



HAL
open science

The inheritance of heterodox economic thought: an examination of history of economic thought textbooks

Mary V Wrenn

► **To cite this version:**

Mary V Wrenn. The inheritance of heterodox economic thought: an examination of history of economic thought textbooks. *Journal of Philosophical Economics*, 2009, Volume II Issue 2 (2), pp.78-98. 10.46298/jpe.10577 . hal-03704515

HAL Id: hal-03704515

<https://hal.science/hal-03704515>

Submitted on 25 Jun 2022

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



Distributed under a Creative Commons Attribution - NonCommercial - ShareAlike 4.0 International License

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

The inheritance of heterodox economic thought: an examination of history of economic thought textbooks

Mary V. Wrenn

Abstract: The inheritance of heterodox economics hinges upon the degree to which the next generation is exposed to the history of the discipline's thought. The potential to include heterodox thought into the curriculum presents itself most easily through history of economic thought classes. The potential is limited by the professor, but it is also circumscribed by the material presented or withheld in history of economic thought textbooks. If included, the presentation of heterodox methodologies and philosophies impresses upon students the relevance and importance of pluralism and dissenting views and by consequence, the future course of the discipline. This research seeks to examine the presentation of heterodox economics in history of economic thought textbooks and to assess the amount of space dedicated to its study and further, to explore how textbook adoption impacts the inheritance and heritage of heterodox thought and philosophy.

Keywords: heterodox economics, history of economic thought, education

"I don't care who writes a nation's laws, or crafts its advanced treaties, if I can write its economic textbooks"

Paul Samuelson (1990, ix)

The inheritance of heterodox economics hinges upon the degree to which the next generation is exposed to the history of the discipline's thought. Even within the most orthodox of economic programs, the potential to weave heterodox thought into the curriculum presents itself within history of economic thought classes. The

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

potential is limited, of course, at the discretion of the professor, but it is also circumscribed by the material presented or withheld in history of economic thought textbooks. Textbooks are the powerful force in any discipline. It is through these books that the next generation of employees, employers, and scholars – citizens and participants in the democratic process – are bred. Students become invested in their particular professors' philosophical paradigm and world view often as it is filtered through the textbooks they assign. Indeed, to the nascent and inexperienced scholar, unless otherwise explicitly directed by the professor, the textbook represents the definitive *word* and *truth* of a discipline.

History of economic thought textbooks are designed to demonstrate the organization and evolution of economic ideas and philosophies, leading to the current disciplinary conventions. The general pattern in the presentation methodology of any history of economic thought textbook hinges more frequently – although not always or exclusively – upon the chronological development of groups of thought as opposed to the bibliographic chronology of individual ideas. Indeed, the limits of book space and classroom time, in addition to the pedagogical technique of 'chunking' ideas into more easily digestible units of study, demand this type of organization. The presentation, categorization, and descriptive devices employed in any thought or methodology textbook often represents a student's primary exposure (or lack thereof) to disciplinary discordance and in so doing, colors her/his perception and relevance of dissenting thought, methodology, and philosophy.

There is continued (heated) dispute among economists, specifically, historians of economic thought and methodology concerning the constituency of heterodox economics (see Wrenn 2004). This inquiry seeks to examine the presentation of heterodox groups of thought in history of economic thought textbooks. The procedure is simple. The first section explores the presentation of general dissent in the discipline of economics. The following sections seek to investigate the manner in which unconventional views are further categorized by juxtaposing the interpretations of philosophy and thought (if so included) history of economic thought textbooks attach to various heterodox groups. The final section explores whether the textbook presentation of non-traditional thought demonstrates similarities and how textbook adoption might impact the inheritance of ideas and the philosophical heritage of current heterodox thought.

Heterodox economics

Of the fourteen recent editions of history of economic thought textbooks reviewed (see Table 1), two contain a section labeled "Heterodox Economics" within its table of contents. While some of the textbooks include a section that groups current non-traditional thought together, there is not a standardized categorization or title for them. In fact, less than half of the fourteen textbooks surveyed – Backhouse, Hunt, Landreth and Colander, Rima, Screpanti and Zamagni, and Spiegel – group and discuss current dissent from the orthodoxy in either a distinct chapter or section reserved specifically for dissenters (see Table 2). These six textbooks employ different methods of organization as well as include different groups in their respective discussions. Additionally, these textbook writers use wide and descriptive phrasing in the title of the chapters/sections in order to encompass a broad a range of nonconventional thought, in perhaps an attempt to avoid exclusions or possible dismissal of any given group. Indeed, while current heterodox economics as a collection of systems of economic thought is acknowledged by some textbook authors, an agreed upon umbrella name for such economic thought has not reached enough consensus within the discipline to warrant a specific taxonomic reference.

Six of the textbooks group modern nontraditional thought under different headings (see Table 2). Landreth and Colander (2002, 469) sort modern heterodox thought into five categories within its chapter titled "The Development of Modern Heterodox Economic Thought:" Radicals; Institutionalists, including "modern," "quasi," and "neo" Institutionalists; Post Keynesians; the Public Choice group; and neo-Austrians. Backhouse includes a section titled "Heterodox Economics" within the chapter "Expanding the Discipline" and discusses Marxist, Radical, Original Institutionalists, post-Keynesian, and Austrian thought. In his discussion of current dissent in a section within a chapter titled, "An Expanded Profession in Search of New Frontiers," Spiegel (1991, 668) refers to "peripheral movements" or "fringe movements." Among these non-mainstream groups, Spiegel (1991, 669, 671) discusses Radical economics and neo-Austrians, as well as a group of thought not listed in other textbooks: "Supply Side economics" – economics as represented through the economic policy of the Reagan administration. Rima (2001, 545, 547) lists the Neo Institutionalists, Radicals, Post Keynesians, and Modern Austrians under the chapter title, "Competing paradigms in contemporary economics" In the introduction to the unit in which this chapter appears, however, Rima (2001, 482) lists three groups under the title of "Critics:" Post Keynesians, Institutionalists,

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

and Marxists while Austrians are organized under the heading of "The Main Stream." Some nuanced differentiation has thus been made, but the nature of that differentiation is not transparent.

Screpanti and Zamagni (2005, xvii-iii) provide two section titles for discordant thought. The first, "At the Margins of Orthodoxy" discusses the sub-groups of game and growth theories, circular production theories, and Marxist thought. The second section outlining discordance is titled "A Post-Smithian Revolution?" which describes modernism and postmodernism, institutionalism and radical political economy. An interesting and unique distinction is made in this section between *institutionalists* and *institutional analysis*, the former of which includes four "unconventional" economists: Polanyi, Georgescu-Roegen, Hirschman, and Goodwin; while the latter dissects what is commonly referred to as New Institutionalism into finer subdivisions: "The 'new political economy' and surroundings," "contractarian neo-institutionalism," "utilitarian neo-institutionalism," "the new 'old' institutionalism," "irreversibilities, increasing returns, and complexity," and "von Hayek and the neo-Austrian school." As well, Screpanti and Zamagni weave heterodox thought throughout the remainder of the text, including the positioning of the Post Keynesian group alongside orthodox thought in the section titled "Contemporary Macro Theory" (2005, 323-77). Hunt (2002, xii) organizes two heterodox groups under the heading of "Contemporary Economics II: Institutionalism and Post Keynesianism," and within the chapter details the work of Ayres, general Post Keynesian economics, and Sraffian economics. Additionally, and as a separate chapter onto itself, Hunt discusses "Contemporary Economics III: The Revival of Critical Political Economy;" or current radical economics.

Although Brue and Grant do not offer either a separate section or chapter on nontraditional thought, the authors include the evolution of conflicting ideas within a chronological timeline on the inside cover of their textbook. This chronology delineates the emergence of groups of economic thought through time with arrows connecting each subsequent group to the prior group that influenced its formation. What is interesting is that in the legend of this timeline, Brue and Grant (2007, inside cover) distinguish between three types of influence: "Schools and groups mainly friendly toward predecessors," "Schools and groups mainly antagonistic toward their predecessors," and "Groups in which some...are friendly toward predecessors, but others are antagonistic." Brue and Grant thus recognize

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

the historical influence of dissenters on the evolution of the discipline, and include chapters on the origins of "antagonistic" groups even though they do not recognize modern discordance in a formal way in their presentation of current conventional economic thought.

Thus, no consensus has emerged in the history of economic thought textbook literature with respect to the nature and consequently, the presentation of heterodox economics. Moreover, the conspicuous absence of a section devoted to modern day dissent or integration thereof in over half (eight of the fourteen) of the History of Economic Thought textbooks surveyed underscores the inconsistent presentation of dissident thought. This is not to say that all differences are excluded; certainly some of the more famous dissidents of the past are included within the textbooks, indeed, all discuss the works of some of the more famous figures such as Marx, Veblen, and Keynes. Descriptions of modern nonconventional views remain vague and focused on critiques of mainstream thought; describing heterodox thought via opposition rather than composition.

The purpose of higher education is to encourage and develop critical thinking, creativity, and "thinking outside the box," and as such, certainly the example set by current heterodox groups of thought in the discipline provides an even larger lesson than a list of objections or hypothesized shortcomings of conventional thought. Teaching students a plurality of views encourages students to challenge and question ideas and emphasizes that what goes unchallenged grows stale, complacent, and as such, lacks relevancy and innovation.

Austrian economics

Perhaps the most controversial in terms of its categorization, heterodox or mainstream, is the Austrian (or neo-Austrian) group. Part of the difficulty in presentation likely stems from the historical evolution of Austrian economic thought; after all, Menger is credited with the birth of marginal analysis from which neoclassical thought developed as well as the founding of the Austrian group. The following bulleted list offers a concise, yet clear accounting of the representation of Austrian economics in history of economic thought textbooks.

- No separate section/chapter or rolled into Marginalist Revolution discussion: Breit and Ransom, Brue and Grant, Heilbroner, Roll, Vaggi and Groenewegen

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

- Chapter/section
 - Historical reference and not specified as dissenting: Ekelund and Hebert, Blaug
 - Specified as dissenting: Backhouse (non-categorized), Fusfeld (non-categorized), Landreth and Colander, Spiegel, Screpanti and Zamagni
 - Specified as mainstream: Hunt
 - Specified as both: Rima

Certainly, the Austrian economics of the Menger period should be considered different than that of the modern era. Through the decades, Austrian economics evolved as well as splintered into different currents of thought so that its modern incarnation is not a direct lineage from its predecessors. Landreth and Colander (2002, 494-5) point to the 1960s as a watershed decade for the (neo)-Austrian group as it distanced itself finally and distinctly from conventional thought as a reaction to the increasing formalization of the mainstream and its increased focus on general equilibrium theory, modeling, and econometrics. According to Rima (2001, 553), the differences between the Austrian group of the Menger years and the current Austrian group are noticeable and thus, "the term Austrian has come to have different meanings among contemporary practitioners." This is clear given the double taxonomy Rima (2001, 482 and 547, respectively) gives to the Austrian group, whereby they are listed as part of the mainstream and as part of chapter titled "Competing paradigms." Presentation of modern Austrian thought is thus complex and depends on the textbook author's interpretation of that evolution and the weight she/he assigns to any single current of thought. Which textbook is adopted by any particular professor thus determines the manner in which students are introduced to Austrian economic thought.

The Austrians as mainstream

Hunt classifies modern Austrian thought as conspicuously mainstream by citing the Austrians' application of *a priori* assumptions to all social and historical contexts. As such, Hunt contends that Austrians minimize the human element in economic decision making to that of extreme rationality and in the process, focus too narrowly on the act of exchange (Hunt, 2002, 464, 470-3). The Austrian rationality/maximization argument moreover serves as the foundation for their strident advocacy for free markets, and that, "rational maximizing exchanges...

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

prove that, in every respect, a free market, capitalist system is the best of all possible worlds" (Hunt, 2002, 472). Hunt further asserts that this ideological undercurrent remains unrecognized by the Austrians who claim "their theory is pure, value-free science...that only their theory merits the name *economics* and that their theory is equally valid for all people, in all social systems, in all times" (Hunt, 2002, 465, emphasis original).

Hunt therefore stands in adamant opposition to the segregation of modern Austrian thought from the orthodoxy, claiming that modern Austrians merely represent the conservative branch of the mainstream: "The school of neoclassical economists that advocates extreme laissez-faire capitalism...represents two separate but similar groups – the Austrian School and the Chicago School" (Hunt, 2002, 464). The comparison that Hunt draws is not between the orthodoxy and the Austrians, but rather between the liberal and the "conservative" branches of *the mainstream*. The Austrians are thus only distinct from the more liberal branch of the orthodoxy and only within the context of their unflinching support of free markets (Hunt, 2002, 464-5).

While Hunt stands alone in his resolute assertion of the orthodox nature of the modern Austrian group, he is not the only author to suggest that Austrian economics displays orthodox inclination. Rima, for instance, states that the similarities between the Austrian and mainstream Chicago groups of thought are the reason that some historians of economic thought no longer consider them to be separate and distinct groups: "The emphasis of Chicago scholars on subjectivism, marginal analysis, opportunity cost, and libertarianism became so fully absorbed into...the mainstream that some...view Austrian economics as a school whose separate identity came to an end in the 1930s" (Rima, 2001, 552-3). This perceived integration may be the reason that the modern Austrian group is not singled out in seven of the fourteen textbooks. Perhaps the Austrians are so much a part of the mainstream, textbook authors do not find it necessary to state as much.

The Austrians as dissenters

Of the six textbooks that differentiate and detail modern nontraditional thought from the economics mainstream, four suggest that current Austrian economic thought should be counted among the ranks of the dissenters. Backhouse specifies that Austrian economics is heterodox and established itself as such at a conference in the early 1970s (2002, 315-6), while Landreth and Colander (2002, 360-1) trace

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks', *The Journal of Philosophical Economics*, II:2, 78-98

the Austrian split from the orthodoxy to the years following the Second World War. As economics focused on formalist modeling of perfect competition, the Austrian group "began to part company with mainstream neoclassical economics ...Neoclassical economics became a theory of prices; Austrian economics became a theory of economic process and institutions." Moreover, it is contended that the modern Austrian group deems mathematical analysis as a functional and unsuitable methodology for the study of economics that should instead be non-'scientific' and based upon human behavior and more specifically, human choice (Ekelund and Hebert, 2004, 509-11; Landreth and Colander, 2002, 361). The movement in economics toward predictive econometric analysis represents another deviation, as prediction is not as important as description for the modern Austrian group (Ekelund and Hebert, 2004, 511). Indeed, Screpanti and Zamagni specifically underscore, "the radically heterodox nature of the neo-Austrian approach when compared with neoclassical mainstream" (2005, 496).

Method, however, does not present the only point of departure according to these textbook authors – Austrian *theory* also differs from that of the orthodoxy. Authors make clear distinctions between the "radical subjectivism" (Ekelund and Hebert, 2004, 509-10) of modern Austrian theory and the subjectivism of the mainstream. As such, Austrian subjectivism is extended to include the differences in human knowledge and interpretation of that knowledge; which then translates into utility and cost assessment that is not standardized for the generic individual (Screpanti and Zamagni, 2005, 496-7, 499-500). Continuities in time, consumption, production, and the formation of tastes and knowledge according to these depictions of Austrian economics, are interpreted as an Austrian critique of unrealistic assumptions of the orthodox paradigm (Ekelund and Hebert, 2004, 511; Screpanti and Zamagni, 2005, 496-7). Rima (2001, 553, 561) further speculates that the Austrian conceptualization of non-probabilistic uncertainty represents "considerable consensus" with Post Keynesianism, a traditionally heterodox group (Rima, 2001, 553). Two textbooks also highlight the Austrian belief that disequilibrium is more the rule than the exception (Landreth and Colander, 2002, 361; Screpanti and Zamagni, 2005, 496, 498, 500).

What is as interesting as the debate between whether or not the modern Austrian group should be classified as orthodox or heterodox is the implicit debate in the relevance of modern Austrian thought. That seven out of fourteen do not discuss the modern contributions of this group is important. Whether this indicates that modern Austrian thought is no different than the mainstream and thus does not

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

deserve to be highlighted as a separate and distinct group, or whether its exclusion is indicative of the mainstream's dominance within the history of economic thought is unclear. A student's understanding of Austrian economics clearly depends on the adopted textbook's presentation or omission of Austrian thought.

Institutionalism

Textbook authors employ a variety of methods in discussing the Institutionalism tradition. To be certain, reference to "Institutionalist" thought requires some distinction beyond the generic title as two distinct groups of thought bearing the name co-exist. Only Landreth and Colander make finer distinctions, outlining the traditional, quasi-Institutionalist, and neo or new Institutionalism consortiums. The remainder of the textbooks either keep their discussion strictly to Original Institutionalism thought, as in the work of Veblen, Commons, and Mitchell, or, dissect Institutionalism into a 'then and now' analysis: then as in the Veblenian or Original (Old) Institutionalism group, now as in the New, sometimes Neo Institutionalism group as typified by transaction costs and property rights analysis.

Original (old) institutionalism

Writers of history of economic thought textbooks agree that the rise of the Original (Old) Institutionalism group (OIE) and its firm objections to abstracted theory parallel the rise of neoclassical orthodoxy. Although one textbook (Screpanti and Zamagni) dissects new generations of OIE between carriers of the original tradition and its "twin" evolutionary doctrine with a Marxist undertone in Europe, the OIE present a recognized and persistent tradition (2005, 489-91). Rima (2001, 548-9), although referring to their work as "Neo-Institutionalist," lists and describes the work of two second generation OIE: Clarence Ayres and John K. Galbraith. Moreover, those textbook authors who discuss the modern OIE group agree as evidenced in their respective descriptions with respect to both what of the orthodoxy the OIE rejects and what comprises the OIE research program.

The authors describe the scope of Original Institutionalism thought more broadly than the mainstream. According to these authors, the frame of inquiry in OIE thought recognizes and/or endogenizes mainstream exogenous variables such as: the evolution of technology, the existence and impact of power relations (Hunt, 2002, 481-2; Screpanti and Zamagni, 2005, 484-9) as well as discordant

relationships, and the incorporation of social institutions (Brue and Grant, 2007, 371-2; Hunt, 2002, 482-3). Authors present the OIE as more contextually driven and generally agree that the OIE employ an interdisciplinary and holistic methodology (Brue and Grant, 2007, 370-1; Landreth and Colander, 2002, 477; Screpanti and Zamagni, 2005, 487). Accordingly, the OIE reject certain foundational concepts of orthodox economics: the employment of static, equilibrium analysis (Brue and Grant, 2007, 370-1, 373-4; Landreth and Colander, 2002, 478; Rima, 2001, 548-9) and rejection of the Benthamite calculation in economic choice (Brue and Grant, 2007, 379-80).

The only disagreement between textbook authors with respect to the development of OIE thought emerges in the description of its legacy and impact on modern orthodoxy. Blaug (1997, 703) denies the existence of a modern version of the Original Institutionalist tradition: "...the institutionalist movement ended for all practical purposes in the 1930s." Furthermore, both Blaug (1997, 702) and Ekelund and Hebert (2004, 433) claim that there does not presently exist a coherent or robust enough body of thought to be singled out as representative of the modern OIE tradition. Landreth and Colander (2002, 477) claim that while Original Institutionalism has been credited for spotlighting critical issues over the years, in the post World War II period, it remains inept at penetrating the inner circle of mainstream economic theoretical analysis; Ekelund and Hebert (2004, 419) agree but also state that the ideas of the OIE have incrementally crept into economic discourse, pointing to Leibenstein's Veblenian good and its upward sloping demand as an example. Backhouse credits the survival of the OIE through the latter part of the twentieth century to the popular culture work of John K. Galbraith (2002, 314-5). Screpanti and Zamagni describe the "new 'old' institutionalism" in continuing relevancy through succeeding generations of scholars, such as J. Fagg Foster, John K. Galbraith, and Marc Tool who pushed the Original Institutionalist tradition through to the new millennium. The authors as well, credit the succeeding generations of OIE as having inspired New/neo-Institutionalist thought (2005, 484-9). All of the textbooks surveyed present similar perspectives: that whatever influence the OIE has managed to interject into orthodox theory, its systematic exclusion remains pervasive, "...the central core of economic theory is about as 'noninstitutional' as it was in Veblen's day...micro economic theory is still concerned primarily with the kind of 'equilibrium' which Veblen so severely criticized" (Gordon as quoted in Brue and Grant, 2007, 373-4).

New institutionalism

The textbook authors do not treat the New Institutional group in any systematic manner. In fact, nine of the fourteen textbooks surveyed (listed below) do not present New Institutional economic (NIE) thought in a distinct section. The exclusion could be the result of an expansive program that prevents a perceived coherency or methodical presentation of the NIE's research program. Indeed, as Brue and Grant note (2007, 393), the NIE consists of groups with different areas of focus, such as that of property rights, economics and law, transaction cost analysis, and public choice theory. Such diversity might in fact prevent a coherent or concise description within a history of economic thought textbook. The lack of methodical treatment of the NIE, however, instead could evidence authors' perception that the New Institutionalists should be considered another sub-branch of the mainstream.

- No separate section/chapter: Backhouse, Blaug, Breit and Ransom, Fusfeld, Heilbroner, Hunt, Rima, Roll, Spiegel, Vaggi and Groenewegen
- Chapter/section
 - Dissenting or expanding, but still connected to the mainstream: Brue and Grant, Ekelund and Hebert, Landreth and Colander
 - Specified as dissenting: Screpanti and Zamagni

The few texts that treat the New Institutionalists as a distinct group of thought do not present vigorous arguments regarding the heterodoxy, or more broadly, the dissent of the NIE. Indeed, the NIE are associated with other groups that seem to fall between the heterodox and orthodox camps. According to three of the history of economic thought textbooks (see above), the NIE program as presented upholds some of the more basic tenets of orthodox economics. As such, textbook authors present the NIE as expanding the boundaries of conventional economics rather than expressing a departure per se. Brue and Grant (2007, 373, emphasis original), for instance state that through the NIE; orthodox economists have made significant "*neoclassical* contributions." The inclusion of equilibrium analysis, for instance, remains integral to NIE analysis, yet within a recognized institutional framework (Landreth and Colander, 2002, 490). Accordingly, assumptions of rationality are maintained, once again, within a specified institutional setting (Brue and Grant, 2007, 373; Ekelund and Hebert, 2004, 426). As such, the NIE as described by history of economic thought textbook authors retains the theoretic

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks', *The Journal of Philosophical Economics*, II:2, 78-98

structure of orthodox economics (Brue and Grant, 2007, 393). Even Landreth and Colander (2000, 490), who list the NIE in their heterodox chapter state that the NIE, "...in many ways is a part of modern mainstream economics rather than a heterodox group."

One textbook describes New Institutionalism as definitively heterodox. Screpanti and Zamagni detail the research agenda of what they term as the "new political economy," and furthermore unambiguously emphasize the distinction between orthodox economics and new political economy. The title "new political economy" is used by the authors as an umbrella category which contains what other authors describe as borderline orthodox/heterodox groups: New Institutionalism, Public Choice, Behavioralism, and property-rights groups inspired by the work of Hayek, Tullock, and Buchanan. While Screpanti and Zamagni describe a broad range of economic issues which constitute their respective research agendas, they also argue that all of these groups contextualize economics within political institutions and are "united in an ambition to go beyond the limits placed by conventional theory on the analysis of economic effects of institutions" (2005, 475-6).

Screpanti and Zamagni elaborate on the contrast between orthodox and heterodox economics in a comparison of the scope of conventional versus the new political economy, whereby the latter focuses its analyses on legal institutions, comparing the impact of different legal institutional configurations on economic outcomes, while conventional theory assumes legal infrastructure as exogenous and static for the purposes of determining the economic outcome within given institutional constraints (2005, 475-6). Screpanti and Zamagni also elaborate on the group "neo-institutionalism" – differentiated by non-distinct borders from New Institutionalism – which is sub-divided into two groups: contractarian and utilitarian neo-institutionalism. Each of these sub-branches are unique in their respective approaches to economics, both are contrasted against orthodox economics in particular by their systematic inclusion of institutions into economic analysis (Screpanti and Zamagni, 2005, 476-84).

Authors either weave New Institutionalism into discussion of mainstream theory, while those who distinguish New Institutionalism as an established group of thought range from those who hedge on the heterodoxy of the group to the authors Screpanti and Zamagni, who in the latest edition of their textbook assert NIE is in fact heterodox. Once again, the existence, presentation, and contributions of NIE thought hinge on which textbook might be adopted.

Post Keynesian

The textbook authors surveyed disagree with respect to the genesis of the Post Keynesian group. One textbook claims that the 1950s and 1960s as the watershed era when Joan Robinson and other Cambridge economists began to dissociate with the neoclassical group, specifically with the insurrection against the emerging neoclassical growth models of that time (Screpanti and Zamagni, 2005, 351-2). Screpanti and Zamagni (2005, 349-58) further differentiate Post Keynesians into the "American group" (Davidson, Minsky, S. Weintraub) which focuses on monetary Keynesian analysis, and the "Cambridge" group (Kaldor, Pasinetti, Robinson) which focuses on issues in growth and distribution – both of which maintain their heterodox classification. Fusfeld and Rima (2002, 210; 2001, 554, respectively), however, date the advent of the Post Keynesian group to the 1960s and 1970s while Backhouse dates the emergence of "post-Keynesian" thought to the work of Eichner and Kregel in the early 1970s (2002, 315). Hunt (2002, 477, 485) marks the emergence during the 1970s and 1980s with the work of Robinson and Sraffa developed in reaction against the neoclassical synthesis.

While the history of the Post Keynesian tradition is somewhat contentious, more consensus surfaces among the textbook authors regarding the heterodoxy of the Post Keynesian group (Rima, 2001, 554-60). Indeed, the Post Keynesian nickname (created by Joan Robinson) for the economics of the neoclassical synthesis – "bastard Keynesianism" – leaves little doubt with respect to the Post Keynesian position on the orthodoxy's absorption and interpretation of Keynesian thought (Landreth and Colander, 2002, 491). Though the same heretical deviations from the mainstream are not always offered as proof of the heterodoxy of the Post Keynesians, none of the respective descriptions of Post Keynesian thought contradict one another.

The Post Keynesian belief that inflation stems from the struggle between labor and capital over the distribution of income (Brue and Grant, 2007, 465-6; Rima, 2001, 554-5) supports the Post Keynesian critique of orthodox marginal productivity theory in the determination of the distribution of income (Rima, 2001, 554). This theoretical entry point, coupled with the belief that uncertainty (Hunt, 2002, 486-7; Landreth and Colander, 2002, 492) with respect to future expectations determines the level of investment in the economy (Hunt, 2002, 487) reinforces the observation by three of the textbook authors that Post Keynesians suggest the business cycle is inherently unstable (Brue and Grant, 2007, 465-6;

Fusfeld, 2002, 213; Landreth and Colander, 2002, 492). Likewise, the rejection of neoclassical price theory and the profit maximization rule of equating marginal cost and marginal revenue and its replacement with the theory of mark-up pricing whereby firms set price above that of marginal cost (Brue and Grant, 2007, 465; Screpanti and Zamagni, 2005, 354-5) all present concepts that complement one another. Indeed, the suggested characteristics of Post Keynesian thought not only fit together well, but also counter the perceived shortcomings of the orthodoxy with its own alternative theories.

The only semantic break from the general consensus occurs within the text by Spiegel who describes the work of what other authors call Post Keynesian as "neo-Keynesian," for instance, as that work which attempts to dislodge the entrenched mainstream theory of distribution based on marginal productivity founded upon the early neoclassical work Joan Robinson (Spiegel, 1991, 669). Other disagreement with respect to the Post Keynesian group revolves around whether they are most closely aligned with the modern Austrian (Rima, 2001, 553, 561) or Radical group (Spiegel, 1991, 669; Hunt, 2002, 477-8). These discrepancies are minor and the textbook authors' description of Post Keynesianism, when presented, consistent. Thus, the concern with respect to the adoption of different history of thought textbooks centers specifically on the historical context of the group's development and in the semantics of its name.

Radical/Marxist

Among the textbook authors who discuss the modern incarnation of Radical/Marxist thought, there is little doubt as to its heterodox status. Despite the many strands of current Marxist thought, textbook authors, perhaps for the sake of simplicity, stick to as generic a rendering of radical thought as possible. With the exception of Backhouse, all of the authors use the term "Radical" and the term "Marxist" synonymously and interchangeably when discussing current thought (Fusfeld, Hunt, Landreth and Colander, Rima, Screpanti and Zamagni, Spiegel); although each author notes that there exist many distinct traditions of thought within the broader group. Backhouse differentiates radical and Marxist thought, stipulating that radical thought (since the late 1960s) explores the same issues as Marxist thought, but uses analytical tools different than those of traditional Marxism (2002, 315). Screpanti and Zamagni separate and explicate different branches of Marxism under the heading of "Radical Political Economy:" monetary

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks', *The Journal of Philosophical Economics*, II:2, 78-98

circuit theory, structural change theory, analytical Marxism, Post Marxism, and Feminist theory (2005, 500-15). Additionally, the authors include a chapter on Marxism in the section, "At the Margins of Orthodoxy" which discusses the heretics of the orthodox Marxist tradition who attempt to deconstruct Marxist thought and contemporize it while maintaining its modernist meta-narrative (2005, 446-52). Fusfeld (2002, 213) separates original Marxist thought from modern thought in his description of neo-Marxist thought: Marxism modernized by the Baran and Sweezy publication of *Monopoly Capital*.

Radical thought is also cast as an ideologically charged approach to the discipline. The modern Radical group of thought experienced a renaissance and became a modernized, recognized body of intellect during the latter half of the 1960s, fully acknowledged with the rise of the "New Left" (Rima, 2001, 551) and the establishment of the Union of Radical Political Economy in 1968 (Spiegel, 1991, 669). The emergence of Radical thought has been credited to the social and political upheaval of the Vietnam and Watergate era where dissatisfaction with the economic *system* as opposed to the orthodox economic *theory* found expression (Fusfeld, 2002, 213-4; Landreth and Colander, 2002, 474; Spiegel, 1991, 669; Screpanti and Zamagni, 2005, 450-1). By linking the re-emergence or revival of Marxist thought to historical changes suggests that these authors are willing to attach ideological distinctions to the identification of heterodox versus orthodox [1].

The Radical group of thought, though it undeniably has its roots in Marxist theory, varies by degree in the adherence to and interpretation of the original Marxist doctrine. Despite the various incarnations of Radical theory, and with the exception of analytical Marxism, all are united in their critique of mainstream economics which is suggested to support the current social structure of accumulation. The abstracted theoretic of the mainstream poses a significant problem to the Radical group, specifically with respect to the idea of a harmonious equilibrium where the Radicals instead see conflict and class exploitation (Landreth and Colander, 2002, 475). Additionally, the Radical group of thought claims that many of the variables the orthodoxy classify as exogenous or given, such as class relations and institutions, must instead be endogenized (Landreth and Colander, 2002, 475). The root of Marxist theory lies in Marx's critique of the capitalist system as opposed to a discussion of or an appeal to communism per se. This critical assessment and proposed restructuring of society demonstrates the sharp dividing line between the Radical group and the orthodoxy

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks', *The Journal of Philosophical Economics*, II:2, 78-98

(Landreth and Colander, 2002, 475; Rima, 2001, 551-2). The last important point of distinction that constitutes the clear break from the orthodoxy is the deliberate and conscious integration of Radical thought with the other social sciences with economics (Hunt, 2002, 507).

All of the textbooks that examine the modern Radical/Marxist tradition unanimously agree on its widening of the scope of orthodox thought. Granted, the infusion of Marxist thought into the orthodox framework, as exemplified by analytical Marxism, serves to blur what would otherwise be a marked distinction. Textbook authors generally agree that the acceptance of ideas generated by the radical group have been few, with notable exceptions in the areas of education, labor, and industrial organization (Landreth and Colander, 2002, 476; Spiegel, 1991, 670). Two authors point out that even if the ideas have not been systematically incorporated, Radical thought has enjoyed some degree of influence in highlighting the anomalies within conventional thought (Rima, 2001, 547-8; Roll, 1992, 262). The method textbook authors employ in explaining radical political economic thought – whether it is presented as a generic catch-all group or is sub-divided with detailed explanation of its various branches – determines whether students are introduced to the range of ideas encapsulated in modern Radical thought if at all, demonstrating once more how textbook adoption plays a critical role in its respective interpretation.

Other

Landreth and Colander (2002, 471) list the Public Choice group as one of the major current heterodox movements, albeit on the edge of heterodoxy as Public Choice thought has been the “most successful” in penetrating the mainstream. Ekelund and Hebert include a discussion of the Public Choice group as an extension of the classical and neoclassical traditions into the political science realm without suggesting that such extensions should be classified as dissent per se (Ekelund and Hebert, 2004, 532). These authors agree on the components of the basic premises of Public Choice and how it utilizes a similar framework to the classical and neoclassical methodologies, as well as that it differs, at least in scope, from the modern, formalist focus of the mainstream (Ekelund and Hebert, 2004, 532-3; Landreth and Colander, 2002, 494; Screpanti and Zamagni, 2005, 479). Backhouse describes Public Choice theory as “close to being heterodox, though not quite deserving of the title” (2002, 316).

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

Landreth and Colander, Screpanti and Zamagni, and Spiegel label a handful of other current groups of thought as heterodox or as departing from the mainstream. Landreth and Colander alone mention Libertarian, Black, and Feminist economics as groups operating outside the mainstream that deserve to be singled out, but that are generally included as an area of specialization under one of the larger heterodox groupings (Landreth and Colander, 2002, 496). As previously mentioned, Spiegel lists Supply-side economics as a "periphery group" that believes Keynesian analysis should be extended from a strictly demand purview to include supply in its discussion of fiscal policy (Spiegel, 1991, 671). Screpanti and Zamagni (2005, 428-45) also list "Games, Evolution and Growth" and "The Theory of Production as a Circular Process" under the heading of its section describing groups on the fringe of conventional thought. The marginal presentation, or more frequently non-inclusion of smaller pockets of nonconventional thought, exposes students to fewer current heterodox groups of thought and consequently does not present to students the range of possibilities.

The accordance of discordant thought

Textbook resources are as plentiful as job postings for historians of economic thought. Increasing formalization means a decreasing need for the history of ideas. In order to capture how authors describe current economic thought of the past half century, the present survey includes history of economic thought texts published during the past 20 years. Restricting the survey to texts published within the past 10 years leaves ten texts to survey, within the past five years, the number shrinks to four, all of which are reprints or new editions of older texts. Sadly, both universities and publishers put few resources into the history of economic thought. The current global economic crisis proves that a teleological approach to the evolution of ideas cannot work; context matters, history matters.

Given the broad mission yet limited space, history of economic thought textbooks typically offer a heavy sampling of orthodox ideas. Current economic thought that might be considered different is either relegated to a catchall chapter, omitted altogether, or mentioned alongside orthodox ideas specifically for the purposes of contrast. While those textbook authors who discuss current nontraditional thought agree which groups are distinctly heterodox – Original Institutional, Post Keynesian, Marxist/Radical – there is general disagreement on the origins, evolution, and impact of these groups on orthodox thought. The Austrians, New

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

Institutionalists, and the Public Choice groups are not uniformly presented across or within history of economic thought textbooks. Authors of history of economic thought textbooks do not present consistent examinations or discussions of dissenting thought in the discipline. [2]

Any presentation method or description ultimately serves to distinguish the conventional approach from dissent and at least hints to students that orthodox thought has not evolved linearly nor followed an inevitable path to its current incarnation. The manner and detail in which discordant thought is presented, however, communicate a perceived significance of heterodox thought in the discipline which varies amongst authors. While important, semantics takes a backseat to the depth of discussion. The objective of a history of economic thought class is to explain the evolution of economic thought and philosophy, but as well to discuss in a consistent manner, the existence and more importantly, the possibility of economic thought that departs from the conventional. Without the empowerment to question the legitimacy of ideas and precepts of the mainstream, the future history of the discipline faces stagnation, staleness, and anachronism of thought. The inheritance, heritage, and future vitality of heterodox economic thought weigh in the balance.

Endnotes

[1] Screpanti and Zamagni also speculate that the resurgence of Sraffian theory in the 1960s freed mathematical economists in the 1970s to enter Marxian theory and by proxy allowed for the resurgence of radical thought writ large (2005, 503).

[2] Fred Lee recently published a book (release date April, 2009) titled, *A History of Heterodox Economics: Challenging the Mainstream in the Twentieth Century*, which – when adopted – promises to serve as the authority on the history of heterodox economics.

Tables

Table 1: **History of Economic Thought Textbooks**

Author	Title
Backhouse	<i>The Penguin History of Economics</i>
Blaug	<i>Economic Theory in Retrospect</i>
Breit and Ransom	<i>The Academic Scribblers</i>
Brue and Grant	<i>The Evolution of Economic Thought</i>
Ekelund and Hebert	<i>A History of Economic Theory & Method</i>
Fusfeld	<i>The Age of the Economist</i>
Heilbroner	<i>The Worldly Philosophers</i>
Hunt	<i>History of Economic Thought: A Critical Perspective</i>
Landreth and Colander	<i>History of Economic Thought</i>
Rima	<i>Development of Economic Analysis</i>
Roll	<i>A History of Economic Thought</i>
Screpanti and Zamagni	<i>An Outline of the History of Economic Thought</i>
Spiegel	<i>The Growth of Economic Thought</i>
Vaggi and Groenewegen	<i>A Concise History of Economic Thought</i>

Table 2: **Chapters/Sections Dedicated to Modern Heterodox Thought**

Author	Separate Chapter/Section
Backhouse	"Expanding the Discipline, 1960 to the Present"
Hunt	"Contemporary Economics II: Institutionalism and Post Keynesianism"
	"Contemporary Economics III: The Revival of Critical Political Economy"
Landreth and Colander	"The Development of Modern Heterodox Economic Thought"
Rima	"Competing paradigms in contemporary economics"
Screpanti and Zamagni	"At the Margins of Orthodoxy"
	"A Post-Smithian Revolution?"
Spiegel	"An Expanded Profession in Search of New Frontiers "

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

References

- Backhouse, Roger E. (2002) *The Penguin History of Economics*, Penguin Groups: London, England
- Blaug, Mark (1997) *Economic Theory in Retrospect*, 5th ed. Cambridge: Cambridge University Press
- Breit, William and Roger L. Ransom (1998) *The Academic Scribblers*, 3rd ed. Princeton, New Jersey: Princeton University Press
- Brue, Stanley L. and Randy R. Grant (2007) *The Evolution of Economic Thought*, 7th ed., Mason, OH: Thomson South-western
- Ekelund, Robert B. Jr. and Robert F. Hebert (2004) *A History of Economic Theory & Method*, 4th ed., Long Grove, IL: Waveland Press
- Fusfeld, Daniel (2002) *The Age of the Economist*, 9th ed. Boston: Addison-Wesley
- Heilbroner, Robert L. (1999) *The Worldly Philosophers*, 7th ed. New York: Touchstone
- Hunt, E. K. (2002) *History of Economic Thought: A Critical Perspective*, Updated 2nd ed. Armonk: M.E. Sharpe
- Landreth, Harry and David C. Colander (2002) *History of Economic Thought*, 4th ed. Boston: Houghton Mifflin
- Lee, Frederic (2009) *A History of Heterodox Economics: Challenging the Mainstream in the Twentieth Century*, Routledge
- Rima, Ingrid H. (2001) *Development of Economic Analysis*, 6th ed. London: Routledge
- Roll, Eric (1992) *A History of Economic Thought*, 5th ed. London: Faber and Faber
- Samuelson, Paul (1990) "Forward," in *The Principles of Economics Course*, ed. Phillip Saunders and William B. Walstead. New York: McGraw-Hill
- Screpanti, Ernesto and Stefano Zamagni (2005) *An Outline of the History of Economic Thought*. 2nd edition, Oxford: Oxford University Press

Wrenn, Mary V. (2009) 'The inheritance of heterodox economic thought: an examination of history of economic thought textbooks',
The Journal of Philosophical Economics, II:2, 78-98

Spiegel, Henry (1991) *The Growth of Economic Thought*, 3rd ed. Durham: Duke University Press

Vaggi, Gianni and Peter Groenewegen (2006, [2003]) *A Concise History of Economic Thought. From Merchantilism to Monetarism*. Palgrave MacMillan

Mary V. Wrenn is Assistant Professor of Economics at Weber State University, Ogden, UT (marywrenn@weber.edu)