

History of Economic Thought in the Post Keynesian Tradition *

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1 Introduction

Casual inspection of the Post Keynesian literature, like other heterodox literatures, reveals an extent of reference to historical texts and analysis of these texts which is unusual in modern economics. The purpose of this paper is to provide an account of the part that history of thought plays in Post Keynesian economics, and how history of thought is understood within the school. It will be argued that this understanding does not allow for history of thought to be fitted into dualistic categories, or indeed to be separated off from economics itself. While some have raised issue with Post Keynesian history of thought by means of this attempt at posing distinctions, we will explore here how the Post Keynesian approach to history of thought takes issue with the distinctions themselves.

The discussion therefore begins with a general account of the background of historiographical discussion, bearing in mind the way in which the heterodox economists' use of history of thought is viewed by others. An account is then offered of the organic way in which history of thought is embedded in Post Keynesian economics, looking first at the founding fathers, and then the developing school of Post Keynesians. This account will refer more to the type of use made of, and contribution to, the history of thought, than to the specific content of the relevant history of thought.¹ The paper then considers Post Keynesian history of thought in terms of current categories: how far Post Keynesians draw on history of economic analysis as something distinct from 'pure history', and the relationship between

history of thought and methodology/Methodology in Post Keynesianism. Finally the paper considers the future role of history of thought from the point of view of developing and promoting a particular approach to economics.

2 The Role and Nature of History of Thought in Post Keynesian Economics

We consider here two sets of categories in the historiography literature which have been used to characterise Post Keynesian economics in relation to the history of thought. The first refers to how far history of economic thought conforms to ‘proper’ history, and the second to the relationship between history of thought and methodology.

Discussion of history of thought has at times focused on two categories: intellectual history (IH) and the history of economic analysis (HEA) (see Waterman, 1998, Coats, 2000). The former, according to Waterman, represents ‘an attempt to discover some features of the past as it really was’, while the latter is designed to ‘trace the lines of descent to leading analytical themes in economics and to study intellectual connections between the different lines’, or doctrinal history (Waterman, 1998, 304). One way of putting the distinction is that IH offers a historical reconstruction, while HEA offers a rational reconstruction (Blaug, 1990; Winch, 1998, 355).ⁱⁱ Waterman argued that each form of history has value for economists, and that each can inform the other.

It has been argued by some that history of thought within a heterodox school of thought inevitably falls into the category of HEA. Further, it has been argued that history of economic thought should instead aspire to construct their history as historians do, that is, IH. The argument to be developed here is rather that Post Keynesian history of thought does not fit readily into either category. While history

of thought is pursued primarily to inform modern economics (and thus is not IH), this goal is seen as being best served by building up a historian's understanding of older texts (and thus not HEA). While it may be argued that some of this is done well and some badly, like anything else, the point to be developed here is that Post Keynesian history of thought does not allow for a separation between history and economics in the manner entailed by the IH/HEA distinction.ⁱⁱⁱ It consists of a looking backward in order to look forward.^{iv}

The Post Keynesian approach to history has a long pedigree. It can be found for example in the Scottish education tradition (which formed the likes of Hutcheson, Hume, Smith and Steuart). What we would nowadays call transferable analytical skills were conveyed to students by a historical method of teaching – teaching mathematics, for example by teaching the different forms of mathematical thought as they emerged in different historical contexts. In the Roman/Stoic tradition, the goal was to generate the capacity to address future practical problems, where there was no assurance that the scientific theory suited to the current context would continue to apply. This in turn involved a particular, analytical, form of history:

The distinctive nature of the theory of history . . . may be found in its scientific temper and emphasis on economic forces as fundamental to historical and sociological investigation. The particular feature of this contribution . . . [may be] . . . that of finding principles which reduce the apparent chaos of history to order and thus enable us to understand our *present* condition (Skinner, 1965: 22, emphasis in original).

Why this historical approach should have been adopted by Post Keynesians will be explained further in section 4 in terms of Post Keynesian methodology.

A Post Keynesian analysis of historical texts may well differ from other readings. This has also been a source of criticism, since this reading is seen to involve methodological judgement (while others, by implication, do not). The second set of categories we consider here, therefore, is Weintraub's (1989) distinction between 'Methodology' as a prescriptive exercise and 'methodology' as an interpretative exercise. Weintraub associates various schools of thought, including Post Keynesianism, with employing Methodology with respect to their reading of orthodox economics. The implication is that descriptive 'methodology' is not only desirable, but also feasible. In particular, the argument implies, not only that historians can make interpretations without methodological judgement, but also that it is heterodox economists like Post Keynesians as a group, as opposed to orthodox economists as a group, who fail to be neutral. The most clear exercises in HEA in fact can be found rather in orthodox economics.

In fact, some of the clearest examples of imposing modern concepts on interpretation of historical texts can be found in orthodox economics. Arrow and Hahn (1971) for example saw themselves as completing Adam Smith's project of formulating a system of market co-ordination, while Lucas (1980) saw himself improving on Keynes's theory of expectations by applying modern techniques. Neither gives evidence of having based his efforts on a reading of the original texts, or an attempt to understand them purely in terms of the context in which they were written.

But in any case a misleading dual is being put forward, this time between description and prescription. It is itself a Methodological judgement that history of thought can be divided into IH and HEA, where IH is concerned with historical 'facts' and the maintenance of 'standards' by particular criteria, while HEA is concerned

with imposing a prescriptive interpretation on the facts and thus departing from the standards of good history. Prescribing IH and proscribing anything else as HEA (as diluting ‘standards’) would therefore involve historians of thought themselves in engaging in Methodology. Indeed, the advocacy of IH as an account of the facts independent of modern concerns, and the reference to ‘standards’, bear an uncomfortable relation to positivist Methodology. It is now conventional in the methodology literature to accept that any one set of standards is contestable. In particular, the Post Keynesian approach to history sets standards just like any other approach.

In fact, within history itself, as much as in the economic historiography literature, there is much discussion about interpretive issues (see for example Tully, 1988). While a historian may strive for the best interpretation, taking on board an interpretation of the context and intentions of the author, it is a widely-held view that there is generally scope for a range of interpretations to be defended. Similarly in the history of economic thought, the science studies literature emphasises the scope for different interpretations (see for example Weintraub, 1999). It would seem that a Post Keynesian’s interpretation of history of thought could reasonably be understood in these terms, just like any other interpretation.

This is not of course to argue that Post Keynesians are not open to criticism in their history of thought, any more than anyone else is. If the criticism is that many Post Keynesians do not engage in history of thought in the form of archival research, then it is well-taken, but many do so engage. However, if the criticism is that Post Keynesians fall on the ‘wrong’ side of an IH/HEA divide, or that Post Keynesian efforts at IH suffer from bringing a particular perspective to bear, then that criticism is itself laden with a contestable methodology. Further the idea of one ‘best’ way of

doing history of thought seems to entail a puzzling contradiction with the modern science studies approach, which allows for a range of focus and thus of interpretation.

We will return in section 4 to explore further the reasoning behind the Post Keynesian approach to history of thought. But first, in the next section, we provide some evidence of how Post Keynesians actually use, and contribute to, history of thought.

3 History of Thought in Post Keynesian Economics

3.1 History of Thought and the Father-figures of Post Keynesian Economics

The two primary father figures of Post Keynesian economics are Keynes and Kalecki. There is some dispute as to whether or not neo-Ricardian economics, inspired by Sraffa, forms part of Post Keynesianism.^v This question is relevant for the current discussion since I would argue that the appropriate means of delineating a school of thought is methodological, with direct implications for the treatment of history of thought. These implications are addressed in section 4 below. But the continuing influence from two or three founding fathers whose approaches had significant differences reduces the canonical influence of any one of the three; the relations between each approach is a matter for periodic debate, involving reference to contextual history.

It is important for considering the use made by the three figures of the history of thought in the development and presentation of their economics that they were actively engaged also in history of thought, often published separately from their theoretical contributions. Keynes's Essays in Biography is a clear attempt explicitly to focus on the context of the writing of such key figures as Malthus, Jevons, Marshall and Edgeworth. Further, his interest in original texts and his concern to make sense of

them, is evidenced by his discovery with Sraffa of Hume's (1740) Abstract, and their new interpretation of its origins set out in the introduction to the reprinting which they organised in 1938. Sraffa similarly has credentials in the history of thought from his editorship of the multi-volume Works and Correspondence of David Ricardo (Sraffa, ed., 1951), with scholarly introduction. Kalecki also contributed to the history of thought, on Marx's reproduction schemas and on Tugan-Baranovsky and Rosa Luxemburg (Kalecki, 1990-7, vol. 2), and with a short piece on historical materialism and a number of biographical reminiscences (Kalecki, 1990-7, vol. 7). It could be argued that each brought his own agenda to what otherwise seems to fit in to the IH category (see for example Waterman's, 1998, discussion of Keynes on Malthus). But even those who explicitly aspire to as much objectivity as possible in pursuing IH accept that it is impossible, and indeed not necessarily desirable, to avoid bringing additional knowledge^{vi} to the exercise (see for example Winch's, 1998, discussion).

In developing their theories, all three presented their work in awareness of the history of thought and their place in it; in that sense the separation between history of thought and theory development was by no means complete. As well as presenting his General Theory in contradistinction to the prevailing theory, Keynes also located it in relation to the work, for example, of Say, Malthus, Locke and Hume. At the same time, Keynes emphasised the need for theory to fit the context. In the original drafts of the General Theory, he presented his monetary theory of production in terms of a stages theory of history, with the co-operative economy giving way to the entrepreneur economy (see Rotheim, 1981). Keynes's focus on the history of economic thought was thus only one aspect of a more generally historical approach. Sraffa too located his theory within IH (see Brewer, this volume). Indeed the three

key figures saw historical understanding as part and parcel of their economics, not as something separable.

3.2 History of Thought in Post Keynesian Economics

While Keynes, Kalecki and Sraffa were not unusual for their time in their awareness of, and interest in engaging with, the historical development of economic thought, the disciplinary context has changed during the subsequent period in which Post Keynesian thought developed. But Post Keynesians retained a strong historical sense, in marked contrast with most of orthodox economics.^{vii} Robinson (1979) for example, as well as locating her theory historically, displayed an awareness of historiographical issues. Eichner (1979) traced the influence from Keynes and Kalecki to later thought. Indeed, there have been several attempts to survey Post Keynesian economics, and the approach characteristically adopted is to trace Post Keynesian ideas in terms of the context of their development (see Hamouda and Harcourt, 1988). King's (2002) forthcoming history of Post Keynesian macroeconomics is an important development, as the first comprehensive attempt to present a history, starting with the father figures, and then tracing the subsequent development of ideas as history, referring to context and authors' intentions.

All schools of thought have texts which refer to the development of the paradigm. But what is notable about Post Keynesian economics is that this is not confined to histories or surveys. It is also evident in the main Post Keynesian texts. Davidson (1972, 1994) makes explicit textual reference to the antecedents of Post Keynesian thought and specifically the different interpretations of Keynes. Similarly, Arestis (1992) and Lavoie (1992) refer extensively to older texts as they trace the different developments of ideas which underpin the theoretical structures they build up in their texts. These are not 'histories of thought'. Nevertheless, by relating ideas

offered by a range of economists over the twentieth century, and drawing out those most relevant to what is seen as important for the present day, they are not simply ‘using’ history of thought as something taken off the shelf. Nor can this practice be classified simply as HEA, as opposed to IH, as in sustaining a canon. While the context of the use made of history of thought is modern theoretical development, the way in which older works are referred to displays an awareness of the context in which they were written, and in turn can be said to contribute to our understanding of the texts.^{viii} Indeed many leading Post Keynesians publish history of thought as such, alongside work focusing more on modern theoretical development.^{ix}

The publication of Keynes’s Collected Writings spawned a wide array of histories of Keynes’s thought which are more clearly in the IH mould, tracing the development of Keynes’s thought and the interrelations between the different pieces of work. This has been most notable in terms of Keynes’s philosophy as set out in the Treatise on Probability, and its implications for his economics. Inevitably debates have occurred over the representation of Keynes’s thought, for example how far there was continuity (see Carabelli, 1995) and how far discontinuity (see Bateman, 1987). There have been differences of opinion too on the applicability of this historical material to modern issues.^x

Perhaps the best work to represent the relationship between Post Keynesian economics and the history of thought is Chick (1983). In this book, Chick discusses the development of Keynes’s General Theory in his own terms, and in terms of the economic and intellectual context in which he wrote, and discusses his macroeconomics in relation to modern macroeconomic problems. The very explicit attempt to enhance our understanding of Keynes’s work by study of a text in the context in which it was written seems to point to IH. But the deliberate attempt to

discuss Keynes in relation to modern problems, sometimes to demonstrate his relevance, sometimes to point out areas where Keynes's theory needs to be modified or developed along new lines, seems to accord more with history of economic analysis. But the exercise is something more than IH or HEA.

As Chick puts it herself:

This is not a book in the history of economic doctrine as such, which is concerned with illuminating the author's point of view as brightly as possible on his own terms. I hope at several points to have done that, though I do not claim that this book reveals 'what Keynes really meant'. It is obviously important when reading anyone to use one's sympathy and intuition to understand him or her to the best of one's ability. That effort, and basic respect, is necessary even to make effective criticism The question of relevance ultimately dominates the book, whether evaluating Keynes's ideas vis-à-vis those of his predecessors and their modern representatives or the applicability of his ideas to the present (Chick, 1983, vii).

Another exemplar is the two-volume exercise, organised and edited by Harcourt and Riach (1997), attempting to make up for the fact that Keynes never wrote the intended second edition of the General Theory. The contributors were asked to construct 'accounts, based on whatever evidence was available and whatever speculation seemed reasonable, of what they thought Keynes would have written in, say, 1938 or 1939' (vol. I: xiv) and also to outline developments from Keynes's own thought in the post-war period. This exercise clearly required a detailed understanding of Keynes's thought in the context in which it was developed and published. Indeed,

since several contributors chose to write ‘as’ Keynes, an unusual effort was made to understand both the intentions and context of Keynes. This part of the exercise was then combined with an account of post-war developments in thought inspired by Keynes, which required both the capacity to understand the significance of the changing context, and the capacity to recognise where Keynes’s theory needed modification and further development. This exercise is neither pure IH nor pure HEA.

Perhaps a particular example from this exercise might serve to explain further what is involved. The process of producing the contribution to Harcourt and Riach (1997) on endogenous money (Dow, 1997) started from the conventional association of Keynes with an exogenous money supply assumption. Yet a more careful reading of the *General Theory*, approached from the perspective of the wider body of Keynes’s work on money and banking, of the nature of the banking system at that time and of the prevailing contemporary discussion of monetary policy, revealed a very different interpretation. This exercise, approached as history, was shown to have implications for modern economics, taking account of how the environment has changed since the 1930s. In particular, Keynes’s account of how money is generated was shown to have included a discussion of the liquidity preference of banks. This concept, adjusted in order to apply to a modern banking system, has now contributed to the modern debate over the relationship between liquidity preference theory and endogenous money theory.

Having attempted to demonstrate, through a brief account of the literature, the Post Keynesian approach to history of thought as integral to economics, we now consider further the reasoning behind the approach.

4 History of Thought and Post Keynesian Methodology

This section explores what it is about Post Keynesian methodology which gives Post Keynesian history of thought its particular character.

The first issue is the very notion of a school of thought. Weintraub (1989) draws the distinction between methodology as an interpretive activity (which is integrally related to the history of thought) and Methodology as the grounding of interpretation in some external principles of theory appraisal. The issue of the role of methodology in general in relation to history of thought in general has been widely debated (see for example Coats, 2000, and the Backhouse, 1992, and Weintraub, 1992, exchange). But there is a specific issue when it comes to schools of thought. Weintraub identifies schools of thought such as Post Keynesianism, Marxism and neo-Austrian economics as engaging in Methodology when they juxtapose their theories to those of the mainstream orthodoxy, because they are applying appraisal criteria to orthodox economics which are external to that approach. These criteria are seen to colour Post Keynesians' reading of the history of thought.

Post Keynesians explicitly do not see themselves as offering a critique with the aid of some absolutist external Methodology, but rather from the perspective of an alternative methodology. It is a preferred alternative, and reasons are given for that preference which derive from practice, but there is no claim to demonstrable truth. It is a matter of paradigms, where each paradigm develops its own vision of reality. Inevitably this vision colours interpretation of text as well as context. But this does not preclude Post Keynesians from the interpretation of texts from alternative paradigms according to their own, different, visions of reality. Thus for example Lawson (1997) aims to clarify neo-classical economics in terms of its context and intentions. It could be argued that, nevertheless, he is offering an interpretation from a

critical realist perspective. But, because of the social structure of the discipline and the social nature of knowledge, any historian of thought has some methodological priors which conform more or less closely with some paradigm or another. Indeed, as we have seen, the very notion of a sharp divide between IH and HEA is itself methodologically laden.

It was the formation from the 1960s and 1970s of a grouping of Post Keynesians around various institutional arrangements which indicated the emergence of a distinctive school of thought. It was characteristic, particularly of the early Post Keynesian texts, to explain how Post Keynesianism differed from the prevailing orthodoxy. This was necessary not least because the methodology of the orthodoxy, backed up by whig history of thought, carried the strong implication that the market in ideas had already identified the best approach. Starting from Keynes's own expressions of differentiation from the orthodoxy prevailing in his time, these markings-out of Post Keynesian territory proceeded with an account of how thought had developed since then, with an awareness of changing context. Since the differences stemmed from the ontological and epistemological levels, it is not surprising that the arguments should be expressed at these levels as well as at the level of practice. If practice is embedded in a particular ontology and epistemology, then to refer to these levels is not going 'outside' practice. This is an insight which owes much to the historical study of Keynes's own theory of knowledge under uncertainty, but which also appears in the more general historiography literature (Arouh, 2000).

While methodological awareness was always evident in Post Keynesian economics, the analysis of methodology has increased immeasurably since the reissuing of Keynes's Treatise on Probability in 1973. The reissue provoked an extensive study of Keynes's epistemology, in the context in which he developed it,

and seeing how it underpinned his approach to economics, Post Keynesians were able to build up a coherent account of their own ontology, epistemology and methodology. Recognising the difference in the modern context from that in which Keynes was writing, much of this literature considers how best to develop Post Keynesian methodology in a modern environment. As Pullen (1998) points out with respect to Malthus, so also with Keynes, the carrying forward of ideas to address practical modern problems can even be in tune with the original intentions of the author.

Post Keynesian economics adopts a historical method in the sense that, since the purpose of theory is seen as being to inform practical issues, a preference is expressed for theory to be designed to fit the context at hand. Since social systems (both individual behaviour and institutional structure) evolve, it is quite likely that theory will be different for different circumstances. Studying different (historical) contexts and the theories developed to address them helps economists to build up the judgement necessary for developing theories appropriate to new contexts.

Theory choice involves trade-offs: Post Keynesians trade off elegance and certainty of conclusions against the capacity to mould theory to different realities. By focusing on a context rather than an axiomatic structure, Post Keynesians choose to employ a range of methods which are not necessarily formally commensurate in order to build up some knowledge (with uncertainty reduced as far as possible). It is this plurality of method which lends Post Keynesianism its diversity; it is a conscious methodological choice, with the choice of methods constrained only by the shared ontology of the school of thought.^{xi}

This epistemology colours the role of the history of thought in Post Keynesian economics in a variety of ways. History of thought is no more separable as an activity than econometrics, for example. Second, by building up knowledge of past debates,

modern economists enhance their understanding of the significance of the Post Keynesian line of thought. Third, history of thought plays a constructive part, by informing modern economists of the choice of methods and theories made by their forebears in different circumstances. The wider the knowledge of other contexts, the greater the capacity to develop the art of choosing methods and theories appropriate to the problem at hand.

The epistemological implication is that it is not the purpose of economics to identify law-like behaviour to underpin theories for widespread application; some theories may suit some contexts well but not others. Theories are indirect knowledge held with uncertainty about an economic environment conditioned by the presence of uncertainty. Theory does not inevitably progress, but may be identified as taking ‘wrong turnings’ (from the perspective of a particular paradigm). Judgements may be expressed about theories as being more or less suited to a particular context, and good reasons presented for these judgements, without any claim to absolute truth.

From this perspective, the historian of thought is no different from anyone else in approaching a body of work from some perspective or other. The best that can be done is for that perspective to be made explicit so that their own texts may be read accordingly. It need not be the author’s perspective. Thus, for example, Sent’s (1999) account of Sargent’s work provided an assessment according to Sargent’s own criteria – but there was a range of possible criteria which could have been applied. But there is no such thing as pure description. There are numerous debates in the history of thought since, no matter how good the intentions of the historian, there is no neutral ground from which to survey the scene. Even among contemporaries of the author under study there may well be different interpretations according to their differing perspectives (see for example Dow, forthcoming, b).

Interpretation plays its part in the creation of the reality we study. The substantive, epistemological, role of history of thought in Post Keynesian economics has been addressed by Chick (1999) in her commentary on Niebyl (1946). In the context of the development of classical monetary theory, Niebyl points to the three inter-connected levels at which history is important: the history of production, the history of institutions and the history of ideas. In the area of monetary theory all three can be seen to play an active part in reality: ideas shape institutions which shape production which shapes ideas and so on. Thus the thought about which histories are written is not simply the end-product of the intentions and context of the author – it goes on to affect real economic developments.

The way in which history of thought is written may influence how economists understand reality (see Weintraub, 1991). Further, in a social system, epistemology itself can actually change the reality we study. In modern times, for example, the thinking behind the Maastricht Treaty has had real consequences for institutions and economic developments. Niebyl shows how problems arise when the three levels get out of phase – when institutions are introduced to suit a reality which no longer exists, for example. Thus, while it is important to consider the genesis of ideas in their context, the ideas then take on a life of their own which requires further study. These ideas taken out of context, perhaps, by subsequent theorists, still constitute the subject matter of the history of thought.

One substantive implication of the specification of Post Keynesian epistemology and methodology^{xiii} is that it serves to define the school of thought. This kind of specification is a retrospective exercise, trying to tease out from the relevant texts what it is that Post Keynesians have in common. It involves application of new knowledge about Keynes's philosophy, explored particularly in the light of new

developments in economic methodology (see Lawson, 1997). While this might seem to be a clear indication of HEA rather than IH, it in fact exposes the problematic nature of the very concept of 'modern' frameworks, as applied to history. It is not just that many modern ideas are reinventions of older ideas. But it is further that a new framework of ideas can sometimes help us, as historians, to see new facets of well-thumbed texts. In any case, there is the issue of the origins of the apparently new framework. Critical realism, for example, can be shown to have much in common with Hume who, while far from being acknowledged as an influence on critical realism, nevertheless can be seen to have anticipated much of its implications (Dow, forthcoming,a).

5 Conclusion: The Future Role of History of Thought for Post Keynesians

It might be thought that, once the historical texts have been thoroughly pored over and the definitive histories written, Post Keynesians will in the future pay less active attention to the history of thought. After all it is a relatively young approach, which may now be said to be maturing nicely. Post Keynesianism has gone through the stage of differentiation from the orthodoxy in terms of content, and in terms of methodology, has had its history documented and could now be said to be free to get on with addressing modern issues of theory and policy.

But the distinctive Post Keynesian approach is such that Post Keynesian analysis will continue to be imbued with history. It is not just a matter of locating Post Keynesianism in relation to other approaches, but a matter of how knowledge relevant to policy issues is constructed. If theory is particular to context, then the more we know of different contexts and the theories developed to apply to them, the better able we will be to develop theories to apply to new contexts as they emerge.

Post Keynesian history of thought is thus something other than what is entailed in the dualistic application of the categories of IH/HEA, or methodology/Methodology. It is an attempt to understand the history of ideas in terms of the context in which they developed, but with the goal of informing modern theory development. Post Keynesian history of thought is not history for its own sake. But even history for its own sake cannot escape bringing some perspective to bear on interpretation. Indeed the modern historiography literature discourages any notion of identifying the one true interpretation of any text. Historians of thought who are not Post Keynesians may not accept a Post Keynesian interpretation of a text because of a difference in perspective. But that in itself does not rule out Post Keynesian history of thought as history – confined to the concepts and concerns of the period of the text. Rather it should invite debate and generate further enlightenment for all concerned to be aware of readings of texts from a wider range of perspectives.

The key underlying issue is how far history of thought is separable from economics, an issue highlighted by Boettke's distinction (this volume) between producing and consuming history. It seems to be the integration of history of thought into Post Keynesian economics which for some is a major source of misgiving. The two may indeed be seen as separable from the perspective of different epistemologies; history of thought may then be seen as something which can be picked off the shelf. But it must be recognised that such an epistemology is, historically, an aberration. The norm before the ahistorical formalism which came to dominate in the second half of last century was for history of economic thought to be integral to economics.

But in any case, if history of thought is to be used as input to modern economics, the lack of any basis for definitive, externally-validated interpretation cannot be ignored. What is picked off the shelf would embody some interpretive

perspective or other. The discipline of history is no more immune from differences of perspective than economics. Indeed it is important for the basis for different interpretations to be brought to the surface, examined and debated. It is particularly important for Post Keynesians to have a well-reasoned historical interpretation of texts, backed up by a detailed knowledge of the context and intentions of the author, if history of thought is to contribute case studies as input to future theoretical development. Nor is it reasonable to associate such a view with dilution of standards. For Post Keynesians, history of thought is not just an intellectual exercise; it really matters for modern economics, and the design of policy and institutions, that history of thought is done well. To advocate instead the excising of history from economics, and to devolve to others the task of interpretation, is to risk further undermining the liberal intellectual project as far as economics is concerned.

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ⁱ An excellent history of Post Keynesian (macroeconomic) thought is due to be published shortly by Elgar (King, 2002). Post Keynesian reference to past thought is embedded in this account.

ⁱⁱ In Lakatosian terms rational reconstruction involves constructing an account of theory development according to a set of methodological principles which may or may not have been part of the intention of the authors concerned.

ⁱⁱⁱ This is not to say that the IH/HEA distinction is not useful, if not treated as all-encompassing duals. Indeed, Gerrard (1991) has argued that much of the confusion in the literature interpreting Keynes arises from a lack of clarity as to whether or not modern categories and preoccupations are being applied. We will therefore refer to the distinction in what follows.

^{iv} I am indebted to Victoria Chick for this way of putting it.

^v See Harcourt and Hamouda (1988), for an inclusive approach, but see Minsky (1990) for an argument that Sraffa is incompatible with Keynes, and Halevi and Kriesler (1991) that he is incompatible with Kalecki. Roncaglia (1995), a neo-Ricardian, has in turn suggested that the Sraffian approach should not be considered as part of Post Keynesianism.

^{vi} The word ‘knowledge’ is used here not to refer to ‘true’ knowledge, but to the knowledge carrying greatest weight, in the Keynesian sense of the term.

^{vii} Reference to history of thought is also common in other heterodox schools of thought, and in other social sciences, such as sociology and political theory.

^{viii} An example is the new understanding of the precautionary motive for the demand for money, which differs from that stated by Keynes in the *General Theory*. But the development of this new understanding has led in turn to a new understanding of Keynes’s work (see for example Runde, 1994).

^{ix} A recent example is Pasinetti’s (2000) critique of neoclassical theory of growth and distribution, which offers a history of the development of ideas in the field. It contrasts notably with the companion article by Solow (2000) which provides a

somewhat ahistorical account of the neoclassical theory of growth and distribution. The fact that Pasinetti's history is offered under the heading of 'critique' may raise doubts among some as to its credentials as 'intellectual history'. Section 3 is designed to address this issue.

^x Carabelli (1988) and O'Donnell (1989) explicitly distanced their historical work from any direct application to modern economic issues, unlike Lawson (1995) and Gerrard (1995).

^{xi} Other heterodox schools of thought also tend to adopt pluralism of method. But because each school is defined by its ontology, the range of methods employed differs from school to school.

^{xii} See Dow (1998, 2001) for fuller expositions.