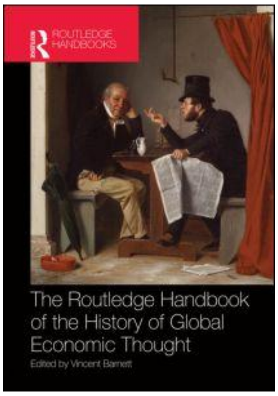

Routledge Handbook of the History of Global Economic Thought

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Conclusion

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Conclusion

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What can be concluded from the rich tapestry of economics within nation-state boundaries that has been documented above? The most obvious conclusion must be that 'economics' is still not an entirely homogenous subject, either in its contemporary manifestation, and even more so throughout its long history. Although it will now be evident to readers, having reached this conclusion at the end of the volume, that authors with a wide range of perspectives were deliberately chosen to write the individual chapters, this on its own does not wholly explain the degree of variance that has been presented.

Two basic and opposed positions have been articulated. Those that see (mainstream) economics as a universal and increasingly international phenomenon (e.g. William Coleman on Australia and New Zealand and Roger Middleton on England), and those that see national particularities as being very important as limiting or determining factors in setting what 'correct' and/or 'useful' economics is/should be seen to be (e.g. Veronica Montecinos on Spanish-speaking South America and Zagros Madjd-Sadjadi on China), at least for the specific countries in question. These are not necessarily the only/absolute positions that are possible, there are intermediate/median stances between the two opposite poles that have been well articulated (e.g. Renee Prendergast on Ireland and Patrice Franko on Brazil). But does this lead to anything more than: you pay your money and you take your choice (anything goes, regionally speaking)? As merely the editor of this volume, I cannot provide a definitive answer.

However, in addition to the international diversity of economic understandings, what has also been documented is the growing influence of mainstream economics over the last century or so in many different parts of the world, and the increased institutionalization of economics in university departments, think tanks, government bodies and other institutions. Much of this has been mainstream Western economics, but certainly not exclusively so. An ability to creatively adapt mainstream economics to local/national conditions has also been demonstrated in some instances. But the precise nature of this 'influence' should be clearly specified: it is of course mainly influence within ruling elites, and less so amongst the general population. And as Middleton rightly implied, the globalization of economics that has occurred after World War Two should more accurately be described as its 'Americanisation/internationalisation'.

Roger Backhouse has convincingly argued that after World War Two, economics became much more international, with the result that 'the nationality of economic ideas has become harder than ever to pin down – there is a real sense in which it has become a meaningless concept. Economic ideas have become essentially international' (Backhouse, 2002, 307). If by 'economic ideas' Backhouse means 'mainstream textbook-style economics' then there is certainly a large element of truth in his assertion. But such a view has some difficulty in explaining the contemporary Chinese paradox: how has a Communist-controlled economic ideology assisted in creating one of the fastest-growing export booms in world history? What about the success of the Asian Tiger economies, where conventional neoclassical economics has exerted little influence on state development policy? How is 'internationalized economics' relevant to a country/region that has no or few formally-trained economists, as was seen in the case of Mozambique and Angola under 'Marxist' control? And how is it possible to explain the acceptance of large levels of quantitative easing (QE) in the US economy after 2008, an idea which was not really part of 'American/international' economic discourse before this time?

One answer is found in Backhouse's own idea of 'subtle differences between different types of socialist and capitalist systems' (310). But if there are different types of capitalism, might there then be a need for different variants of economics which are adapted to the different geographical regions where the distinct types of capitalism are situated? If so, then economics might not quite be as universal as some would have us believe. The case of QE is instructive. QE was a policy first pioneered in Japan in 2001 in response to its own unique economic circumstances, which was then adapted after the onset of the Great Recession for use in other Western countries. This was brought out in the chapter on Brazil, where the effect of US QE on other countries was considered. The national/international paradox is also highlighted by the dual role of the US currency. The American dollar is a national currency, but it plays an international role as a global reserve currency. The US economy has been dealing (or not dealing) with the consequences of this dual role for some considerable time.

Another question raised in the introduction was Joseph Schumpeter's idea that national differences were more apparent in economists' general social philosophy rather than in their technical analysis. In one sense this has been confirmed across this volume, with significant differences in underlying world-views sometimes remaining in specific countries over long periods of time, alongside a greater homogenization in what is taught as 'economics 101' in universities across much of the (Western) world. But in another sense the range of chapters that have been presented demonstrate that the reality is more complex than this simply dichotomy. For example, 'technical economics' has been employed by those promoting development in the Asian Tigers but to foster a state-assisted industrial policy that is very different from the type of approach usually advocated by mainstream economists in the West, where a more *laissez faire* attitude to development is widespread. Thus, technical economics can be used for a variety of ends depending on the underlying social philosophy that is prevalent in any given country/region.

An apt way to express this duality might be to say that economics is sometimes international in its methods and techniques, but simultaneously national in its uses and applications. As J.M. Keynes concluded, economic theory is not a body of settled conclusions applicable to policy: instead it is 'a method rather than a doctrine, an apparatus of the mind, a technique of thinking, which helps its possessor to draw correct conclusions' (Keynes, 1922, 856). How such 'techniques of economic thinking' are applied in specific national/regional contexts often depends at least in part on factors outside what is conventionally defined as economics, and the 'correct conclusions' that are drawn are sometimes conceived by those making the deductions (or experiencing the consequences of them) as correct national/regional conclusions.

Instead of offering further general conclusions, it is illuminating to finish with a very specific example of the international dissemination of economic ideas that is especially intriguing: the

1935 Russian (Soviet) edition of Adam Smith's *Wealth of Nations*, which was published in two volumes in 'Moscow-Leningrad' by the Soviet State Social-Economic Press with a print-run of 20,000 copies (Barnett, 2002, 40). Is this the most bizarre and incongruous translation of Smith's classic ever to have been published? Whilst arranging for the murder of hundreds of thousands of Soviet citizens for their alleged 'bourgeois' attitudes in the mid-1930s, Joseph Stalin allowed a new Russian translation of the founding text of free market economics to be published. If an obvious instance of an economics text having multiple political and cultural overtones is sought by historians, then this is a classic example.

The meanings gained in this translation must have been immense, but the actual influence of this text in the USSR on its publication was probably tiny. Despite suggesting a universal mechanism for market activity (the 'invisible hand'), Smith's analysis must surely have been overwhelmed by the oppressive Soviet context. In this negative sense at least, no one can deny the importance of national/regional circumstances in influencing the impact of economic ideas.

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