

BOOK REVIEWS

Denis P. O'Brien, *History of Economic Thought as an Intellectual Discipline* (Cheltenham and Northampton, MA: Edward Elgar, 2007), pp. xii, 430, \$160, ISBN 978-1-84720-259-8.

Denis O'Brien has been described rightly as the greatest living authority on classical economics by the editor of this journal (back cover of O'Brien 2004). This collection of essays both substantiates that verdict and, when read alongside the companion volume on monetary economics (O'Brien 2007) and the recent festschrift (Backhouse and Creedy 1999),¹ supports a bolder claim: that O'Brien is an exemplary economist, being at the forefront of the senior generation of economists who have made seminal contributions to the history of thought as part of a broader career in economics, in his case with important papers on customs union theory and industrial economics. Here we focus necessarily on the volume for review, but it is important to situate that work within the broader context of an exemplary economist who, by virtue of modesty and principle, has not publicized and propagated his work in the self-promotional manner that is now the hallmark of the contemporary academic and is thus not as well known as he ought to be outside of the lamentably small community of historians of economic thought.

The importance of context features heavily in the all-too short introduction to this collection of eleven papers, themselves all previously published in journals, festschrifts, encyclopedias, and other edited collections, though not always in the form in which they appear here (in particular, and most welcome, chapter 5 is a much extended version of the entry on classical economics in Samuels et al. 2003). O'Brien's opening sentence (p. 1) sets the scene with the traditional justification for the history of thought, in turn motivated by his well-known concerns about what Mark Blaug has called the "ugly currents" of (formalistic) contemporary economics:

The essays in this book are all, in one way or another, concerned with the wider intellectual issues which once did, and still should, concern economists. All of the writers who are considered are people whose own scholarship was – or in one case still is – exemplary, and who set an example to their professional colleagues through their concern to avoid subjective originality and indeed to learn from, rather than peremptorily discard, so much that has been achieved by economists of earlier generations.

The collection is divided into two sections: methodology, comprising three papers; and the history of economic thought, comprising eight papers. As we have already indicated, there is also a companion volume that has O'Brien's contributions to the history of monetary thought from the sixteenth through the late nineteenth century. No selection criteria are detailed for the current volume, and it is to be regretted that

¹In addition, see O'Brien (1994) for his first set of collected writings.

his writings on Lionel Robbins are not here included (especially O'Brien 1988), nor any of his many book reviews. Backhouse and Creedy (1999, pp. 14–20) contains a list of O'Brien's publications (excluding book reviews), but of course his scholarly output did not cease with his retirement: far from it.

Part I opens with an essay on the intellectual history of the history of economic thought written for the festschrift of his PhD supervisor, former Queen's University Belfast colleague and lifelong intellectual influence, Bob Black. This essay says as much about O'Brien's redoubtable qualities as a scholar as it does about the intellectual trajectory of the field, and the section on the "qualities needed by historians of economic thought" (pp. 27–35) is something that should be read by *all* economists. The next chapter, "Five methodological detours," examines forensically five examples of apparent progress in economics, ranging in time – though not in sequence in this chapter – from Pigou between the wars on welfare economics through to how industrial economics was overtaken by game theory during the 1980s. All five episodes are painted "in rather strong colours to bring out the key point that economists theorise – especially if they draw policy conclusions from their theories – in the absence of a firm empirical foundation, at their peril" (p. 64). The insistence on empirical verification and the targeting for criticism of models whose assumptions are contrary to commonsense are, of course, staples of O'Brien's distinctive methodological approach to economics and its history: an approach that, unsurprisingly, would chime with that of an ideal type eighteenth-century Scottish mind. The final essay in part I is a close study of George Richardson's *Information and Investment* (1960), a work that has long fascinated O'Brien, which he uses here to push forward the critique that too much of contemporary economics is determined by what is tractable mathematically.

Part II opens with the extended essay on classical economics – a tour de force that will serve as an entree for a student preparing to read the full text of the *Classical Economists Revisited* (2004). Next, we have the long *Economic Journal* (1997) review article on Marshall's world as viewed through his correspondence. This is robust in its defense of Marshall's mission to professionalize economics so that economics could do good in the world; it is quintessential O'Brien: polite and highly effective, in this case in revealing the ideological baggage carried by so many Marshall detractors and/or their lack of ability as intellectual historians to use and interpret evidence to the appropriate standard. Reputation and the theme of progress in economics also feature strongly in the next essay on Edwin Cannan, who is of interest *inter alia* as representative of a London School of Economics tradition (epitomized by Lionel Robbins) that economic theory be taught through a critical examination of the history of thought.

Cannan's successor at the LSE, Friedrich von Hayek, is the subject of the next three chapters. There is first a revised version of the memoir for the British Academy written as his obituary. The following captures a flavor of O'Brien's regard for his subject; it says something also perhaps about its author: "the great voice of sanity countering the vain wishes of academics to plan society, the great inheritor and expositor of the Austrian understanding of the fundamental nature of markets, and perhaps the last great scholar-economist, roaming over the literature of centuries in an intimidating range of languages and patiently distilling his message of hope in an evolving free society under the general rule of law" (p. 227). There is then a chapter

on Hayek and the law, which reproduces that in Newman (1997), and then perhaps, for the collection under review, the essay of most interest (and certainly one of the least accessible in its original): that on Hayek in the history of economic thought. Here, in less than 40 pages, O'Brien rescues Hayek from the condescension of a posterity written by mainstream economists; he provides another tour de force of an economist's work and, in the process, being as attentive to Hayek the philosopher as the economist, reminds us that Hayek has a central place in the history of postwar British liberalism.

This collection closes with two essays that O'Brien argues relate to his opening theme: that of economists educating their peers in the wider literature of the discipline. The two economists chosen could not be more different – J. R. McCulloch, the subject of O'Brien's 1969 PhD thesis, and Paul Samuelson – but that is to make his point even more effectively, that economists used to be scholars in the best sense of the term. The former, of course, was not a theorist, whereas the latter became a Nobel laureate as a theorist and for work some considerable time before he developed a serious publishing presence in the history of economic thought. O'Brien concludes pessimistically: "Samuelson is in the line of great theorists in economics who have also been scholars – men like Edgeworth, Jevons and Wicksell, and his own teacher Jacob Viner. Given the development of the profession in the last few decades, the reader cannot but fear that he may be one of the last, so that the profession will be condemned to go round in circles rediscovering things. Let us hope that his example may help to keep scholarship alive" (p. 363).

In Britain, academe has been subjected to the juggernaut of audit known as the Research Assessment Exercise (RAE), with the dissonance between scholarship and publication a raw wound for many of O'Brien's generation. Denis O'Brien's strictures on the RAE are well known (they appear in brief on p. 178), but here with this latest volume of collected writings we have an opportunity to celebrate an exemplary economist who never needed to confront that trade-off and who was so modest that he would not even travel from Durham, UK, to Durham, NC, to collect the 2003 award of Distinguished Fellow of the History of Economic Society.

Roger Middleton
University of Bristol

REFERENCES

- Backhouse, R. E. and Creedy, J., eds. 1999. *From Classical Economics to the Theory of the Firm: Essays in Honour of D.P. O'Brien*. Cheltenham and Northampton, MA: Edward Elgar.
- Newman, P., ed. 1997. *The New Palgrave Dictionary of Economics and the Law*, 3 vols. London: Macmillan.
- O'Brien, D. P. 1988. Lionel Charles Robbins, 1898–1984. *Economic Journal* 98(1), 104–25.
- O'Brien, D. P. 1994. *Methodology, Money and the Firm: Collected Essays*, 2 vols. Cheltenham and Brookfield, VT: Edward Elgar.
- O'Brien, D. P. 2004. *The Classical Economists Revisited*, 2nd edition. Princeton, NJ: Princeton University Press.
- O'Brien, D. P. 2007. *The Development of Monetary Economics: A Modern Perspective on Monetary Controversies*. Cheltenham and Northampton, MA: Edward Elgar.

Samuels, W. J., Biddle, J. E. and Davis, J. B., eds. 2003. *A Companion to the History of Economic Thought*. Oxford: Blackwell.

William J. Barber, *Gunnar Myrdal: An Intellectual Biography* (London and New York: Palgrave Macmillan, 2008), pp. xiii, 180, \$95.00. ISBN 978-1-4039-9944-3.

Paul Davidson, *John Maynard Keynes* (London and New York: Palgrave Macmillan, 2007), pp. xiv, 222, \$90.00. ISBN 978-1-4039-9623-7.

Michael Szenberg and Lall Ramrattan, *Franco Modigliani: A Mind that Never Rests* (London and New York: Palgrave Macmillan, 2008), pp. xiv, 208, \$95.00. ISBN 978-0-230-00789-5.

The publication of the first installments in Palgrave Macmillan's new series, "Great Thinkers in Economics," should be a major event for historians of economics. To quote the publishers' jacket copy, it "is designed to illuminate the economics of some of the greatest historical and contemporary economists by exploring the interaction between their lives and work, and the events surrounding them." Its potential importance lies in its coverage of twentieth-century economists with the promise this holds for extending the bounds of the history of economic thought towards the present. In a standard format of about 200 pages, the volumes are concise and promise to lay out their subjects in a manner accessible to lay people as well as professional economists. To date, five volumes have appeared. Two of these, by Peter Groenewegen (2007) on Alfred Marshall and Gordon Fletcher on Dennis Robertson (2008), are written by scholars who have previously written extensive biographies of their subjects, whereas the three volumes under review are by people who have not.

As his subtitle indicates, Barber provides an intellectual biography of Myrdal. Successive chapters take the reader through Myrdal's background, his education, and the key phases in his career. In the late 1920s, Myrdal issued a methodological challenge to his contemporaries, raising questions about the ideological dimension to economic theory. An important unifying theme in his career was the way he kept addressing these questions and facing up to them in his own work. In the 1930s, Myrdal was one of an immensely creative group of Swedish macroeconomic theorists, providing important elements of the conceptual framework within which Keynes's economics came to be interpreted, most obviously the terminology of *ex ante/ex post*. He also became involved in the design of macroeconomic and social policy in Sweden. The link between Myrdal's involvements in economic theory and in discussions of policy is of great interest, though given the attention that has been already been paid to Sweden's early adoption of demand management policy, it may be Barber's discussion of how concern over declining population was used to justify what became the Swedish welfare state that will be the most novel dimension, at least for non-Swedish readers.

The narrative then turns to the background of Myrdal's *The Negro Problem and Modern Democracy* (1944). Barber explains how the study was commissioned and the route that led to Myrdal being asked to take the lead. His intensive exposure to racial problems in the United States and the extensive research that he undertook