

José Luís Cardoso and Michalis Psalidopoulos (eds.). *The German Historical School and the European Economic Thought*. London & New York: Routledge, 2016, 235 pp., paperback, ISBN 978-1138940505

German prewar lineages of economic thinking have recently received renewed attention from research on the history of economics. This interest is expressed by initiatives such as the relaunch of *Schmollers Jahrbuch* in 2008 as *Journal of contextual economics* and the series “Contributions to the history of German-speaking economics”¹. A common denominator of these initiatives is the rejection of the reductionist tenet that German prewar economic thought was “plagued” by nationalism and resistance to economic theorization. By means of this collective volume on the dissemination of the GHS in Europe, J. L. Cardoso, M. Psalidopoulos and the authors of the individual “national” chapters make a relevant contribution to this effort, as the book fosters international comparisons and allows for a better assessment of the impact of the GHS outside Germany.

It is possible to divide the twelve national case studies into two large groups, the first of which, corresponding to Austria, France, Belgium, the Netherlands, Italy and Sweden, I would name “developed receptions”. According to the respective authors, these assimilations tended to be more critical and less immediately mediated by the intention to overcome economic backwardness through economic policy, as the development lag between Germany and these countries at the end of the 19th century was not extremely large. However, economic policy and ideology did play a significant role in some cases and differences among national receptions should not be ignored. The Austrian case is examined by means of two individuals – T. Inama-Sternegg and C. Grünberg – who are characterized, respectively, as an empiricist, close to the socialists of the chair, and a “*Kathedermarxist*”. The French reception is marked by a contrast be-

tween circulation – translations from German were abundant – and effective incorporation by the local production, which was mostly liberal and reluctant to accept the historical method in economics. A similar argument applies to the Netherlands, except for the appointment of W. Treub in 1896, a historicist who became part of the Dutch “academic establishment”. In Belgium, there was a relatively more conscious reception, particularly by E. de Leveleye, portrayed as a “fellow traveler” of the *Kathedersozialisten*. In the Italian case, only two economists really defended the GHS – V. Cusumano and F. Lampertico – and there was no “Italian HS”, but “a school” existed in the sense that economists partially supporting the GHS shared the same view on the role of the state in the promotion of economic growth. The chapter on Sweden focuses on eight scholars going to Germany to study: only three of them (J. Leffler, P. Fahlbeck and G. Steffen) were influenced by the historical method, whereas “the policy message” of the *Verein für Sozialpolitik* influenced all of them.

I would put the remaining countries – Spain, Portugal, Greece, Russia, Turkey and Bulgaria – under the second heading: “catch-up receptions”. The common feature here is the urgency of economic development as an issue to be tackled by the state, for the countries were peripheral compared to emerging industrial powers such as Germany. Maybe the most fragmentary reception among these took place in Portugal, where economists “picked up useful bits” from the GHS and received the “message of *Kathedersocialism*”, producing a “mélange” characterized by the propensity to value relativism and eclecticism as a method for the study of societies. In Spain, on the other hand, there was a more conscious assimilation

¹ See the series “Beiträge zur Geschichte der deutschsprachigen Ökonomie” published since 2013 by Metropolis Verlag.

of Listian protectionism (particularly in Catalonia) in the 19th century; in the early 20th century, “German neo-historicism” and *Finanzwissenschaft* effectively influenced Spanish economic modernization. In Greece likewise, economic research was “invariably tied” to policymaking (money, industrialization, public finance) and the reception of the GHS “marked the shift” from markets to government as a strategy towards reforming the country. The Turkish initial assimilation, dubbed as “naïve *Historismus alla Turca*”, was an expression of discontent with liberal economics; German economists exiled in Istanbul, who were however not very close to the HS, built a less naïve channel of transmission during the 1930s. This presence of German scholars among local academic staff was also noticeable in Bulgaria, where the GHS influenced economic policymakers and fostered the production of historical studies. The effective elaboration of historical monographies marked the appropriation of the GHS in Russia as well, where empiricism and compared economic history thrived in academia, while Listian protectionism dominated the policymaking agenda.

The book presents a diverse mosaic of national assimilations, which definitely adds to our knowledge about the GHS and about other European traditions of economic thought. However, being a mosaic is also a weak point, as the volume lacks coherence in some aspects. One that deserves special attention is the distinction between the GHS and other German lineages of economic thought. Categories such as “*Kathedersocialism*”, “state socialism”, “neo-historicism”, “policy message of the *Verein für Sozialpolitik*” are all used to characterize aspects of the HS and, most importantly, are often employed without a precise definition. In the introduction, the editors argue against the expression “socialists of the chair” because it associates “German economists” with socialism, a doctrine they did not advocate. Indeed, this derogatory category is not defensible: liberal thinker H.B. Oppenheim created it in 1871 to attack the ethical approach to economics in Germany. Nevertheless, most of the chapters do employ “socialism of the chair” in many contexts. The reader has there-

fore the impression that German prewar economic thought in the 19th century, the GHS and the defense of active social policy were more or less the same thing, which is not true.

In a word, the volume lacks satisfactory exploration of the boundaries – and eventual connections – among three objects: German prewar economic thought in general, the GHS and the group associated to a social-reformist approach to public finance (*Finanzwissenschaft*), for which the designation “state socialists” seems more appropriate than “socialists of the chair”. For example, W. Röpke, an exiled in Turkey and founder of ordoliberalism, had contact with the GHS in his academic training, but apparently did not contribute to the dissemination of historicism, as he was a liberal with Austrian theoretical leanings. The very influential A. Wagner was, in his turn, a Prussian conservative and proponent of *Finanzwissenschaft*, albeit a critic of the historical method. Among historicists, B. Hildebrand and K. Knies were liberals in the 1848 tradition, whereas Schmoller was close to Wagner in his defense of the central economic role of the state. The analysis of the ideas of these authors, historicists or not, definitely enriches the book, but their affinities and disagreements with the GHS could have been explored more carefully and coherently. In H. Hagemann’s words in the “Concluding remarks” (p. 232), some of the assimilations presented have more “the flavor of ‘German influences’ than of a precise analysis of the diffusion, impact and legacy of the GHS”. Lastly, the unexplained absence of a chapter on the dissemination of the GHS in the British Isles can be seen as a weakness, as it seems to implicitly endorse the thesis that the GHS and “German prewar economics” in general were radically opposed to the economics done in Britain. These problems notwithstanding, the history of economics community will certainly benefit from this multifaceted volume that results from great collective effort and represents an essential contribution to the history of the GHS and its European diffusion.

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