does not use interviews is seriously flawed.

Imagine that the possibility of interviewing Adam Smith or David Ricardo were opened to an historian of thought. The questions one could ask: "How important are the existing set of institutions to your invisible hand argument?" "Under what conditions will your theory of value break down?" If interviewing were possible and the historian did not interview, their work would be considered incomplete. For historians (in my sense) such questions are impossible; they must deduce the answers to their questions from archival study - textual analysis of the writings, files, and letters of the economists in question. But that is a second-best approach. Historians of recent thought do not face these limitations; they can simply ask the producers of the idea they are studying - either by letter or in face-to-face interviews. And in the process they can play an important role in the development of theory.

Two examples of successful work using the interviewing technique are the appraisal of general equilibrium analysis by Roy (1986) and the analysis of classical economics by Arjo Klamer (1985). Weintraub, while not a grand old man, was already relatively well known and had made contributions to the literature. He was also the son of a distinguished economist and was making an argument that was sympathetic to mainstream economists - that the general equilibrium research program is progressive. Thus, he had a number of things going for him. His looking at the broader issue was as close as we are likely to get to elephants flying.

But even these advantages were, I believe, insufficient to make his appraisal of interest to the mainstream. His work interested them because of its form, not its content. His article and book on appraising general equilibrium analysis made extensive use of letter interviews. These letter interviews formed the basis of his article in the JEL (March, 1983) and the central chapter of his book, General Equilibrium Analysis (Chapter 6). Moreover, his methodological analysis was written as if it were an interview, and his analysis of the development of an article was a self-interview.

Klamer's Conversations with Economists provides a better example of the importance of form. Klamer did not have Weintraub's advantages, but his book, a collection of interviews of macroeconomic theorists, elicited enormous interest. His use of the interviewing technique played an important role in that interest. Had he made the same points by simply writing them or by reference to various economists' work, his book would have been disregarded.

Given the importance of interviews, part of the training of an historian of recent economic thought should be in interviewing techniques. Despite the fact that an enormous amount of literature exists on how to interview, currently techniques of interviewing are not taught.

Surveys

A second technique which is seldom used by economists but is useful in providing information about recent economic thought is surveying. Surveys are a way of interviewing
large numbers of individuals without direct contact with them and getting quantitative results which can be easily summarized. Since surveys are a form of interviewing, like interviewing they provide the lacking perspective in analyzing recent developments. As with the interview, surveying complements the economic theorist and does not challenge him or her. Thus, economists, while disparaging surveys, are generally interested in the results, especially since these results can be quantified.

My own experience with surveying provides a good example. As I distributed a survey, my former advisor asked what I was doing, and when I told him, he asked if I had left the economics profession. However, once Arjo Klamer and I had tabulated the results of the survey, there was an enormous interest. Three economic journals asked if we were interested in publishing the results with them. Had we written an article based on the literature survey making the same points, it is unlikely we would have found any interest in our work.

Despite the existence of an enormous amount of literature on surveying techniques – how to structure questions to extract the information one wants while not biasing the results; how to increase response rates; how to interpret and organize the results of a survey – surveying is not taught to future historians of economic thought. Thus, while there have been some surveys done by economists who are historians of recent economic thought, this remains largely an untapped technique.

**Bibliometrics**

A third method which should be part of the standard toolkit of the historian of recent economic thought economists is bibliometrics – the use of bibliographic information as data. The advantage of using bibliometrics is that it provides a quantification of what otherwise is an impression. An example of some interesting use of bibliometrics is a paper by Terry Plum (1987). In this study he quantifies and documents the movement of supply-side economics from the popular press to the economic journals and traces its rise and fall in popularity. Another example is by Colander and Plum, in which we quantify the significant increase in the three-essay route to dissertations in economics and draw implications from it. Economists know that the three-essay route is used more frequently, and that its use has certain implications about the profession. But they will only consider the implications if the analysis adds something to what they already know. Quantification of general impressions does this: it adds information to what mainstream economists have, and thus becomes more of interest to them.

Similar arguments can be made for citation and cocitation analysis. While these analyses have been more frequently used by historians of economic thought (e.g., Stigler & Friedlander 1975), they are not as widely used by economic historians of thought as they could be. For example, citation studies can be used with cluster analysis to create a map of schools of economics (McCain 1984).

While the use of these bibliometric techniques is not limited to the analyses of recent events, the burgeoning literature and the significant increase in on-line data bases make the use of these techniques especially applicable for the historian of recent thought. They help provide the perspective that is lacking in studying recent events.

**The Texts of Textual Analysis**

Despite my advocacy of the use of supplemental techniques, I still believe that textual analysis will continue to form the basis of the methods of the economic historian of thought. Techniques can provide you with a readership if you have something to say, but you will have something to say only if you know the literature, and knowing the literature requires textual analysis. But here, too, the analysis of recent ongoing events differs from the analysis of historical events. The reason has partly to do with the currency of the work being studied and partly to do with the changing technology of disseminating information. The “currency” reason is obvious. The primary data source for the latter are the archives – the files saved by past economists. Historians of recent thought do not have archives, but they do have the working papers of leading economists who are often delighted that anyone should be interested in their thought processes. If asked, many will supply various versions of their articles on their way to publication. Thus, simply to parallel the work of the historian, the historian of recent economic thought must analyze working papers, not only published articles.

But there is also a less obvious reason for not focusing one’s analysis on articles. The 1960s represented an enormous change in the way economic ideas are disseminated. With the
advent of the Xerox machine, journals and books become less the mediums of debate and more the "tombstones" marking one's role in a debate. Published articles have become "perfected articles." The thought processes, the arguments and false starts which give the analysis contextual context, are not to be found in the published articles. Thus, in studying recent history, historians of thought should not concentrate on published papers. Early drafts and working papers are where the action is in the development of economic thinking, and to a large extent these should be the sources of much of the recent economic historian's textual analysis. A good historian of recent economic thought will become part of the informal pre-published discussion network, thereby gaining wider access to publication and integrating his or her perspective into mainstream economic thinking.

Conclusion

Mainstream economics has entered into a contextual void because of its over-concentration on tools; historians of recent thought point this out often. Historians of recent thought have made the opposite mistake. In their training there is almost no consideration of tools and the result is a contextual mess. Most historians of recent economic thought think that the economics profession has a problem; it is more helpful to see it as a problem of the historian of recent economic thought.

Most economists now agree that current graduate economic training is superb at training economists how to answer questions, but is poor at teaching economists which questions to ask. That is precisely the role that a good historian of recent economic thought should play. He or she should pinpoint unanswered questions, highlight the limitations in technique, and suggest connections in the literature that the more narrow researcher is likely to miss.

We have something to add to current debates, but we must do it in a way that the profession will listen to. Each of the techniques described has its problems. People being interviewed shade reality to suit themselves; surveys are often biased and provide incomplete information; and bibliometrics is subject to serious abuse. My argument is not that these techniques should replace textual analysis; it is simply that they should be part of that analysis. Capturing as moving and amorphous a reality as recent developments requires one to use all the tools he or she can.

Notes:

1. I have become somewhat cynical about the internal dynamics of the profession. Initially, I believed that researchers searched for knowledge (or at least tried to discover what is false). I have since come to believe that researchers have a more complex utility function; discovering truth is one element, but most researchers don't ask questions of truth: they simply do what they are taught, working on their piece of the puzzle, with the implicit belief that the invisible hand of truth will put together the puzzle and lead to knowledge. Students who are attracted to the history of thought, of whom I am one, generally have a different approach to understanding. They try to understand the entire puzzle, assuming that the pieces can be fitted together. Thus, they push to show broader relationships and continuities outside of the formalism of the models. They generally deal with broad-brush language rather than narrow-brush mathematics. Bi-economists, who can go either way, generally favor the narrow-brush mathematics. They recognize that the broad-brush approach destroys the game that the profession has developed—a game that slows the way in which the pieces of the puzzle can be put together over a long period of time.

These institutional constraints on conveying knowledge are unlikely to change; they decrease the human capital depreciation of the knowledge that economists have learned and thus may serve useful internal rent-seeking functions for members of the profession.

2. In a wonderful letter to one of my co-authors, Axel Leijonhufvud jokingly told us this relatively early on, suggesting that we salvage our insights for our AEA presidential addresses. It took a few more rejected articles for us to heed his advice.

3. The above discussion was not meant to elicit sympathy, or lambaste the profession; it was simply meant to establish my credentials in arguing that history of thought methodology applied to current developments doesn't sell.

4. Reading that literature to its simplest components, the rules of interviewing are the following:

1. Know the period and literature;
2. Work out a set of questions which will be likely to elicit the information you want;
3. Let the person talk.

Much of the literature of interviewing concerns what I call adversarial interviewing, in which the interviewer is trying to elicit information the interviewee does not want to provide. Rather, the interviewer and interviewee become partners in trying to understand what role the interviewee played in a certain area. In my interviewing I make it clear to all my subjects that they will see the material and can change their words and meanings.

5. Some have argued that historians of recent thought should know and use formal textual analysis and thus should be trained in literature. I have no objections to that, but judging from the deconstructionist textual analysis that I have seen, these techniques are unlikely to get the historian of thought read by the profession.
Biography