Introduction

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Introduction

Each year the December issue of *The European Journal of the History of Economic Thought* (EJHET) offers a selection of papers that were presented at the annual conference of the *European Society for the History of Economic Thought* (ESHET) in the previous year. The present issue contains ten papers presented and discussed during the 26th ESHET conference hosted by the University of Liège, Belgium from 1 until 3 June 2023. The theme of the conference was "Fifteen years after the Global Financial Crisis: Recessions and Business Cycles in the History of Economic Thought." It was a theme that invited historians of economic thought to consider how economists, old and new, have sometimes ignored, but also often attempted and frequently failed to provide a coherent account of why and when recessions happen. Some of the papers that addressed this conference theme have made it to the final selection presented here. Other papers in this issue address a range of topics, since it is the tradition of the ESHET conference to welcome papers on any subject in the history of economic thought.

As is the rule for contributions to ESHET special issues, the papers have gone through a two-stage process of reviewing. The editors – Pierric Clerc, the local organiser of the Liège conference, Richard van den Berg, former president of ESHET, and Hans-Michael Trautwein, editor of EJHET – made a preliminary selection of 15 papers from the larger set submitted in response to the post-conference call. This selection was then fed into the regular peer-review process of the journal

The first contribution to this special issue is the Honorary Member Lecture given by Pascal Bridel. He encourages historians of economic thought to embrace "syncretism" because in his view "the lack of a unified approach in our sub-discipline is precisely what makes it original and exciting." By this he does not mean a relativist anything-goes approach to writing history; he argues for a continued focus on the development and influence of intellectual and analytical concepts. However, such history benefits from different ways of interpretation, especially because "economic ideas and theoretical concepts have always had the power to transcend the contingency of their origins, in particular their links with their designers." The other papers in this issue offer good examples of what he means by applying a variety of approaches to the study of a range of topics in the history of economic reasoning.

Adam Smith was born in 1723, and on the occasion of that tercentennary the ESHET 2023 conference was not short of sessions and presentations on the classical economist's thinking and legacy. One paper (out of ten) has made its way into this issue: "Agreement is Money: Beyond the Chartalist Reading of Smith" by Michele Bee and Luiz Felipe Bruzzi Curi. The two authors present an interpretation of Smith's theory of money that differs both from the orthodox and the heterodox views in the large literature on the topic. While the orthodox view emphasises, with reference to Smith, that money emerged spontaneously in the markets as a medium of exchange that overcomes the difficulties of barter, the heterodox view holds, also with reference to Smith, that money is a creature of the state, established to serve as a unit of account and means of payment of debts. Bee and Bruzzi Curi argue that, for Smith, money does emerge in exchange, but primarily and originally so as a measure of value. It provides that unit of measurement which takes place even in the absence of the advantages of division of labour, government and other instruments of exchange, just based on credits and debits, or agreement on a common measure of the exchange partners' respective merits.

In the third contribution to this issue, Michel Zouboulakis revisits John Stuart Mill's views on why economic fluctuations and commercial crises occur. Finding a more consistent analysis in Mill's writings than he has often been credited with, Zouboulakis draws attention to passages in which the younger Mill either points to the overextension of credit that raises the purchasing power of consumers and traders, or to the unavailability of circulating capital, which reduces production capacities, as causes of economic fluctuations. The extent to which this was an original and lasting contribution is a question about which the last word has probably not been said (if last words are ever possible in our sub-discipline). Yet, it is typical of John Stuart Mill to offer more than one view on the same phenomenon.

Next comes Kenji Mori with an article on "Dual Rates of Profit and the Turnover of Capital in Karl Marx's Post-*Capital* Manuscripts in 1868." Mori combines textual exegesis with analytical reconstruction in order to restore the arguments that Marx had developed in a long neglected manuscript dating from 1868. He argues that chapter 4 of Capital volume III, published posthumously in 1894, was merely Friedrich Engels's "laconic substitute" text for Marx's authentic positions about the relations between profit rates and the turnover of capital. Employing dual rates of profit, one over capital advanced and one over cost price, Marx investigated the effect of turnover ratios on the equilibrium rate of profit. Changes in the turnover ratio of circulating capital left the former rate of profit unchanged but changed the latter; whereas changes in the turnover ratio of fixed capital changed the former rate of profit, but left the latter unchanged. Noting that this finding has no equivalent in any of Marx's other writings, Mori then demonstrates the consistency of the argument within a closed dynamic Leontief Model.

"Einstein, Fisher, Science and the Great Depression" is the sweeping title of the article written by Rogerio Arthmar and Mauro Boianovsky.[1] The two authors draw attention to a brief correspondence between Albert Einstein and Irving Fisher in early 1933, in which the world-famous Princeton physicist and the Yale economist exchanged their views on technological change as a cause of depression and mass unemployment. While Fisher focused on debt-deflation cycles started by technical inventions, Einstein put the emphasis on a link between technological unemployment and underconsumption that had received much attention in the German literature,

[1] Mauro Boianovsky passed away in February 2024, shortly after completing the final version of this paper. An obituary is published in the April 2024 issue of this journal (https://doi.org/10.1080/09672567.2024.2352998).

influenced by Karl Rodbertus, Rosa Luxemburg, Emil Lederer and Hans Neisser. Arthmar and Boianovsky highlight the disagreement between Fisher and Einstein on the diagnosis of the Great Depression, but they also provide textual evidence – with an appended letter from Einstein to Fisher – that the two agreed on at least one measure of therapy. Both Fisher and Einstein pleaded for stabilising the price level by abandoning the gold standard.

Moving on from the correspondence between two illustrious scientists in the inter-war era to the origins of modern social choice theory in the early post-war era and a long debate in normative economics that evolved from it, the reader will find Nestor Lovera Nieto's contribution "Revisiting the Role of Value Judgments in Arrow's Impossibility Theorem." In his *Social Choice and Individual Values* (1951) Kenneth Arrow had demonstrated that the standard set of intuitive conditions for rational behaviour cannot be simultaneously satisfied by any procedure for collective decision-making. As this implies that dictatorship would be the only way to prevent inconsistencies, many attempts have been made to clarify the role that value judgments play in achieving this result. Nieto studies Arrow's approach under the prism of Philippe Mongin's work on the theme. He argues that Mongin's classification of value neutrality helps to deepen the understanding of different aspects of value judgments in economics.

The origins of behavioural and experimental economics can be traced back to the same period as those of social choice theory, namely to an article by Maurice Allais in *Econometrica* (1953). Based on this, Alexandre Truc and Dorian Jullien compare the history of behavioural and experimental economics (which they abbreviate as "BE-XP history") in France to international trends previously identified in the literature. So far, histories of BE-XP have mostly focused on the intellectual and institutional development of these approaches in the United States of America (and to a lesser extent in Germany). While it is acknowledged that a seminal contribution to these approaches was produced by Allais in the early 1950s, the literature is rather silent on how BE-XP developed subsequently in France. Truc and Jullien show that, while the work of Allais had some influence on BE-XP during the 1980s, that influence rapidly faded, with BE-XP in France thereafter largely following international trends. They nevertheless identify some heterogeneity in the French approaches and the emergence of at least two local specificities on the measurement of utility and the modelling of social preferences.

The next paper is a piece of institutional history. "The Most Important Research Project" is the title that Mirek Tobiáš Hošman has chosen for his article on the brief but intense involvement of the World Bank with the "Commodity Problem of International Development" in the 1960s. He details how a group of economic experts at the World Bank engaged in debates about the detrimental effects of the instability of commodity prices on economic development in poor countries. Their "most important research project" was to devise strategies for stabilising commodity prices by the creation of international buffer stocks and by export diversification. Hošman's reconstruction of the internal developments at the World Bank before Robert McNamara's presidency, and the shift to structural adjustment lending that came with it, shows that in the 1960s the Bank did not differ as much from the positions taken by UNCTAD and CEPAL as conventional views on the history of these three UN organisations would have it.

Robert Lucas's paper on "Expectations and the Neutrality of Money" (1972) is the starting point of David Laidler's assessment of the evolution of macroeconomics which he gives as "A Personal View from the Wrong Side of the Subsequent Fifty Years." While Lucas's model explaining the short-run non-neutrality of money lost its central place in the area within a decade, his novel methodology, based on clearing markets and rational expectations, still dominates mainstream macroeconomics. However, and even though Lucas himself had always considered the quantity of money as playing a pivotal role in business cycle fluctuations, the latest vintage of macro models in terms of "dynamic stochastic general equilibrium" (DSGE) are, for the most part, cashless. Laidler, who has long called for taking the role played by money in economic activity seriously, considers this to be an unfortunate side effect which has implications for the environment of monetary policy in present time.

In the final piece, Gianfranco Tusset studies the environment of monetary policy under the question "Who influences whom? Central bankers and academics during the 2008 crisis." The use of fiscal policy as a means of countering the effects of the crisis has been widely discussed. Tusset's concern is not whether fiscal measures were actually used to deal with the crisis, but how the central bankers and academic economists, seen as two epistemic communities, reacted to these measures and whether they changed their views regarding fiscal policy as a result of the ensuing debate. In order to answer these questions, Tusset investigates established attitudes and the range of topics found in speeches by bankers from six central banks and in working papers published by academic economists. Methodologically, both attitudes and topics are reconstructed through textual analysis. The results show that the context matters a lot. In particular, central banks seemed to have influenced the thinking of academic economists immediately after the outbreak of the financial crisis, while the opposite was true in the years of recovery from the economic crisis.

At the end of the introduction to this special issue, we would like to thank all the referees for having contributed anonymously, with competence and efficiency, to the selection of the papers and the improvement of their quality.

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