



Methods in Economic History

Another brick in the wall? A comment on Francesco Boldizzoni's *The Poverty of Clio*

Luis Bértola

Programa de Historia Económica y Social, Universidad de la República, Montevideo, Uruguay

ARTICLE INFO

Article history:

Received 30 November 2012
Accepted 18 December 2012
Available online 11 January 2013

JEL classification:

B29
B40

Keywords:

Economic history
History
Economics
Methodology

Códigos JEL:

B29
B40

Palabras clave:

Historia económica
Economía
Metodología

ABSTRACT

A book that reflects on the state-of-the-art in Economic History and discusses the different approaches of current and past research is highly welcome. Fortunately, Economics, History and Economic History, are nowadays fluently using multi-dimensional approaches to development, in which belief systems, culture and values play an important role. We must apply the same tools of analysis to our contemporary production. Unfortunately, the study of research methodology and of the History of Economic Thought has been losing ground in the education of economists, as much as the study of Economics is considered useless in the education of historians. In this context, every attempt to bridge the gap, to critically approach and to promote the link between history and economics is a welcome contribution.

© 2012 Asociación Española de Historia Económica. Published by Elsevier España, S.L. All rights reserved.

Comentario sobre *La Pobreza de Clio* de Francesco Boldizzoni

RESUMEN

Una obra que reflexiona sobre los últimos avances en la Historia Económica y que comenta los diferentes enfoques de la investigación pasada y presente merece ser acogida muy favorablemente. Afortunadamente, hoy en día la Economía, la Historia y la Historia Económica utilizan de manera fluida enfoques multidimensionales del desarrollo, en los que los sistemas de creencias, la cultura y los valores desempeñan un papel importante. Debemos aplicar los mismos instrumentos de análisis a nuestra producción contemporánea. Lamentablemente, el estudio de la metodología de la investigación y de la Historia del Pensamiento Económico han ido perdiendo terreno en la educación de los economistas, del mismo modo que el estudio de la Economía se considera inútil para la educación de los historiadores. En este contexto, todo intento de subsanar las diferencias, de acercar críticamente y de promover el vínculo entre la Historia y la Economía, constituye una contribución encomiable.

© 2012 Asociación Española de Historia Económica. Publicado por Elsevier España, S.L. Todos los derechos reservados.

A book that reflects on the state-of-the-art in Economic History¹ and discusses the different approaches of current and past research is highly welcome. Fortunately, Economics, History and Eco-

nomics, History, are nowadays fluently using multi-dimensional approaches to development, in which belief systems, culture and values play an important role. We must apply the same tools of analysis to our contemporary production. Unfortunately, the study of research methodology and of the History of Economic Thought has been losing ground in the education of economists, as much as the study of Economics is considered useless in the education of historians. In this context, every attempt to bridge the gap, to critically approach and to promote the link between history and economics is a welcome contribution.

Fortunately, and in spite of the previously mentioned issues, we have today a very wide spectrum of Economic History writings,

E-mail addresses: lbortola@fcs.edu.uy, lebertola@gmail.com

¹ I will use capital letters to refer to produced knowledge, as Economic History, Economics, History, and small letters to refer to real events: history, the economy, the economic history. This distinction is not really necessary in the case of Economics, as we have two different words (Economics and economy) for two different concepts. However, this is not the case with h(H)istory and with e(E)conomic h(H)istory.

tackling many different periods and problems with many different theoretical and methodological approaches. It is also true that a particular form of making Economic History is fast developing, spreading mainly from the USA to the rest of the world. Together with the increasing role played by journals in the incentive systems of the profession, and the development of doctoral thesis consisting of three papers, the result is the strengthening of a “production function” which is not neutral in terms of outcomes, topics, approaches and methodology, i.e., in the way we make Economic History.

Boldizzoni offers a very critical view of this trend, in an attempt to recover a different tradition in Economic History, developed mainly in Europe during the post second world war times. In two chapters, one on micro and one on macro topics, he uses the title “the world we have lost”, as the one to be recovered. In doing so, Boldizzoni is not afraid of being labelled as old-fashioned, as he criticizes the idea that the production of economic and historical knowledge is a cumulative and always progressive process. Moreover, he strongly criticizes this new trend for being a step backwards in the production of historical knowledge.

When interpreting the book, I will “deflate” it with an anti-adjective index, and try to clean the text from a certain amount of excesses of interpretation and assignment of intentions to different authors. While the author has all the right to express his beliefs and opinions, from my point of view, what I see as excesses deteriorate rather than improve the impact of many of the good insights contained in the book.

I will also try not to pay too much attention to a possible line of confrontation between “American” traditions and “European” traditions, as if the book was dealing with some kind of nationalist dispute. In doing so, I am not denying the existence of national, regional, historical, cultural and economic particularities. Quite on the contrary, because I consider these particularities so important, and as I consider Economic History as one more expression (more or less scientific) of what can be called as belief systems, I will try not to reduce these discussions to simple expressions of nationalist pride and assign the author the more critical and objective position as possible.

In what follows, I will deal with Boldizzoni’s proposals, concentrated in Chapter 6, “Building on the Past”. The whole proposal boils down to a manifesto, presented as a five step alternative approach to the neo-classical/neo-institutionalist one. Two of the five pillars of the manifesto use the words “a different”. The manifesto is presented in three pages. The sequence is as follows: (1) Adherence to the primary sources. (2) A point of departure in *Histoire Total*, i.e., “. . . a thorough background in the fields of social, cultural, political, and institutional history”. (3) Avoid a privileged cooperation with economists. (4) Use descriptive statistics rather than methodologies based on probability, and avoid the use of deductive techniques, because “. . . the work of the historian is inductive by definition”. (5) When tackling the relation between theory and history the text is less clear and probably badly formatted. The idea seems to be: (i) to use an inductive procedure, “. . . that starts from the empirical evidence relating to a problem or set of problems. . .”, and analyzing the sources; (ii) once this is done, the historians are allowed to be led by the “general coordinates of their own metatheories”, which are “. . . more general, flexible, and open construction(s) than a specific theory”; (iii) once the analysis of the data is shown to be compatible with the metatheory, a hypothesis is put forward; (iv) the hypothesis is assessed using “appropriate techniques”; (v) once assessed, the hypothesis is transformed into a historical model, i.e., “. . . a synthetic interpretation of the facts, whose explanatory power is limited in time and space”. And the author concludes: “At this point, the historian’s task is over, and if economists wish to learn from the results of the historical research, these will be used to revise the structure of their theories

and generalizations. If not, an opportunity for dialogue will have been lost.”

My comments are as follows:

1. The book has about 170 pages, but the theoretical and methodological proposal is presented in 3 pages. The author develops many discussions and criticizes many approaches. One gets the idea that many discussions are abandoned without clear conclusions. I wished the author had tackled a less amount of topics in a more conclusive way, with a more systematic discussion of theory and method, so that we could better understand the proposal.
2. Sometimes, it is difficult for me to know the identity of the writer. While at the beginning of the book he identifies himself as defending a medium position between a historian and an economist, close to, let us say, a Social Science (Economic) History approach, in this latter meaning he identifies himself simply as a historian as contrary to an economist. I agree with the first idea. I prefer to see Economic History as a social science focused on the study of economic dynamics and transformation. There exists, indeed, a continuum of approaches making contributions to the understanding of different aspects of this process, from more historical contexts to hard modelling, from “pure” economic approaches to those of sociology, anthropology, political science, demography, and so on. However, this collective work is focused on the understanding of how economies evolve and are transformed in the interaction between geography, agents, technology, ideas and many other forces (Bértola, 2000, Chapter 1). In other words, an economic historian is neither an “economist” nor an “historian”. Boldizzoni seems sometimes to be rather a “non-economist”.
3. The book is also confusing in other respect: it is difficult to find a clear distinction between History, Economics, Economic History as disciplines, as created or even institutionalized knowledge, and the reality they study: the economy, the economic history and the history of our societies. This obvious distinction is very important and we can make important logical mistakes if we confront produced knowledge with reality, as if they were at a similar level and as if we loosely interchange History and history. Even History is produced knowledge, and as such, it is not more than one approach to reality among many others. Thus, when contrasting the achievements and shortcomings of any discipline, let us say Economics, we must be careful not to confuse the levels of the comparison and not to confront it just with history (and not History).
4. A central component of the proposed strategy is the metatheory. However, little is said about how a metatheory is built and on how much this metatheory is resilient to new evidence. Step 5.iii tells us that the analysis of the data can be transformed into a hypothesis if it is consistent with our metatheory. What if not? This alternative is not mentioned. An economist could reply that he is treated as short-minded if he does not dialogue with the truth produced by the historian, but that the historian is not ready to change his metatheory if it does not match with the results arising from the analysis of the facts. This leads us to a crucial point: how inductive is the proposed approach in reality, if metatheory is a filter? And how do we decide, which are the sources to select, and the methods for the analysis, if we simply depart from the facts? This is an already old subject of debate. Modern inductive theories accept the existence of this kind of metatheory. The metatheory, the *Weltanschauung*, determines to a high extent what we want to see, what we want to analyze and how we do it. My point is that many of the attempts made by neo-institutionalists (let’s take as examples North et al., 2009; Acemoglu and Robinson, 2012; Greif, 2006) are attempts to construct metatheories on the basis of which later on perform in depth studies and based on in depth studies. I see many problems

in the mentioned books, but I see in all of them an extremely fruitful attempt to bridge the gap between History and Economics, and even other approaches from the social sciences. At the end, the modern inductive method and the attempts made by neo-institutionalists are not so distant from each other, as to declare a war. Of course, I recognize the differences and I am ready to criticize the attempt to generalize more than possible and to depart from some economic laws that not always resist the proof of history. However, every explicit attempt to develop a metatheory may be criticized in the same way.

5. The definition of what Economic History is, is relevant and it probably depends on some kind of metatheory. We all know that society is complex, that reality is composed by many dimensions. And we all know that all the systems and subsystems are inter-related and affect each other. We all agree that context matters, but the question still remains whether we focus or not on the economic dynamics and change through history. I completely agree with the emphasis made by Boldizzoni about the changing culture, rationality, ways of behaviour, the forms of organization and the institutional constraints faced by agents through history. I completely share the criticism of theories of strong rationality and the attempts to construct strong theoretical frameworks to explain dynamics through time in different temporal and geographical environments. What I probably dislike is the lack of focus on the economic issues to be analyzed. I also prefer the old political economy definition that Economics study production, exchange, consumption and distribution, rather than the allocation of scarce resources. I share the idea that Economics is mainly about how the quality of life may be improved through a process of innovation and increasing productive capacities. And I also share the idea that demographic, social, political, cultural, psychological and other factors contribute to explain economic activity. But Economic History is not mainly about politics, ideas, culture in all their complexities. As economic historians we need lots of different inputs, but what differentiate economic historians from others is not the membership in a sect, but the focus on the explanation of the processes of economic dynamics through time, which involves changes in population, social relations, technology, power, politics and more. And in order to do that, economic historians must rely on hard theory building. And theory building, as much grounded in historical contexts as you wish, is the task of a social scientist. I do not exclude historians from this task, hopefully, and I do not exclude economists from this task. I do not like the idea of treating economists as if it were on the nature of this profession the feature of using unhistorical theories and being completely deductive. Many economists of different times have worked in a different way, which is why I refuse to talk about economists in this way and concede that this is an inherent quality of this profession. For the same reason, I do not think that the proposed method is the way the historians work in general. From my point of view, economic historians and economists should work in the same way. Historically contextualized theories and studies may be those of today or those of 2000 years ago. They may study a process that takes one thousand years to develop, or a decisive second in world history. It does not matter which period or the duration; what matter are the methods and the kind of theory we use. As McCloskey once wrote, Economics and Economic History are the same country, they have nothing to exchange.
6. Finally, I want to make a comment on one particular issue. Boldizzoni states that "... it is not the task of history to give lessons or suggest paths to imitate. Economic history has to give an account of the extraordinary variety of solutions provided by past and present human societies to the problem of livelihood. It has to help us understand why such different economic systems coexist in the world, end even in the same part

of the world. This is why cultural history is so necessary". While I understand and share the idea that Economic History, History, and the social sciences in general, have to avoid being used as a "pragmatic" tool to legitimate policies taken by different interest groups and/or the State, I find it simply impossible for the social sciences in general to be just descriptive about the huge variety of social and economic systems. This plea for pluralism and tolerance, considering that the different systems just reflect different cultures and different "national" preferences, seems to me to be rather naïve. Of course different cultures have different preferences, but there also exist domination, hierarchies and power relations in every society. And every social scientist has the right and the duty to analyze and conclude about the role of power relations and to have and defend ideas about which social and economic systems are better for the well-being of the majorities and better for performance, and ideas about the relation between performance and wellbeing, precisely as Boldizzoni has his own. Our profession is full of controversial approaches, and this is a good thing and I do not think we can escape this in the name of pluralism and tolerance. Pluralism is just about this: about the existence and recognition of different approaches, and the mutual tolerance within a community of professionals. Let us just mention the controversies between free trade and industrial policies, between the role of the central power and the importance of democracy and local power, between accumulation and distribution, between technical change and environmental sustainability, between agriculture and industry, between supply and demand side economics, between coercive and democratic institutions, between going global and dependency approaches, and so on. All these dilemmas are about history, and all of them are about present time and have obvious political, social and economic implications. The construction of the past is part of the current culture and the way in which we see the past may influence many of current days' issues. To pretend to see the past in a neutral way not contaminated by the present is an illusion. Historical times, epochs and problems may be quite different at different times and different countries. Let's take the Latin American example. Colin Lewis once blamed Latin American historiography for being too much concerned with the role of history for present-time issues, instead of having a genuine interest in history itself. The puzzle may be solved if we consider that Latin American development has failed to fulfil the expectations of an epoch in which we still are living in. In spite of many favourable conditions and an active integration into the world economy, the Latin American countries failed to properly industrialize, transform their productive and social structures, and reach the levels of development achieved by its commercial counterparts. In Braudel terms, it may be said that Latin America was, and still is, fighting to go through a historical conjuncture that other societies have left behind. The historical epoch in which Latin America is living is deeply rooted in its colonial past and the way in which its links to the leading economies and societies are permanently rebuilt. The problems that in some societies seem to be "historical", as representing a distant past, are not past at all in other societies. It is curious to see how, in the developed regions, development economics is considered to be a problem of the developing world; the topic has become "development aid". The current crisis, the Asian growth and the environmental challenge are showing very clearly that the problem of development is not a problem of societies below a per capita income of 20.000 dollars, but a global problem deeply rooted in the history of industrialization. I am not ready to accept the cultural preference of the developed world to use and destroy the resources of future cohorts and other contemporary societies. Nor I am ready to accept that all this was an error and that we have to move back to a

peaceful bucolic milieu. My metatheory says that we have to improve technical change, oriented towards a sustainable path, in order to continue improving performance as the main tool of achieving higher and more equal standards of living in a global scale under radically changed power relations. And I cannot delink my research from this metatheory and from these values, even if I am ready to see that history more often than not advanced in different directions.

Boldizzoni will probably agree on many of my points, and of course not with many others. I have a sympathetic view of his book. My differences and nuances have probably to do with a primary identification of Boldizzoni with the profession of historian, while

I was personally trained as an economic historian from my first university years in a Faculty of Social Sciences at a Department of Economic History in Sweden. In any case, I thank him for his brave decision to fuel this badly needed debate.

References

- Acemoglu, D., Robinson, J., 2012. *Why nations Fail*. Barnes and Noble, New York.
- Bértola, L., 2000. *Ensayos de Historia Económica*. Trilce, Montevideo.
- Greif, A., 2006. *Institutions and the path to modern economics*. Cambridge University Press, Cambridge.
- North, D.C., Wallis, J.J., Weingast, B.R., 2009. *Violence and social orders. A conceptual framework for interpreting recorded human history*. Cambridge University Press, Cambridge.