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Economic Analysis, edited by Gilbert
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The logo consists of a large, stylized, cursive letter 'R' in dark red. Below the 'R' is a black rectangular box containing the word 'ROSETTI' in a white, all-caps, sans-serif font.

Review of *Handbook on the History of Economic Analysis*, edited by Gilbert Faccarello and Heinz D. Kurz, Edward Elgar Publishing, Northampton, MA, 2018, 3 volumes, 1919 pp, Paperback, ISBN 978-1-78536-131-9

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Andreea Iacobuță

Throughout time, there have been many attempts to rebuild the history of economic ideas. Some of them may nevertheless be considered remarkable. First, we can mention the monumental *History of Economic Analysis*, written by Joseph Schumpeter and published posthumously. Secondly, there is the highly scholarly work of Murray Rothbard, *An Austrian Perspective on the History of Economic Thought*. These two books are remarkable not only in terms of their authors' extraordinary erudition, but also due to their impressive size. However, both works, otherwise quintessential in capturing the evolution of economics, share the disadvantage of remaining unfinished. Their authors' premature death made readers' access to complete works able to convey the history of economic ideas in their entirety impossible. In addition, Murray Rothbard claimed from the very beginning that he intended to describe the evolution of the main economic ideas from the Austrian School of Economics perspective, in other words, by following the way in which the concepts that were to become the pillars of the Austrian school (founded in 1870 by Carl Menger, in Vienna) economists' system of thought. In other words, Schumpeter proposed an unfinished and an allegedly objective history while Rothbard proposed an unfinished, 'subjective' history. (Obviously, if we were to propose other important titles, we would first consider *Economic Theory*

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in *Retrospect*, published by Mark Blaug in 1962. However, this book was not as influential as the above mentioned).

This is the main reason why the book edited by Gilbert Faccarello and Heinz D. Kurz can be considered a remarkable one and, in some respects, superior to those undertaken by Joseph Schumpeter and Murray Rothbard. But there are additional reasons why we may consider this *Handbook* one of the most comprehensive histories of economic ideas ever written. This assessment is based on some fundamental arguments.

First of all, it is the huge amount of information provided by this three-volume work comprising a number of nearly 2000 pages. Despite its impressive size, the information is very well structured thus providing perhaps the most complete perspective on how economists' ideas evolved in time. In addition, the release of the book in 2016 provides readers with the opportunity to have access to important information otherwise missing from Rothbard's, Schumpeter's and Blaug's works. Practically, those passionate about this topic find its complete, exhaustive history between the covers of this work.

Secondly, this complete presentation of the history of economic ideas is due to the way the work was conceived. In a totally different manner from how most books in the field were written, the authors of this work have decided to present their analyses within three volumes, to which many scholars of the evolution of economic science have contributed in various chapters (about one hundred people). The first volume, entitled *Great Economists from Petty and Boisguilbert*, is focused on and derives from the ideas of the most representative economists. Quite remarkably, the authors decided to start with William Petty, and not with Adam Smith, generally considered to be the founder of economic science. This is praiseworthy for those who are well acquainted with the evolution of economic ideas are aware of the fact that the prehistory of this science provided us with brilliant ideas and outstanding authors. In the case of William Petty, we should remember that he was the one to grasp the advantages provided by the division of labor and high population in the process of economic growth. Moreover, today, Petty is considered one of the founding fathers of modern demography. It is also worth mentioning the fact that this work has also highlighted the well-deserved importance of some extraordinary economists, otherwise often ignored in the history books of economic thought: Richard Cantillon and Robert Turgot. In two separate chapters, the authors share some highly valuable ideas of the two thinkers, such as those related to the economic cycle in Cantillon's case, and to the theory of value in Turgot's. Obviously,

the presentation of the main thinkers in economics continues up to contemporary Nobel Prize winners, touching upon both classical and neo-classical economists' work. Obviously, the legendary figures and works of thinkers like Karl Marx or John Maynard Keynes are also included. Each of the economists included in this first volume is described in great detail, providing readers with biographical data, information on their most important works and on the intellectual traditions that influenced them and those that, in turn, were influenced by them.

At a first glance, a presentation of the history of economic ideas by discussing important thinkers, and particularly the fact that this account begins with W. Petty, can be misleading. It is obvious to everyone that the evolution of economic science does not begin with this English economist, but back in Greek antiquity, especially in the Golden Age of Athenian civilization. In addition, the Middle Ages abounds in thinkers who introduced interesting concepts and theories related to the explanation of the economic phenomenon. However, this apparent weakness is offset by the fact that the next two volumes complement the structure of the first one by illustrating the evolution of the main ideas of economic science from the perspective of the schools of thought (volume II) and the broad themes of concern (volume III). Thus, in these last two volumes, the authors of the chapters render the history of economic science since antiquity. Consequently, everything has been captured between the covers of this complete history. In fact, this 'cross' presentation of the history of economic ideas as presentation of the main economists (volume I), of the main schools of thought (volume II) and of the main areas of interest of economists (volume III) by Gilbert Faccarello and Heinz D. Kurz constitutes a genuine, complete history of economic ideas.

Thirdly, the two editors aimed to provide readers with a rather unbiased history of economic thinking, as objective as possible. From the beginning, as Rothbard tried and succeeded, they rejected the possibility of providing a presentation based on a certain perspective. Nevertheless, it is quite obvious to anyone that the description of the world, in general, and of the history of economic ideas, in particular, is filtered by the concepts, preferences, knowledge, and experiences of the one describing it. That is why every thinker sees things from a subjective, personal point of view. In this sense, there is no objective reality beyond the options, visions and conceptions of the person who observes and describes it. The description of history as well as that of economic ideas cannot eliminate the subjective element of the descriptor. Murray Rothbard, a follower of Mengerian subjectivism, perfectly understood this aspect when he entitled his book *An Austrian Perspective on the History of Economic*

Thought. From this point of view, he was as clear and as sincere as possible. However, his approach may have been too restrictive as it presented things from the point of view of the fundamental concepts of the Austrian School of Economics, which seemed too narrow, limited or too subjective. However, Rothbard, a thinker with very strong beliefs, took the risk of presenting a too restrictive history of economic ideas. To avoid this potential danger, the editors of this book have chosen to use multiple views, provided by different scholars, so as to ensure that objectivity could be achieved through the doctrinal heterogeneity of contributors to the greatest possible extent. In other words, they have tried to reach objectivity as an average combining biased positions into a balanced, objective picture of the history of economic ideas. Perhaps this is the greatest achievement of the *Handbook*. From this point of view, those who fear a too sectarian, too subjective presentation of the evolution of economic science, from its ancient origins to the present, are actually faced with a relatively 'cold', 'distant', 'objective' book, which can be regarded as a comprehensive and valuable support for the Economic Doctrines lectures.

Fourthly, one of the virtues of this book derives, above all, from the third volume structure. Nonetheless, because of the exhaustive amount of information and the limited space usually provided to reviews, we will not go into detail. However, the presentation of fundamental concepts as major fields of interest is rare in this area. The overwhelming majority of books devoted to the history of economic ideas rely on presenting historical stages or schools of thought. Sometimes the evolution of economic science appears as a description of the ideas or concepts formulated by various important economists. Therefore, the structure based on areas of interest or research is very rare, particularly due to the difficulty of taking up a particular idea, theory or concept, and carrying out a distinct analysis from origins to present by dealing with the works of many economists, schools of thought, from different historical stages. However, it is this approach which covers the third volume of this book, entitled *Developments in Major Fields of Economics*. It is indeed very difficult for a complex issue such as money and interest, dealt with in the last part of this volume, to be analyzed from Aristotle's, Stiglitz's and Weiss's perspectives. This involves, on the one hand, a profound knowledge of the subject and, on the other hand, a 'division of labor' between those who participated in the conception of this three-volume book.

Thus, we reach the fifth fundamental virtue of the work, the high degree of complexity of analysis and its depth. It is worth pointing out that this quality prevails in all three volumes, especially in the third volume. This would not

have been possible if the work had been written by a single, two or three authors. Over time, the economic science has been dealing with all kinds of issues. Most economists, with their limited knowledge and intellect, were unable to analyze too many topics *in extenso*. Obviously, there are exceptions: Adam Smith, David Ricardo, Karl Marx, Ludwig von Mises, Friedrich Hayek. But a history of economic ideas must embrace all these themes and analyze them in detail, not only from a historical, chronological perspective, but also from the perspective of their actual content, of the validity of the arguments put forward by various authors. Rothbard immediately felt the danger of superficiality in an exhaustive analysis of the history of economic ideas, of the 'themes'; he preferred to limit his analysis to the fundamental themes of the Austrian school: the subjective theory of value, free-exchange, methodological individualism, interest, private property, economic calculation, prices, etc. Schumpeter, on the other hand, proved to be more impatient, thus taking on an analysis of most of the core themes of economic science. But sometimes, his results did not prove to meet expectations, although the book remains a monument of erudition.

In order to avoid this shortcoming, the editors preferred to avoid the dangers of a partial treatment of the themes by including an unusual number of experts in the development of this essential guide to studying the evolution of economic science. In other words, they agreed on a more heterogeneous analysis, based on contributions from different authors, but specialized in elaborating specific chapters or topics in the detriment of a homogeneous one which was obviously simpler, but not as comprehensive. So, what is lost through heterogeneity or lack of homogeneity is gained through analysis complexity and depth. Therefore, we have every reason to believe that the evolution of ideas related to the emergence of economic cycles is better dealt with in the present book than in Schumpeter's or Mark Blaug's. Obviously, this applies both to the analysis of various topics, such as money, interest, capital, and to the presentation of the ideas of the most important thinkers of economic science. Not accidentally, in the first volume, the chapter devoted to Friedrich Hayek belongs perhaps to the best expert in the field, Professor Peter Boettke of George Mason University, editor of the work of the Austrian economist rewarded with the Nobel Prize in Economics in 1974. The allocation of the description of each major economist, of each school of thought, and of an area of interest in the economic science to the best experts enables all chapters benefit from the best possible description; and this means that the overall value of the book is truly extraordinary. Complexity is complemented by density. The authors write very densely, to the point, without digressions.

The value of the work is supplemented by its technical structure, with a detailed bibliography for each chapter and an exhaustive one on the whole. In addition, each chapter refers to other bibliographic sources, to other descriptions; many chapters also include a synthesis in the form of concluding remarks. Of course, a book with such claims could not miss the thematic index and the authors' index, which is mandatory if we take into account its complexity and thus the necessity to ease readers' efforts.

Although this review is limited to general considerations because of the unusual size of the reviewed book, we believe it presents all the fundamental attributes of a book that is essential to studying the history of economic thought. Moreover, it provides a comprehensive and complex history of the evolution of economic science, something that no other book does. That is why the *Handbook of the History of Economic Analysis* will soon become an indisputable guide for universities, in particular, and for the academic world, in general.

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