We are Ninjas: How Economic History has Infiltrated Economics

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"I do not approve of Economic History courses quite unaccompanied by any Economic Theory."[1]

Introduction

In 1994 Christine Romer wondered whether economic history had come to the end of its useful life. While she quickly admitted that this statement was intentionally controversial and even misleading, she believed that the field of economic history had evolved to a point where it was no longer a separate, and oft poorly regarded stepchild of economics, but was now infused into the entire discipline. Her point was that economic history had not, in fact, ended, but been assimilated. She felt that the most exiting recent development in economic history was that the rest of the profession had recognized its value.

That observation, along with some of the more somber, and we believe premature, reports of the demise of economic history, serves as the impetus for this work. We argue that Romer is correct. Economic history is not in a death spiral, but indeed has permeated the discipline. Further, we argue that this has long been the case. Perhaps the way to think of economic history is not as a separate discipline that specialists within economics practice, but an essential tool that appears in most economic research.

What is economic history?

Economic history is a subset of history. Both economists and historians are trying to tell plausible stories about the past, and they succeed or fail by narrative standards to connect one event to another. The new economic history (cliometric) movement in the late 1950s transformed the study of economic history from a narrative to a mathematical format. In the process, economic historians have contributed to the development of both economics and history by combining theory with quantitative methods, constructing and revising databases, and adding the variable of time to traditional economic theories. This has made it possible to question and reassess earlier findings, thus expanding the frontier of our knowledge of the past and its ability to portend the future. The use of history as a crucible to examine economic theory has deepened our knowledge of how, why and when economic growth and development occurs.

As long ago as 1893 Sir William Ashley, who occupied the world's first chair designated for economic history, made a case for the inclusion of economic history in the curriculum. He eloquently argued that the mere gratification of natural curiosity, of a desire to know about our past, what created it, and what led us to our present was motivation enough to study it. If for no other reason, economic history was needed to "widen [the] sympathies [of its students], enlarge

[1] Sir William Ashley 1927

[their] conceptions of the possible, and save [them] from the Philistinism of the market-place. . . . and finally, there may be some who will be drawn to this field of inquiry by a hope . . that they may thereby arrive at a more satisfying and intelligible conception of the evolution of human society."[2]

More than a century later Peter Temin (2016) picked up on that theme, arguing that economic history and economic development were two sides of the same coin, the only difference being the tendency of development economists to focus on poor countries outside of Europe, and the focus of economic historians on the development of wealthier countries. But he notes the close interrelation of the two lines of inquiry. They both analyze the growth of economies with new technologies, and both are concerned with the incentives that exist to encourage the adoption of new techniques, innovations, and institutions.

But Temin was hardly the first to recognize this link between economic history and economic development. In 1926 E. B. Lyon argued that economics "ought to be a theory of development and not merely an explanation of the method or manner by which humanity produces wealth and shares its income under a given set of social conditions."[3] Rondo Cameron argued that because the fundamental role of the economic historian is to describe, analyze and explain change, "any theory of structural change must, in order to command respect, be tested against historical or long-term data. The symbiosis of history, theory, and policy in application to problems of economic development is therefore a natural consequence."[4] And in the 1960s Hugh Aitken and Robert Gallman emphasized this link while making the case for economic history in the curriculum. "Economic historians have to be concerned with variables that the theorist normally excludes from his system. . . . Economic history . . . requires a theory of economic development."[5] Economic history has a definite role to play in the education of all economists. "It will play this role best if it speaks explicitly of economic development."[6] The fundamental role of an economic historian "

Richard Tawney identified the role of economic history by focusing more broadly on the role of historians as chroniclers of social behavior under a variety of conditions and environments with the object of identifying the characteristics of different types of civilization in order to "discover the forces in which change has found its dynamic, and to criticize the doctrines accepted in each epoch as self-evident truths."[7] The purpose of economic history, indeed all history, is "ultimately to widen the range of observations from the experience of a single generation or society to that of mankind."[8] John Nef (1944) argued that economic history was an inexhaustible subject, tasked with providing a framework for the collection and presentation of mass quantities of information of all kinds and values.

At one time, when Purdue was at the center of the new economic history, it required a graduate course sequence in economic history because it was the empirical part of economics. The skills taught in the economic history courses were designed to "provide the student with a basic knowledge of economic institutions and their evolution . . . [and] emphasize the impact of these

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[2] Ashley 1893 p 134-35
[3] Lyon 1926, p 241
[4] Cameron 1965 p 114
[5] Aitken 1960 p 91
[6] Gallman 1965 p 109-11
[7] Tawney 1933 p 11
[8] Tawney 1933 p 11

institutions on economic processes." And since "all empirical work is by its very definition economic history, the [courses] introduce the student to the techniques of empirical testing of economic hypotheses. In particular it introduces the student to the sources of economic data and, in connection with the course in research methodology, the formulation of hypotheses in forms that are subject to test."[9] On a different note, bemoaning the frequent misuse of history, Rondo Cameron (1965) cited a more basic role for economic history as the watchdog to assure that it is used properly.

Ultimately, perhaps the best answer to the question "what indeed, *is* economic history?" might be a tongue-in-cheek remark tossed out by the late Professor H.W.C. Davis, who is alleged to have replied, in answer to this very question: "Economic history is that kind of history which requires a knowledge of economics."[10]

But the final word on the topic will be given to Joel Mokyr, because his view corresponds so closely to our own. He compares economic history to a small open economy. "Economic history has never been and should never be anything like a closed field in which practitioners converse mostly with one another. Instead, it stands at a busy intersection of history and the social sciences, where economists, political scientists, sociologists, anthropologists, demographers, and historians come and go."[11] We believe that economic history is exactly there, in the middle of that very busy, well recognized intersection.

The evolution of the economic history discipline

Economic history emerged as a distinct discipline during the course of the revolt against the deductive theories of classical economics, led by the likes of Gustav Schmoller in Germany and Sir John Clapham in England. The original aim of the historical school was to replace what they believed to be the unrealistic theories of deductive (the gathering of facts leading to a certain conclusion) economics with theories developed inductively (the development of theories providing evidence of the truth) through the study of history. They held that history was the key source of knowledge about humans and human organizations, and because it was culture and time specific, it could not be generalized over time or space, hence general theories were useless. Their view was that economics was best approached from the vantage point of empirical and historical analysis, not abstract theory and deduction.

Before economic history there were political economics departments and history departments, and neither was a natural home for economic history. Political economics departments tended not to focus on history. And the general approach by scholars trained in history departments in the 19th century was to consider economic factors as only one cause of change, and not always necessarily the most important one.

Economic history set its first serious footings in 1895 when the London School of Economics opened its doors. It was founded in opposition to the tenets of orthodox economics. As a result, economic history was an important presence from the beginning. In 1901 it became the first British university to offer a degree in economics, and economic history became a possible specialty. The first teachers of the subject were W. A. S. Hewins, the inaugural director, and William

[9] Cameron 1965 p 113
[10] Clark 1932, p 107
[11] Mokyr 2003

Cunningham, author of the first English language textbook on economic history, published in 1882.

At the dawn of the 20th century it appeared that the attempt of the historical school to replace deductive theory with inductive reasoning had failed. In fact, the economics discipline was moving toward a more deductive approach. The movement to turn economics into a science, which grew out of the rising stature of the natural sciences, gave way to a new understanding that for economics to take its place at the pinnacle of the social sciences, it needed to formalize and rely more on mathematical models.

Economic History in America

Harvard was the incubator of economic history in the US. Charles Dunbar, founder of the Harvard economics department, along with his colleagues Frank Taussig, and J. Lawrence Laughlin, who later would found the University of Chicago economics department, offered courses in a variety of US economic history topics beginning in 1883. In 1892 Dunbar and Taussig were responsible for the hiring of William J. Ashley to the first chair of economic history in the world.

Ashley was strongly influenced by German scholarship, as was his Harvard successor, Edwin F. Gay. Gay imparted the standards and techniques of the German academy – the methodological principle of sticking to the facts, of telling history as it really was - on his colleagues and students. He used a multidisciplinary approach and taught his students that hypotheses had to reflect several approaches, including social, political, international, and psychological, as well as economic.

In the first decades of the 20th century economic history spread across departments, if not in influence within the discipline. Chairs in economic history were created at many leading institutions, but the discipline had difficulty gaining traction due to the lack of a dedicated journal or society to promote its research. Contributing to the problem was the growing fascination with the scientific method and its potential applications to economics, exemplified by the theoretical approach espoused by Marshall in the UK and soundly rejected by economic historians. In the US this manifested itself in the growth of economic forecasting, which eventually led to the creation of the *National Bureau of Economic Research* (NBER).

During his service to the U.S. government during WWI, Edwin Gay became convinced of the need for better economic statistics. He and Wesley Mitchell headed the Central Bureau of Planning and Statistics, responsible for the gathering and reporting of statistical data. Together they helped found the NBER to stimulate the collection and interpretation of historical statistics.

Mitchell served as research director at the NBER for its first quarter century. He gathered tremendous amounts of empirical economic data in order to draw inductive generalizations from it, combining his historical approach to understanding cycles, which he saw as a global phenomenon, with an urgent call for more data collection from around the world. The NBER was central to this data collection effort and served as a sort of haven for statistical economists. The mission of the NBER was to gather empirical information about the American economy in order to create a robust foundation for theoretical generalizations.

After WWI this expansion and increased proficiency in the use of statistical materials took attention, students, and resources away from economic history. Enrollment in economic history courses held steady since major universities required a semester of it in their graduate programs, but writing it as a field declined.

The NBER ultimately served as a catalyst for the change in emphasis from narrative to quantitative studies in economic history. Mitchell, Simon Kuznets, Arthur Burns, Solomon Fabricant, and Harold Barger produced a series of quantitative descriptions of American economic growth while at the NBER that measured growth as far back as the 1870s.

By 1941 Gay felt that the work of the historical economists had not been able to displace the "theoretical school," but did modify it. By then the use of the deductive method had become more guarded and the practitioners of this "dark art" had increased the range and depth of their contemporary observations, and their viewpoint had expanded to become less individualistic and more social. In conclusion, he called for the reunification of economic history and theory, noting that the economic historians knew a great deal about the long trends of productive energies and social pressures leading to economic growth, which could be combined with the tools of the theorist to lend greater insight into the growth process. Far from incompatible, he felt that true philosophical objectives and the careful assembling of data were complementary.

Over time economic history presented itself as empirical and multidisciplinary. Empirical in that it dealt with the facts of the past. The facts could be quantitative, as the NBER emphasized, or qualitative (as the German school believed was the responsibility of economic historians). It was also empirical in that economic historians saw history as a laboratory where they could test economic hypotheses.

The New Economic History Movement

After WWII, with the American economy booming, economists gained cachet. Economics with its rigorous models, tested from an abundance of numerical data by use of advanced, mathematically expressed formulae, came to be regarded as the paradigm of the social sciences.

At the same time economists were becoming more interested in the determinants of economic growth and what they saw as the widening gap between so-called developed and underdeveloped regions of the world. They saw the study of economic history as a source of insight into the issues of economic growth and economic development, and the new quantitative methods as the ideal tools for analysis.

The timing of the cliometric movement corresponded to the success of the quantitative growth studies of Simon Kuznets, a reflection of the infatuation economists had developed for the national accounting approach. This predisposed them to view the past through this same lens and altered their definition of historical evidence. Robert Fogel credited his mentor Kuznets as the primary inspiration for the work of the new economic history.

Kuznets may have inspired the cliometric movement, but it was Fogel who reunified economics and history. He used the latest techniques of modern economics and gathered reams of historical data to reinterpret American economic growth in sectors as diverse as railroads, slavery, and nutrition. Rather than conjecture about the causes of growth, he carefully measured them. He pioneered the use of large-scale cross-sectional and longitudinal data sets harvested from original sources to examine policy issues.

The cliometric revolution pitted economic "theorists" against "traditional" economic historians who were more likely to be historians and less likely to rely on quantitative methods. They accused the newcomers of bringing economic theory to history without a proper understanding of the facts (a familiar battle cry). The disagreement was about the choice of models. Traditional, or "old" economic historians claimed that realistic models had to be too highly generalized or too complex to allow the assumption of mathematical relationships. The “new” economic historians, however, were primarily interested in applying operative models to economic data. There was a difference in method between new and old economic historians that could not be ignored.

The main achievements of cliometrics have been to slowly but surely establish a solid set of economic analyses of historical evolution by means of measurement and theory, and, following the path blazed by Douglass North, to recognize the limits of neoclassical theory and bring into economic models the important role of institutions. Indeed, this latter focus ultimately spawned a new branch of economics altogether, the new institutional economics. Nothing can now replace rigorous statistical and econometric analysis based on systematically ordered data. Impressionistic judgements supported by doubtful figures and inadequate methods padded by subjective impressions have now lost all credibility.

The decline of economic history

The New Economic Historians threw their lot in with the econometricians. They turned to the collection and accumulation of historical data and their use in testing hypotheses about economic activity. In this way, cliometrics brought economic history into the mainstream of economics as it was developing. Economic history is now dominated by the cliometric method, so much so that it may be a contributing cause to the demise of economic history positions and courses. To non-historians it appears that economic history is little more than the application of economic theory to historical data. Departments facing declining resources feel they can do without a specialist in economic history when anybody can apply theory to old data . . . should they choose to do so.

The growing popularity of cliometrics led to a rift between economists who practice it and historians who practice economic history without the use of the formal models, which they argue miss the context of the problem and have become too enamored of statistical significance at the cost of contextual relevance. Boldizzoni (2011) attacked cliometrics, focusing his sharpest criticism on the quantification of history at the perceived expense of its humanity. On the other side, cliometrics has lost some of its significance with economists, who see it as another application of economic theory, albeit using historical data. While applied economics is not seen as a bad thing, cliometrics is not seen as anything special. Rather, it is often perceived as the application of theory and the latest quantitative techniques to old data instead of contemporary data. In that world view, a cliometrician is just a theorist with a more limited repertoire – and hence a luxury in an environment of shrinking resources. As a result, cliometrics has been blamed to a degree for the demise of economic history positions in many economics departments. As early as 1986 William Parker foreshadowed this problem when he observed that what was lost in the move to theory and econometric emphasis was the humane interest of the old British political economy and social welfare and the idealistic German historical economist’s concern for the whole society.

Economic history has been written off many times before. One of its earliest and most persistent doomsayers was Norman Gras, who in 1920 wondered whether economists were losing interest in economic history because “historical economics has become discredited, or because the statistical method as applied to historical data has failed, or because economic history has neglected to keep pace with the change in interest from production to distribution.”[12] Ten years later he gloomily

[12] Gras 1920 p 222

summarized the state of economic history as being neglected by universities, who regarded it as a very special subject, but one suffering a lack of intellectual resilience.[13]

A generation later, Hugh Aitken, perhaps doubting the ability of the nascent cliometric movement to deliver, warned that "there is no scarcity of evidence to suggest that economic history is at present in critical condition . . . Economic theory today, in most of its branches, neither draws on economic history for its data nor goes to economic history for empirical verification. Economic history, for its part, commonly uses only the crudest of the tools in the economist's tool-box, and displays almost complete indifference to the refinements in analytical methods that occupy the theorist's working time."[14] And a quarter century later, Robert Solow expressed an equal degree of pessimism. When commenting on the recent work in economic history he expressed "the sinking feeling that a lot of it . . . gives back to the theorist the same routine gruel that the economic theorist gives to the historian. Why should I believe, when it is applied to thin eighteenth-century data, something that carries no conviction when it is done with more ample twentieth-century data?"[15]

More recently, we have heard that "the field of economic history . . . is in deep trouble . . . from both history and economics, it is in dire straits in each of these disciplines."[16] In 2003 Lars Magnusson referred to economic history as "a now rather defunct specie."[17] That same year Robert Whaples commented on "the vast body of ahistorical economists who flip right past the economic history articles that still appear in the leading mainstream journals and wouldn't even consider picking up a journal or book with word 'history' in the title."[18] And in his presidential address to the Economic History Association Paul Hohenberg warned that "our discipline is not exactly prospering and needs to keep proving its value in a competitive academic ecosystem. Why [it] is struggling [in North America, at least] is no secret: the underlying disciplines of economics and history have diverged sharply."[19]

So how bad is the situation? Since economists and economic historians alike have been predicting he proverbial falling sky of economic history for a century now, need we pay any heed at all? After all, we are obviously still here. While the demise of economic history has been staved off now, the fact that it has not yet succumbed does not mean it is immortal. It is resilient, but does face some significant challenges, despite the fact that it may be more widespread now than ever.

The disappearing economic history course

Recent scholarship has highlighted the drop in economic historians and economic history course requirements at leading PhD granting institutions.[20] Two examples will suffice to illustrate the problem.

Temin (2016) noted that when he first joined the MIT economics department in 1965, the approach to graduate education had long since been a three legged stool consisting of theory, econometrics, and economic history. Today, the three legs of the stool are micro theory, macro theory, and

[13] Norman Gras 1931
[14] Aitken 1960 p 87
[15] Solow 1985 p 330
[16] Coclanis and Carlton 2001, p 93
[17] Magnusson 2003, p 928
[18] Whaples 2003
[19] Hohenberg 2008 p 340
[20] Haupert 2005, Mitch 2011, Temin 2016

econometrics. Economic history is no longer required, nor is it listed as a subfield available to graduate students. In fact, among the 46 courses listed in the current graduate curriculum, six are statistics and econometrics courses, four are micro theory, and none are economic history.

In 2005, research by Haupert (2005) indicated that 7.1% of the economic historians then listed on eh.net had earned their PhD at the University of Chicago. This was second only to Harvard, which had produced 7.4% of economic historians, and just ahead of UC-Berkeley at 6.3%. Like MIT, the University of Chicago no longer requires a field course in economic history at the graduate level. Also like MIT, there are no economic history courses listed in the graduate course catalog. The three core areas of study at Chicago are price theory, quantitative methods, and the theory of income. The decline of economic history at Chicago began with "the elimination of the economic history requirement for the PhD in the early 1980s, in the decline in the percentage of doctoral dissertations written in the field after 1990, and in the shift of the two remaining economic historians into other fields, and in the termination of the economic history workshop."[21]

While the decrease in economic history positions is discouraging, many young economic historians market themselves as specialists in other fields, and indeed continue to publish in the economic history journals as well as other field journals. However, the drop in required economic history courses presents a grave concern for the future production of economic historians.

The disappearance of economic history from leading economics graduate programs is problematic. Without the tools being taught, without specific instruction in the methodology and approach, we risk extinction. We as economic historians don't need to convince ourselves about the difference between economists using historical data and economic history, but apparently economics departments don't see the difference.

Where are we now

Economic historians have contributed to the development of economics by combining theory with quantitative methods, constructing and revising databases, discovering and creating new ones entirely, and adding the variable of time to traditional economic theories. This has made it possible to question and reassess earlier findings, thus increasing our knowledge, refining earlier conclusions, and correcting mistakes. It has contributed greatly to our understanding of economic growth and development. The use of history as a crucible to examine economic theory has deepened our knowledge of how, why and when economic change occurs.

What makes economic historians unique is not their use of historical data or their focus on the past, but that they study the growth and evolution of economies over the long term. In this way, economic history's closest kin is development economics. In addition, the attention that economic historians give to noneconomic factors, such as legal and political systems, distinguishes them from economic theorists. Given the longer time span economic historians consider, doing so gives fuller attention to changes in institutions.

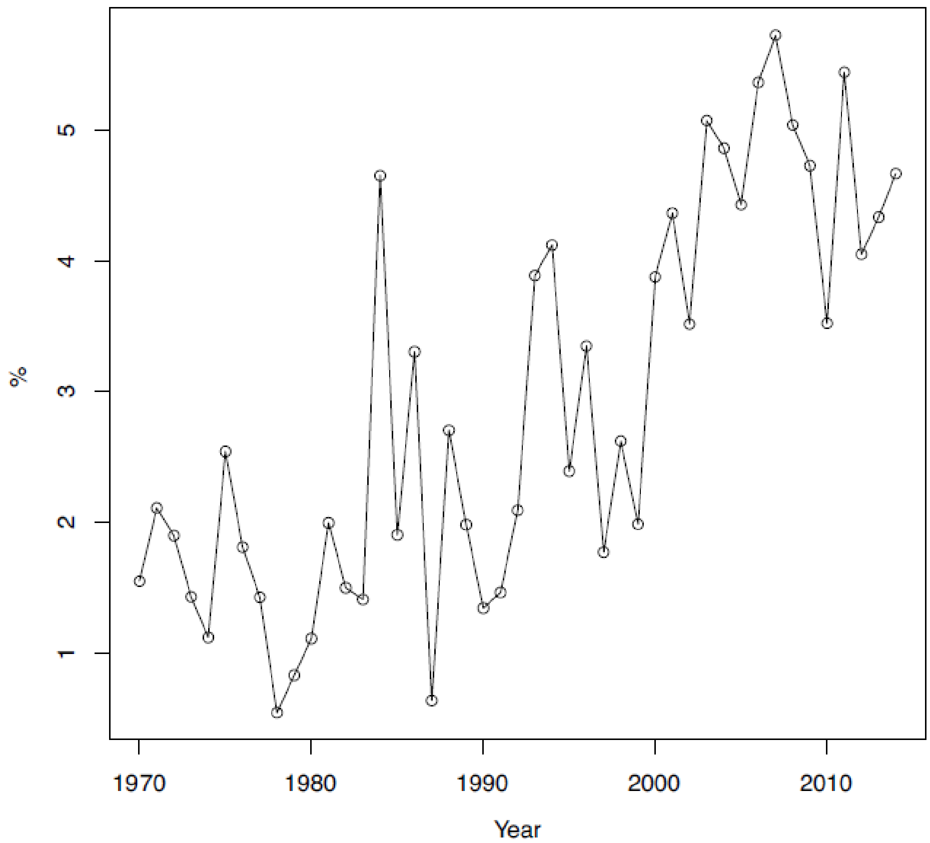
We are not at present attempting to measure this change over time, but rather arguing that economic historians have always had, and continue to have an impact far beyond its own discipline. We measure this impact by looking at citations of JEH articles and where they land.

[21] Mitch 2011 p 263

Economic history is a field that crosses many disciplines, as can be seen by the JEL code distribution of economics articles and the broad range of journals publishing economic history articles. Finally, the citations of JEH articles occur mostly in non-economic history journals.

Hope may be found in Figure 1, reprinted from recent work by Ran Abramitzky, which indicated the rise in the percentage of economic history articles in top general economics journals over the past forty years. This optimism is buttressed by our analysis, over a longer time period, of who is reading the work of economic historians.

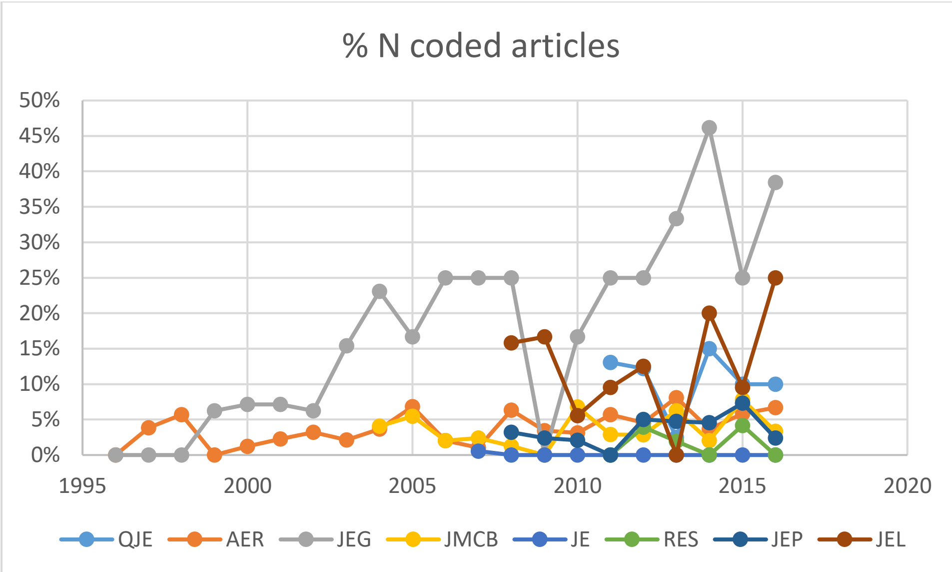
Figure 1: Percentage of Economic History Publications in the Top Five Economics Journals



Notes: From Abramitzky (2015) p 1243. Top five journals used: American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies

Our more recent look at a slightly more diverse group of economics journals supports these findings, as Figure 2 illustrates. We look at eight leading general and non-economic history subspecialty journals, and find a general increase in economic history articles, as designated by use of the JEL code N in their descriptors. If we widen our definition of economic history to include history of thought and development, we see even greater reason to be optimistic (Figure 3). This corroborates Abramitzky's observation that the current generation of economic historians are likely to associate themselves with other fields within economics while still practicing the art of economic history.

Figure 2



Notes: Quarterly Journal of Economics, American Econmic Review, Journal of Economic Growth, Journal of Money Credit and Banking, Journal of Econometrics, Research in Economic Studies, Journal of Economic Perspectives, Journal of Economic Literature

Figure 3

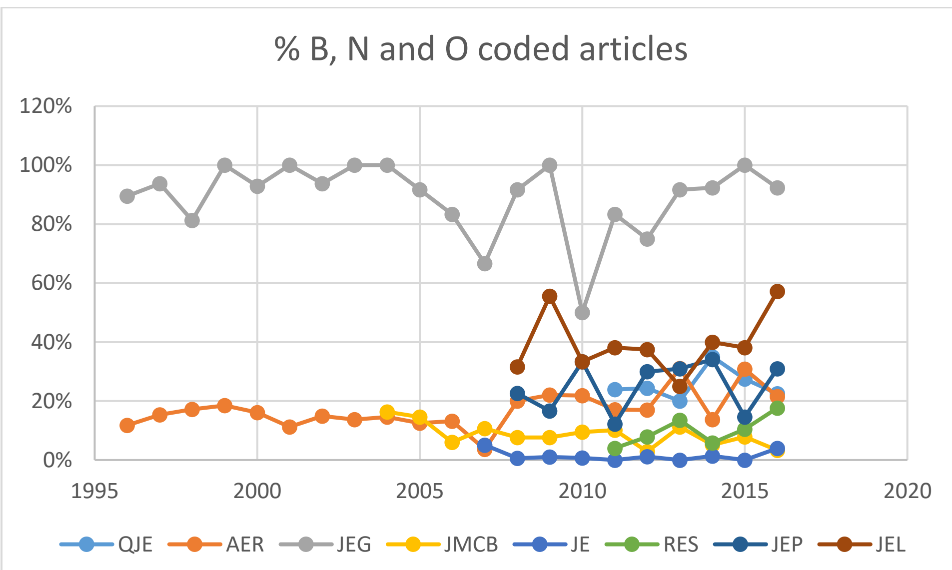


Table 1 illustrates the citations of economic history articles by authors publishing in economic history journals, identified as primary and secondary, and non-economic history journals. Primary economic history journals are identified as those that cater specifically to economic historians (think *JEH*, *EEH*, and *Cliometrica*, for example), while secondary economic history journals are focused on the history of specialized genres of economics (e.g. labor) or geography within the history field (e.g. Asia or central Europe). A complete list of the journals in each category can be found in the notes to Table 1.

The take-away from this table is the large and persistent percentage of citations in non-economic history journals. These data are limited only to citations of articles originally published in the

Journal of Economic History. As our research progresses to include articles from other economic history journals, the number of citations outside of economic history journals will only increase.

Keeping in mind that in 1942 there were only two dedicated economic history journals (the *JEH* and *The Economic History Review*) it is not surprising that only 20% of citations were found in economic history journals. But even when defining economic history journals broadly, a healthy 50% of the citations of the work of economic historians currently appear in journals that are not economic history related. The low point of such citations was the 38% in 2015, and of course there have been only two years in which to cite that research.

The wide reach of economic history is a reflection of what John Nef argued in 1944 when he commented on the relationship between the various social sciences: “Any attempt to separate the economic side from the rest of life leads to a narrow view of history. . . the past work of economic historians has provided a hunting ground for anthropologists, sociologists, philosophers, political historians, economists, and for almost all other kinds of scholars is an indication of the relevance which economic history has for all other subjects.”[22] That is still true today. One need look no further than the sources of citations of economic history articles (ranging from the *American Journal of Public Health* to the *Annual Review of Political Science* or the *Journal of Social Issues*) or the creation by economic historians of journals dedicated to the study of anthropometrics and institutional economics, to cite two recent examples.

Table 1: Where have JEH articles been cited?

Year	Articles	Citations	Citations in primary economic history journals	Citations in secondary economic history journals	% citations in primary economic history journals	% citations in secondary economic history journals	% citations in non economic history journals
2016	33	35	11	6	31%	17%	51%
2015	37	96	51	9	53%	9%	38%
2014	34	115	42	16	37%	14%	50%
2013	32	145	70	17	48%	12%	40%
2012	31	266	85	36	32%	14%	55%
2002	27	259	103	21	40%	8%	52%
1992	40	551	152	59	28%	11%	62%
1952	21	49	7	6	14%	12%	73%
1942	21	69	4	10	6%	14%	80%

Notes: primary economic history journals include Australian Economic History Review, Cliometrica, Economic History Review, European Review of Economic History, Explorations in Economic History, Historical Methods: A Journal of Quantitative and Interdisciplinary History, Investigaciones de Historia Economica, Journal of Economic History, Research in Economic History, Scandinavian Economic History Review. Secondary economic history journals include Accounting Business & Financial History, Accounting History, Accounting History Review, Annales, Business History, Business History Review, Central European History, Comparative Studies in Society and History, Economic History of Developing Regions, European Journal of the History of Economic Thought, Financial History

[22] Nef 1944, p 16

Review, Geschichte und Gesellschaft, Histoire & measure, History, History and Technology, History Compass, History of Economic Rationalities, History of Economic Thought and Policy, International Review of Social History, Journal of African History, Journal of Policy History, Journal of the Economic and Social History of the Orient, Journal of the History of Economic Thought, Journal of Global History, Journal of African History, Journal of Chinese History, Journal of Economic and Social History of the Orient, Journal of Interdisciplinary History, Journal of Management History, Journal of Policy History, Journal of the Economic and Social History of the Orient, Journal of the History of Economic Thought, Labor History, Labour History Review, Law and History Review, Library & Information History, Management & Organizational History, Media History, Modern Intellectual History, Revista de Historia Economoica, Rural History, Scandinavian Journal of History, Social History, Social Science History, The European Journal of the History of Economic Thought, The Historian, The Historical Journal, The History of the Family, Urban History

Romer recognized this trend 25 years ago when she wrote "the field of economic history is no longer a separate, and perhaps marginal, subfield of economics, but rather, is an integral part of the entire discipline."[23] Economic history has always had a dicey relationship with the economics profession as a whole, but its very success, in the form of the cliometric revolution, which showed that economic historians could use the same techniques and theories as any other subfield, ultimately may have proved to be its undoing.

Despite the widely held esteem for the work of economic historians both modern and ancient (i.e. pre clio) as measured by the citations of the work and the wide array of journals in which it is both published and cited, there is the concern over the decreasing presence of economic historians begtting other economic historians.

The situation is not the same today as it was in 1932, when G. N. Clark claimed that "everywhere, the study [of economic history] is now pursued by more people and with greater interest than ever before."[24] And even as recently as 1965 when Rondo Cameron was able to boast that "the vast majority of professional economists are trained in graduate schools that require their students to take course work or examinations in economic history."[25] The view that economic history is a useful tool, and that the research of its practitioners is useful, has not translated into the belief that it is important to teach it as an independent course in graduate programs. Instead, many economists see economic history not as an enhancement of economic history, but just another application of it, different from its application to labor, or trade, or banking only by the age of the data used in the regressions.

It is not just self-preservation that underlies this concern for the disappearance of economic history courses. The economics profession does not appear to share the view of economic history espoused by Ashley, that a desire to know about our past is reason enough to study it. Today the typical economist cares about the past "only to the extent that it sheds light on the present. This is unfortunate and we can (and should) keep arguing that this is a narrow view of social science."[26] We risk missing many important contributions, or worse, failing to investigate them in the first place.

What do economic historians have to offer?

Economic historians have contributed to the development of economics in many ways, combining theory with quantitative methods, constructing and revising databases, and discovering and

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[23] Romer 1994 p 49

[24] Clark 1932, p 100

[25] Cameron 1965 p 112

[26] Abramitzky 2015, p 1242

creating entirely new ones. This has made it possible to question and reassess earlier findings, thus increasing our knowledge, refining earlier conclusions, and correcting mistakes. In addition, this field has added greatly to our understanding of economic growth and development, affording the economic historian the valuable element of time as a variable, which the traditional theorist does not enjoy. The use of history to examine economic theory has deepened our knowledge and understanding within fundamental areas of research as to how, why, and when economic change occurs. It is perhaps in this area where the greatest contributions of economic historians have appeared.

Economic historians have contributed large and expansive data sets for researchers. The accumulation of the data is in itself monumental in many respects, but its usefulness has been expanded by the rapid growth of computing power. The ability to handle "big data" is not an economic issue by itself, but the construction of significant, important historical data sets, which can then be analyzed using the latest econometric techniques and computer programs, is very much a contribution of economic historians.

Revisionist history is not a complimentary term, but the revision of misunderstandings in history is certainly both important and necessary, not just for the reason of setting the record straight, but helping us understand how and why economies grow (or do not grow, as the case may be). A clear understanding of the causes of economic growth is among the most important things an economic historian can do. Cliometricians have played a leading, and not always appreciated role here, overturning some accepted wisdoms, leading to hard feelings, resentment, and controversy. However, they have also pushed forward the frontier of our understanding of economic growth and development.

Among the notable "revisions" made by cliometicians were the findings of Conrad and Meyer (1958), Yasuba (1961) and Sutch (1965) that slavery was indeed a profitable investment. Easterlin (1961) used revised GNP figures to show that income in the antebellum South grew at a faster rate than previously believed, and Fogel (1964) showed that the railroad was not the determinant of American economic development that it was believed to have been.

Finally, economic historians have spawned entire new approaches to the study of economics. At the forefront are the new institutional economics, pioneered by Douglass North, and anthropometrics, which counts among its initial practitioners Robert Fogel. It is no coincidence that these two were recognized with the Nobel Prize in Economic Science in 1993.

Economic History plays an important role in the training of economists: Milton Friedman's classic treatise on money, as well as Simon Kuznets's path-breaking work on economic development, for example, were, to a considerable degree, based on historical analysis. We analyse the dynamic processes of development over time by formulating explicit formal models and econometric methods. We test hypotheses formally in order to enhance our understanding of such major determinants of the way we live today as the industrial revolution, industrialization and the information revolution. We use historical (often archival) data to test the extent to which economic theory can be validated or improved upon in a wide array of ways, spawning totally new perspectives, such as counterfactual history. The granting of the 1993 Nobel Prize in Economics to two economic historians, Douglass North and Robert Fogel, is a clear recognition of our unique scientific contribution to the discipline.

But should we even have to argue for a place for economic history? "At the least pragmatic level, indeed, the worth of economic history is that of intellectual activity generally, and nothing should be easier than convincing professional intellectuals that such activity is worthwhile."[27] Economic history provides more and better economic facts, better economic theory, better economic policy, and does so over a longer period of time and greater variety of institutional settings than any other field of economic study can provide. The practical value of historical scholarship is not necessarily in its direct or immediate application. It is, rather, an indispensable part of the combined labor of the social sciences.

Conclusion

The meaning of the word "empirical" for (American) economic historians has varied considerably with the passing of time. One can observe a shift from a concept of empirical fact as understood by the "classical historian" (for whom anything, as opposed to only quantitative data, retrieved from archives can be used in his demonstration) to one as understood by (applied) economists (the empirical aspect consists of analysing numerical time series) and a convergence of theoretical viewpoints of historians and economists thanks to a common interest in the building of theories of development.

This (inductive) view is therefore intimately linked with the historical current in economics, the *German Historical School*, despite the use of more sophisticated techniques. It could be said that the two disciplines became closer, but probably within the frame of 'inductive' economics. On top of that, despite those early interests in building a kind of historically (i.e. inductively) grounded development economics, economic history mainly tries to provide answers to *historiographical* questions — and therefore speaks more to the historian than to the standard economist. As cliometricians have demonstrated, econometric techniques may be used, with the reconstitution of time series and identification of missing figures by interpolation or extrapolation — something, by the way that annoys professional historians. But such cliometric procedures have nonetheless a historical vocation - that of shedding light on historical questions— considering economic theory or econometrics as auxiliary disciplines of history. And when the cliometric approach was mobilised to build a development theory based upon clearly measured facts, it developed an economics more akin to the objectives of the German Historical School than one participating to the movement towards highly abstract and deductive theory that characterised the development of the neo-classical school of the time.

A conventional belief among economists (in fact, that of Lord Kelvin) is that "qualitative is poor quantitative". But could it not be possible that "quantitative is poor qualitative" might also sometimes be true? A big difference between economists and historians is the sense of so-called historical criticism and the desire to avoid any anachronism. In addition to close examination of the historical sources, this involves the close examination of the institutional, social and cultural context that forms the framework constraining the players' behaviour. It is true that the (new) economic history will not build a general theory —it shares too strongly the belief in the necessity of examining economic phenomena in their context— but it could suggest a few useful ideas and insights, based upon solid investigations and correctly estimated stylised facts, to economists who are attempting to develop laws of economic behaviour (unlike history, economics is still a nomological science). Economists and economic historians can also cooperate and jointly author research. This is a view shared by Daron Acemoglu, Simon Johnson, James Robinson, and Oded

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[27] McCloskey 1976 p 438

Galor, among others, trying to use the material derived from traditional history to build new ideas useful for economic theorists.

In summary, it could be contended that good economic history is not an easy exercise. Becoming too narrowly "economic," it would not be possible to answer certain questions that would require, for example, more information about the microstructure of financial markets or the actual functioning of stock exchanges during the period under scrutiny — it would only measure phenomenon that it cannot explain. It would require the specific approach (and extraneous information) of the historian to describe the reasons for the lack of relevance (or understand the shortcoming) of such an economic theory in a given context (precise place and period). It is perhaps only in this regard that economic history can provide something for economists by suggesting lines of research. However, if it became too "historical," it would cease to appeal to the economics profession. It is indeed a delicate balancing act, but one worth the effort to perfect.

Perhaps the biggest challenge facing economic history is that in its attempt to pursue truth, economic history is at the same time too vast and too small. In a historical sense, we try to accurately compile all the facts relevant to a given topic of study. The smaller the topic, the easier it becomes to gather and arrange all the relevant facts, and the more rigorous the result is likely to be. Thus the momentum of economic history is in the direction of further subdivision and specialization – to the point of disappearing altogether, indeed of being assimilated into every other branch of economics. But for the historian who aims to create general truths, the economic, like any other conventional division of the subject matter of history, is too narrow a conception.

John Nef recognized this challenge long ago when he prescribed a solution to what he saw as the declining relevance of economic history. "What economic history should become is an instrument for reducing rather than for increasing the number of compartments into which scholarship is now divided."[28] This sentiment was echoed more recently by William Collins when speculating on the future of economic history: "I believe that the boundaries of economic history, which have always been permeable, will grow less distinct."[29] To paraphrase Deirdre McCloskey (1976), the past does indeed have useful economics, and it is the job of economic historians to deliver that message.

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[28] Nef 1944, p 15
[29] Collins 2015 p 1232

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