Yves Breton's account of France from 1848 to 1929 is quite explicit in dealing only with parliamentarians who published on economics, resulting in a still-substantial constituency of forty-one economists for the period. The complex politics of the period forms the overall organization of the essay; instead of providing a brief initial political history, Breton divides his essay into sections linked to the several political "epochs" through which France passed. His essay reads more like a continuous political history than the other contributions, but much of France's political history in this period bears directly on economic affairs, and his detailed account of liberal and socialist politics more than adequately fulfills the editorial brief.

The high standard established in this volume continues to the end: Harald Hagemann and Matthias Rösch deal with Germany, 1848-1918; Augello and Guidi with Italy, 1861–1922; Michalis Psalidopoulos and Adamantios Syrmalogou with fiscal and monetary policy in Greece, 1862–1910; Jiro Kumagai details the debate on the Gold Standard in the Japanese Diet 1890–1930; while Brad Bateman concludes the volume with an apparent anomaly—why there were no American economists in the U.S. Congress. This of course breaks the pattern established in all the preceding contributions, but also foreshadows a more modern relationship between parliament and economists: that the latter, as academics, should not involve themselves directly in the public political life of the country, but should instead confine themselves to counsel or technical support.

Keith Tribe
The King's School, Worcester

Ingo Barens, Volker Caspari and Bertram Schefold (Eds), *Political Events and Economic Ideas* (Cheltenham: Edward Elgar, 2004) pp. 407, $125, ISBN 1-84376-440-7.

The volume entitled "political events and economic ideas" is a collection of papers devoted to the analysis of the interactions between "economics" and "politics." Reviewing a collection of essays is not an easy task; especially when the range of contributions varies from politico-economic reforms in Greece during the third century before Christ to European monetary integration; from physiocratic ideas in eighteenth century China to political economy in Italy between 1750 and 1830; and from economic ideas in Russia and U.S.S.R. to economic thought in Germany and in Austria between the two twentieth-century World Wars. Thus, multi-faceted, the book is not easily summarized. It nonetheless worth being presented around the questions involved by the "main topic of the book," namely the "influence of political events on the development of economic thought."

I. THAT *CERTAIN* POLITICAL EVENTS INFLUENCE ECONOMIC IDEAS

The first set of papers discusses how and how far important critical events connect (or do not connect) with the emergence, transformation, and even disappearance of economic theories. For instance, Karl Haüser (chapter 5) analyzes the monetary reform that

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at the end of the World War II gave birth to the Deutsche mark and argues that it influenced the development of economic though in Germany at the same period. Giovanni Pavanelli (chapter 17) investigates how the 1929 Great Depression, a crucial economic event, influenced Irving Fisher and led him to propose a new debt-deflation theory based on the interactions of real and monetary aspects. On their side, Walter Eltis (chapter 6, pp. 358-64) and Gianni Vaggi (chapter 8) respectively show that, 150 years earlier, the economic and political crises in France gave birth to the physiocratic school of economics. Therefore, these papers seem to demonstrate that economic theorizing does not take place in a vacuum but, to the contrary, is influenced by external events and affected by the context in which it develops. The conclusion may even be stretched to the point of saying that economic knowledge is "historically contingent" (Schefold, p. *xi*), depending on "the political history" and "mentality prevailing in a country (Schefold, p. *xi*). Three further examples are then given of the influence national traditions exert on the development of economic thought. Two papers, by Joachim Zweynert (chapter 15) and Vladimir Avtonomov (chapter 16), insist that Russian economic theories differ from their Western counterparts because of distinctive traits linked to special religious and intellectual traditions. Similarly, Daniela Parisi (chapter 13) argues that economists coming from different countries attach different meanings to similar concepts or, at least, to concepts described by similar words—such as "liberty" or "freedom."

The illustrations given in these papers are interpreted as indicating that political situations give birth to specific and sometimes new "social and economic problems which one tries to solve by means of new or more refined theories" (Schefold, p. *xi*). In other words, as obviously implied by this statement, *any* event critical enough to attract the economists' attention is susceptible to influence their theories. By contrast, and to use Stigler's words, events that are considered as "routine from the viewpoint of economic theory" (1959, p. 39) will probably leave economic theories unaffected.

Two points have then to be stressed. First, different contributions show that certain nonetheless major and potentially challenging events do not, partially or differently affect economic theories. For instance, Christos Baloglou (chapter 10) demonstrates that the reforms made by king Cleomenes III in Sparta, 300 BC, inspired discussions on social theories and led some scholars rather to express than to change (or at least very partially) their views on these reforms. The two twentieth century World Wars have had a very different impact upon economic ideas. It seems that World War I created new *economic* conditions, thereby raising theoretical, challenging *economic* questions and led to new theories—one thinks of Keynes's theoretical developments. Furthermore, Schefold (pp. 369–74) argues that World War I stimulated economic thought in Germany. The same kind of phenomena occurred in Austria, as revealed by Kurt W. Rothschild's analysis of the content of the *Zeitschrift für Nationalökonomie* during the interwar period (chapter 14). However, whether these two instances reveal a genuine influence of the political event on economic thinking is questionable. World War II raised questions that went beyond the economic sphere, shaking the whole foundations of Western societies. Economists were *indirectly* influenced because the conditions in which they worked changed, rather than because of the new social conditions *directly* resulting from the war. Similarly, another important institutional event, the European integration process, has attracted the interest of a huge number of scholars without, apparently, having greatly affected economic ideas. Thus, as pointed out by Ottmar Hissing, the process of monetary integration, has not (at least not yet) impacted monetary theories and more specifically “optimal currency areas” theories (chapter 2). More recently, another crucial social, political and economic event, the collapse of the Berlin wall and the subsequent breakdown of communist regimes, has fueled the debates about the advantages of the “Anglo-American” over the “Euro-continental” model of capitalism (see de Cecco, pp. 355–57) without transforming economic theories on capitalism. Thus, new social and economic problems do not *necessarily* lead to new or refined economic theories; certain events indeed leave economic theories unaffected.

Second, as a corollary, economic theories do not systematically develop under the pressure, or as the consequence of external (political) events. Undoubtedly, context matters—the historical and institutional circumstances in which theories were developed, as well as the scholar’s personal history, play a role in the development of economic theories. However, the link with political, social, or economic events is not always straightforward. Thus, Rainer Klump (chapter 9) demonstrates that Chinese ideas about physiocracy influenced François Quesnay and the French physiocrats. Herbert Pruns (chapter 12) explains that the “large and sophisticated body of economic writings” (p. 227) that developed in Italy between 1750 and 1830 was only partly “adapted to contemporary political conditions” and also drew on prevailing economic thought. Daniele Besomi (chapter 19) shows that the making of Harrod’s theories on economic dynamics depends on personal philosophical reflections and that the role of controversies and exchanges with other economists has not been negligible; by contrast, the influence of political events appears to be secondary. Thus, these papers show that, beside political phenomena, other variables have to be used to explain the evolution of economic ideas. Sometimes, as revealed by Eric Streissler’s description (pp. 382–91) of the transformation of the international financial markets, political events, including technological innovations and economic changes, may not be strong enough to give birth to an economic theory susceptible to replace the gold standard as an institution (Barens and Casapari, p. 5). Finally, David Laidler (chapter 1) even demonstrates that the quantitative theory of money evolved independently from the influence of political events. In other words, not only can economic theories not always be connected to external political events, but also sometimes no connection even exists.

Therefore, the understanding of the possible influence of events on economic theory requires an analysis of the conditions and circumstances under which events affect economic theories.

II. POLITICAL ECONOMY, ECONOMIC SCIENCE, AND POLITICAL EVENTS

As noted above, *any external* event is (more or less implicitly) assumed to raise theoretically challenging questions that imply changes in existing economic theories. The list and nature of events that are analyzed in this volume confirm this perspective. In effect, both political events with economic and cultural, demographic, social, or ethical consequences and economic events with political, social consequences are gathered under the same "political" banner. In other words, it is assumed that there exists one class of external events—including political as well as economic phenomena—susceptible to impinging upon economic theories. Now, I would argue that this perspective is consistent with a specific definition of economics, a definition in which events are significant and theoretically challenging because of and in their political dimension and, reciprocally, susceptible to explanations based on economic tools. In other words, this assumption is consistent with a definition of economics concerned by political matters rather than only by strictly economic phenomena. Consequently, the book implicitly assumes that political events influence economic theorizing because (or when) economics is defined as *political economy*. The explanation thus suggested can be related to what Machlup, commenting on Stigler in 1959, argued: "judgement concerning the relations between current events, economic theory and economic policy must depend largely on what is meant by economic theory" (1959, p. 49). This could easily be explained by the fact that economist's attention is only triggered by events that they consider as belonging to the subject matter of their discipline.

Two chapters (de Cecco, chapter 3; Jean Cartelier, chapter 11) confirm this line of reasoning. These chapters argue that, from a political economy perspective, political and economic questions are related, and economists, who view themselves as political "political" or "social" philosophers, tend to formulate political problems in economic terms. De Cecco shows that, from Galliani to Keynes, economists envisaged monetary questions as political problems. On his side, Cartelier insists that the emergence of economics as a scientific autonomous discipline "is less a scientific than a political event" (p. 209). Galliani and Quesnay, among others, were political economists; political events attracted their attention because they considered that these events belong to the subject matter of their discipline.

By contrast, economists do not always behave (or consider themselves) as political economists. They pay attention to, and are susceptible to be influenced by economic events *stricto sensu* or merely by the economic dimension of political phenomena. The book provides examples of this kind of reaction. In 1929, Irving Fisher reacts as an economist who faces an economic event that requires new theoretical explanations. Similarly, Keynes analyzes the "economic consequences of the 1918 peace" as an economist who investigates the economic dimensions of a political event. Nothing in his writings resembles an economic theory of a political event. In these instances, neither Fisher nor Keynes react as political economists. To some extent, these reactions exemplify the standard attitude of economists who remove from the subject matter of their discipline everything that can threaten its autonomy (see Fontaine 1995).

Therefore, although it is explicitly stated that there exists only one class of events susceptible to attracting the economists' attention and to influencing their theories, the book implicitly argues and, according to me, demonstrates that there indeed exist different groups of challenging events. Moreover, what constitutes a theoretically challenging event seems to depend on how economists define their discipline: the class of problems that political economists consider as significant includes events that other economists do not consider as challenging because they do not adopt the same definition of their discipline.

Another category of economists has to be taken into consideration, namely those economists who consider that their discipline is not only a matter of abstract theorizing but also about economic policy, policy recommendations, and public decision making (such was the basis of the criticisms Ferrara addressed to Carey; see Parisi, chapter 13). This refers to the possible influence of political events on economic theorizing through the involvement of economists in politics. The problem is twofold. First, one may consider the role of economists as experts or technical advisors who participate in and influence the making of public policies. Different instances illustrate this aspect of the problem. Eltis and Vaggi insist that Quesnay's *Tableau Économique* was considered as a practical and political instrument—used to persuade the ruling elites of the advantages of physiocratic ideas—even leading Quesnay to "betray" himself (Cartelier, chapter 7) and to propose political recommendations inconsistent with his economic ideas. Keynes attempts to influence public policies during the monetary crisis in the late 1920s are well known; Cécile Dangel-Hagnauer and Alain Raybault (chapter 4) show that, in contrast to what happened in Great-Britain, French economists such as Aftalion, Nogaro, Gide, Rueff, and others had a non-negligible impact on the decisions made. Similarly, Fisher made great efforts to persuade policymakers—the Roosevelt administration—to change their policies. On his side, John E. King (chapter 18) explains that Joan Robinson and Nicholas Kaldor, along with others, "were active members of the committee that William Beveridge set up in 1943 to assist him in his private, but immensely influential, investigation into the economics of full employment" (p. 318).

Now, that economists participated in public decision making does not mean that they were influenced as economic theorists. As to the French economists mentioned above, Dangel-Hagnauer and Raybault note that the influence of the events of the period had on these economists' theoretical views is "more questionable" (p. 90). As to Fisher, Joan Robison or Nicholas Kaldor, their political involvement results from the fact that when political events occurred, they already were skilled technical economists and they utilized their knowledge to make political contributions. This seems to be particularly true with Robinson and Kaldor who were "hired" to write pamphlets to sustain a political cause—that is, to promote certain political ideas (King, chapter 18). Whether or not their participation in politics led them to modify their theories is difficult to evaluate.

Thus, a reference to the way economists envisage their discipline seems useful to understanding the relation between external events and economic theory. However, this does not imply that political economists or economic advisors are more sensitive to external events than are other economic theorists. "To pay attention to" certain events does not mean to "being influenced by" them. The influence of political events on the evolution of economic thought does not prove easy to ascertain.

III. WHICH CHALLENGE FOR ECONOMIC THEORIZING?

The contributions gathered in this volume show that the interactions between economics and politics are complex: while certain events can sometimes trigger the formulation of new economic theories, in many other circumstances no link can firmly be established between political developments and economic theories.

Therefore, certainly, economists should not ignore that their knowledge is (at least) partly contingent nor confuse "relative" and "local" with objective and universally valid knowledge. Such negligence would obviously amount to presumption and would lead to terrible, not to say fatal, mistakes—of which the twentieth century economic history gives many particularly unfortunate examples. As a consequence, this perspective may be viewed as "challenging" (Schefold, p. *ix*) the commitment of orthodox economists to the capacity of their discipline to provide universal and objective scientific laws, based on assumptions (in particular about reason) that are not culturally relative.

However, one should not overemphasize the importance of the challenge. As shown by many chapters in this book, there are so many factors to take into consideration and their impact on economic theories is so diverse that to disregard the laws of economics cannot but be perilous. The failures of economic theories may be attributed to many causes, among which is the way they are used in public policy. This means that the challenge has to be raised against the indistinct use of economic theories to support policies rather than against economic theorizing itself.

Alain Marciano
University of Reims-Champagne Ardene, and GREQAM-CNRS

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Eric Buyst, Ivo Maes, Walter Plum and Marianne Dannneel, *The Bank, the Franc and the Euro: A History of the National Bank of Belgium* (Tielt: Lannoo, 2005) pp. 296, EUR 49.95, ISBN 978-90-209-6255-0.[1]

The first thing that should be said about this book, which covers the period from the early nineteenth century to the present day, is that it is a truly splendid production, magnificent one might almost say. It is lavishly illustrated with beautiful color photographs—of paintings, engravings, and lithographs, of bank notes, coins, people (including a governors' gallery at the end), and buildings. It is also generously supplied with extremely helpful graphs, charts, figures, and diagrams. All of this material probably adds up to half the total content of the book. The only negative on the production side, and it is quite a big one, is that there is a no index. That may be a consequence of the book lying somewhere between a coffee table book and serious history. It is not necessary to read the text to enjoy the book and even follow much