

Is there any progress in Economics? Some answers from the historians of economic thought

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IS THERE ANY PROGRESS IN ECONOMICS? SOME ANSWERS FROM THE HISTORIANS OF ECONOMIC THOUGHT

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In facing the huge task that has been attempted rather than performed in this book we become aware immediately of an ominous fact. Whatever the problems that, to snare the unwary, lurk below the surface of the history of any science, its historian is in other cases at least sure enough of its subject to be able to start right away. This is not so in our case.

Joseph Alois Schumpeter (1994)

Mark Blaug, one of today's major authorities in the History of Economic Thought, is quite emphatic on the subject of progress: "has there been any progress in economic theory? Clearly, the answer is yes" (Blaug, 1996: 7).

J.A. Schumpeter is even more assertive, maintaining that there is progress in Economics exactly "in the same sense in which we may say that there has been technological progress in the extraction of teeth between the times of John Stuart Mill and our own" (Schumpeter, 1994: 39).

The works by Blaug and Schumpeter are not, to use Blanqui's becoming phrase, *prolem sine matre creatam*. Going back at least to the 1825 *Discourse* by John Ramsey McCulloch, the efforts to probe and outline the history of economic reasoning possess a considerable pedigree, made out of contributions by Blanqui, Ingram, Cannan, Gide and Rist, Gonnard, Villey, and many other scholars. If nothing else, these older histories show us the existence of a plural understanding of the very concept of progress, for they express contrasting views both on the character and the historical path of evolution of economic reasoning.

In our paper we are going to look back and review some of the old books on the history of economic thought. This exercise will allow us not only to scan and line up a possible range of different views on progress, but also to perceive why progress itself sometimes become an explicit issue within those histories. At the same time, this inquiry will shed some light over the path that led to Schumpeter and Blaug views on the history of economics.

In a first section, we will deal with the historical appraisals made by some classical economists like Adam Smith, Jean-Baptiste Say and John Stuart Mill on the contemporary progress of Political Economy. A second section will be devoted to three major 19th century works, namely Blanqui's 1837 *History of Political Economy in Europe*, Ingram's 1888 *History of Political Economy* and Cannan's 1893 *History of the Theories of Production and Distribution*.

Being France the homeland of the histories of economic doctrines, we will survey in a third section some early 20th century French works like those by Schelle (1917), Gide and Rist (1926), Gonnard (1931), Pirou (1925, 1946a), Villey (1944) and Baudin (1947). In a final section we will point out some of the reasons why the problem of the existence of progress is sometimes entirely ignored, while in other occasions it becomes a central issue, to be necessarily dealt with in the histories of Economics.

1. Early appraisals of progress in economic subjects.

1.1. Right from the official beginnings of Political Economy in the second half of the 18th century up to the 1830's, there was a complete absence of any specialised concern with the history of economic ideas. As a consequence, the gradual emergence of the first speculations on the evolution of economic ideas (or systems of political economy, to keep with the original classification) is to be found either in the introduction or in some specific chapter of Political Economy treatises.

In the *Wealth of Nations*, the presentation of the two existing systems of Political Economy – the mercantile and the agrarian ones – is instrumental in the very process of substantiating Adam Smith's own ideas. Across some three hundred pages of the fourth book, the reader is sensibly lead to identify the several different errors connected with the adoption of previous or contemporary systems, so that he could ultimately give full credence to the immense advantages of the 'obvious and simple system of natural liberty'. Smith analysis was particularly detailed and aggressive towards the errors of the so-called mercantile system, stressing the evil consequences to be expected from any situation where the individual interests could easily turn into socially harmful monopolies, which would act as a hindrance to liberty and progress. This fierce attitude, to be contrasted with the sympathetic way Smith tackled with the more 'generous and liberal' agrarian systems, allows us to understand the

fundamental views Smith maintained on the question of material progress. The evolution towards wealth and plenty is in fact considered by him as a natural and inevitable process, something that the folly of mankind cannot fully stop or reverse but only restrain, namely because the very pace at which progress occurs is closely connected to the actual degree of liberty. Therefore the restrictive ideals and practices allegedly advocated by all the mercantilist writers were considered much more pernicious than any of the particular conceptual errors of Quesnay's followers, precisely because phisocrats sponsored an overall philosophy that was more openly liberal. The same applies to scientific progress, at least as long as liberty of mind is also considered instrumental in the process of attaining truth. At this level, Smith argues that the existence of prejudices and conceit – typical to the 'man of system' – are a powerful interference on the necessary scientific open-mindedness, for they preclude the scientist from detecting the workings of the natural laws. According to this view, progress is then the natural outcome of a providential design, to be gradually met by mankind. As such, scientists display a major role, insofar as they are to identify unmistakable natural laws by carrying on a systematic inquiry into the natural order. Whenever one of these natural laws is discovered, clearly enunciated, or accepted as a guideline for government or private action, a progress occurs. By the same token, one may say that progress will come to an end when – and if – the natural order is fully discovered and established.

1.2. Being the most celebrated interpreter of Smith and of Political Economy in early 19th century Europe, Jean-Baptiste Say is deemed to be an optimist. It is no surprise therefore that he was willing to accept the possibility of an almost indefinite existence of progress, to be built on top of the sound foundations laid open by Adam Smith.

The spirited and forceful attitude characteristic of an author more prone to look forward than to the past is easily found right in the preliminary discourse of J.B. Say's *Traité d'économie politique*.¹ There we meet an economist that shows no hesitation whatsoever in discarding almost every single effort to advance political economy prior to Adam Smith.²

Accordingly, the ancient Greeks and Romans are portrayed as «not possessing one single correct idea on the nature and sources of wealth, on its distribution and consumption» (1972:19), and the medieval times are completely discarded as utterly barbarian. As for the

¹ This work had seven editions: one in 1803, 1814, 1817, 1819, 1826, and two in 1841.

² «If one reads Smith as he deserves to be read, one finds that there was no Political Economy before him» (1972: 27).

reasoning and the discussions that were carried throughout the renaissance up to the mid-18th century, Say's appraisal is by no means less harsh, for he thought that all those who wrote on economic subjects were in fact «fighting in the dark». Inasmuch as everyone was trying to discuss issues that they really did not master, the overall conclusion was naturally that «they could be wrong, or right, just by chance» (1972: 249).

To sum up, we may conclude that the optimism characteristic of Say's works was mainly expressed in his belief that there would certainly be a progress in Economics, namely because this science was both recent and firmly grounded in sound basic principles. Progress was therefore almost inevitable as the sheer number of new economists grew, allowing a systematic spread of the acquired wisdom. In brief, progress would stand for small new increments in specialised economic knowledge, coupled with a massive effort concerning the diffusion and the application of already established principles.

1.3. John Stuart Mill had a whole different view on this subject. His work belongs to a period when classical political economy was not only under the open assault of many different intellectual and political streams, but also experiencing a considerable internal division between several different trends. Within such circumstances, were «science is growing at the extremities, without a proportional and suitable enlargement of the main trunk» (1967: IV, 394), it was only natural for Stuart Mill to think of Progress as the potential of political economy to give an unified reliable answer both to the scientific criticisms and the major social problems of his time. To make clear and establish as firmly as possible the already acquired principles and then to try to solve some of the unsettled questions concerning pauperism and social unrest were therefore the two necessary steps towards further improvement.

To be sure, we can consider the first move as a sort of defensive reaction, for Stuart Mill is more concerned with stressing the existence of established non-arbitrary truths than in acknowledging the possibility of further progress. In his own words, there was no doubt whatsoever that scientific political economy needed to incorporate «the more extended knowledge and improved ideas of the present age» (1965: II, xcii), not forgetting to take into account the advancements made in the «philosophy of society». But that wasn't all. This first important step towards a strengthened political economy was to be followed by still another move.

Developed in the *Principles* as a book on «the influence of progress of society on production and distribution», this new step was considered by Stuart Mill as an important dynamic part of political economy. Being dynamic, one had to focus upon the «economic condition of mankind as liable to change» (1965: III, 705), thus «adding a theory of motion to our theory of equilibrium» (Ib.). Within this new line of inquiry, Stuart Mill was to rely initially on the «operation of known and acknowledged agencies» (Ib.), namely the «increased command over the powers of nature», «increased security», and «increased capacity of co-operation» (1965: III, 706). However, as the full consequences to be expected from the action of these agencies (and especially from co-operation) were to some extent unpredictable, Stuart Mill stops short from embarking on some sort of scientific prevision concerning future progress. Thus, in face of «the various modes of conduct which society may think fit to adopt», his strategy was to envisage the area under discussion only «as much as a subject for scientific inquiry as any of the physical laws of nature» (1965: II, 21.)

Strictly speaking, his view on progress was therefore confined to the opening of a new section of scientific economic inquiry, one that obviously excelled the conventional boundaries of classical political economy, but that really didn't challenge the old acquired fundamental truths.

2. Three nineteenth century histories of economic ideas

By the progress that has been made, I judge of that yet to be.

Jérôme-Adolphe Blanqui (1868)

2.1. Jerome-Adolphe Blanqui John Kells Ingram and Edwin Cannan are three major figures in the 19th century process of establishing the pattern for the historical appraisal of economic doctrines. Blanqui is the first author who tries to produce a comprehensive historical view on the rise and progress of Political Economy. As a sequel to his classes at the *Conservatoire national des Arts et Métiers*, he published in 1837 the first lengthened approach to the theme, relating the evolution of ideas to the factual economic and cultural development of several different epochs and circumstances. His work is characterised by an analysis of the national economic practices that were followed across history, with a particular emphasis on the gradual emergence and growth of separate different national schools – namely Italian, Spanish, French, English and German – bearing certain characteristic patterns of evolution.

Notwithstanding this somewhat relativistic view, Blanqui manages to assess the evolution of political economy as a whole, thus ascribing a comprehensive ‘moral’ lesson to his survey. As a matter of fact, Blanqui thought that his history revealed the major attributes of a long ongoing clash between the party of those «who wish to live by their own labour, and that of those who would live by the labour of others» (1968: xxviii). Consequently, when looking back to the different expressions of the same problem – «the struggle between the slave and the master, the rich and the poor, the employer and the workman» (1968: 521) –, Blanqui’s tried to outline the social «experiments which have been made among civilised people to ameliorate the physical and moral condition of man» (Id.). Now, insofar as Blanqui thought of Political economy as being originated precisely out of these «experiments», a number of inter-related consequences follow. The first is that in spite of all, «social progress has never been arrested since ancient times, although it may appear to us confused and irregular in certain epochs» (1968: 522); therefore, progress begun even before political economy emerged as a systematic and formulated body of doctrines.³

As a second consequence, the history of this science couldn’t be restricted to «a simple affair of arithmetic» less to a «simple recital of the fine dissertations of the economists on *value* and *utility*». For Blanqui, political economy was in fact «a science truly social», one that had to be deeply committed to the process of assuring that «some day there will be no more pariahs at the banquet of life» (1968: xxxii). In conformity to this view, the future progress of Political Economy was then strictly subject to the ability of the modern economists to discover the best feasible way «to call the greatest number of man to share in the benefits of civilisation» (1968: xxxviii).

As we have mentioned before, Blanqui thought that due to the specificity of the several separate processes of interaction between practices and doctrines, economists come to be naturally organised in national schools, bearing special individual attributes. Italians were «philosophic and reformatory», with a «broad and complex manner of looking at questions», and a certain touch for dealing with «moneys, free ports, agriculture, loan-banks, and benevolent institutions» (1968: 525). In an almost absolute contrast, Spain was portrayed as the source of «all the economic pests», something that was to be explained as a result of the

³ Blanqui was quite emphatic about the natural beginning of all sciences. As such, ‘formal and systematic’ political economy was to be seen as the result of a rationalisation process made possible by a long period of successive empirical ‘experiments’. Accordingly, Blanqui reacted to Say’s idea of «treating the science as a hybrid hatched in the breath of eighteenth century, *prolem sine matre creatam*» (1968: xxxiv).

dominance of priests and bureaucrats⁴ and the very stubbornness of national prejudice. England was the country of the severe and positive school of political economy. Wealth was studied in an abstract algebraic manner, according to an inflexible logic, with a manifest insensibility to the sufferings of the working classes. Thus England became the classic land of economic experiments, condemning the inhabitants of that country to a perpetual fever of improvements (1968: 529-531). On the contrary, Germany was characterised by the philosophical and political views, leading political economy to the field of administration, and stressing the importance of finance, public order and education. Finally, we have the case of France. Here, «political economy had a happier fate», for «not a century has passed without generous voices being raised for the triumph of the eternal principles of justice in the distribution of the profits of labour» (1968: 528). In consequence, french political economy «assumed an organising and social character» (1968: 529).

In face of these existing differences between national schools, what about the future? Leaving aside Spain, Blanqui thought that the development of communications would eventually mitigate the national biases, allowing for some kind of international consensus to be reached. Both economic ideas and social institutions would be renewed, now embracing a more organising and philosophical view, profiting from the multiple historical experiments, thus allowing for a new approach that would put an end to the «restless condition of [the] present society» (1968:535). Not that «the great difficulties of political economy» would be solved at a near future, namely because more and better facts were still needed so that «questions grow clearer and advance toward a solution that could never have been adopted for from the influence of principles alone» (1968: 543). Hope was nevertheless justified by the very existence of a new attitude, «as far from the utopias of Quesnay as from the severity of Malthus», one prone to accept past mistakes and to embark in «a great reform in such of our laws as have ceased to be in harmony with the present tendency of civilisation» (1968: 539).

The fact that this new spirit was expressed mainly by french authors shouldn't prevent us from perceiving that all in all, Blanqui believed equity in distribution to be the true path to progress. As a consequence, we may consider that Blanqui thought of progress as the capacity of economic theory and doctrine to provide suitable answers to the real problems of mid-19th century society.

⁴ According to Blanqui, «oppression within, exclusion without, such is their motto» (1968: 527).

2.2. Ingram's major concern in his 1888 *History* was with the identification of «those modes of thinking which have prevailed largely and seriously influenced practice in the past, or which we can discover the roots of the present and the future» (1967: 2). The reason for this attitude was to be found in the way that Ingram weighted the contemporary situation regarding political economy. In his opinion, there were «good reasons to believe that this department of social theory has entered on a transition stage, and is destined ere long to undergo a considerable transformation» (1967: 1). Being so, «the production of new dogmatic treatises on the subject» could not appear «to be opportune», and should be replaced by a more auspicious «pause and retrospection».

Ingram's *History* is therefore an attempt to scrutinise and systematise the past so that some guidance in regard to the future path of economic reasoning could be offered to the contemporaries. Past experiences are thus divided in three epochs. The first two –the ancient and the medieval – were in some way pre-scientific, insofar as those societies didn't met the necessary conditions for the production of economic science: not only a large scale presence of economic facts was missing, but the very *spectators* of those facts weren't duly equipped with the «appropriate aids and instruments of research» (1962: 5). As for the third period, that of the modern world, Ingram considers three different phases. The first was marked by the «spontaneous decomposition of the medieval system» and the «rise of several important elements of the new order» (1967: 33). In the second phase, the previously spontaneous «rise of new forces» was now «the object of systematic encouragement on the part of Governments», causing the mercantile system to arise and grow, «attaining its highest development about the middle of the seventeenth century» (1967: 34). This interest for economic subjects was substantially encouraged by the emergence of a new industrial spirit, which introduced a second breath in late 18th century economic reasoning. Therefore, it was the reforming spirit of the latter half of the century that eventually produced the Physiocrats, and then the great synthesis by Adam Smith. However, Ingram is quite clear in stating that political economy in itself was clearly on its way before either of these authors wrote, the truth being «that Smith took up the science when it was already considerably advanced» (1967: 86).

After Smith, Ingram points out Malthus and Ricardo as the two most important economists of the English school, considering all the other (James Mill, McCulloch, Senior, Torrens, etc.) as mere *epigoni*. Finally, Ingram portrays both Stuart Mill and Cairnes as the two last important authors of the *old* English school (1967: 158).

The lesson conveyed by Ingram's survey of the third epoch of economic reasoning is that for the most part, *epigoni* led the smithian path as far as it could be expected. However, a new path was arising out of the modern German school (1967: 190). According to Ingram's view, this new path for social studies grew out of Comte philosophy and was skilfully developed by the work of Roscher and the other members of the German Historical school, «replacing revolution by evolution» (1967: 192) and establishing the need for a «fusion in a complete science of society» as the new guideline for furthering economic studies. The overall balance was therefore that «a dualism has established itself in the economic world, a younger school advancing towards predominance, whilst the old school still defends its position, though its adherents tend more and more to modify their attitude and to admit the value of the new lights» (1967: 210). In some cases, like the one of Germany, the solid establishment of a new orientation rapidly surpassed this dualism. But in other countries like France or England, the same dualism led to the adoption of eclectic views «which have no permanent validity, but are useful in facilitating a transition» (1967: 227). The path to future progress was therefore quite evident to Ingram. As he stated in the conclusion of his *History*, economic studies should not only acquire a truly positive (i.e. scientific) character, but they were also to be regarded «as forming only one department of the larger science of Sociology.

2.3. Edwin Cannan stands as a major reference in the Anglo-Saxon world. The *History of the Theories of Production and Distribution in English Political Economy 1776 to 1848* (1893) may be considered as a sort of an early approach to the forthcoming 20th century histories of economic theory insofar as Cannan deliberately chooses to ignore the study of doctrines.⁵ The different method and scope of the book is quite clearly stated in the introduction, where Cannan complains about the «surprisingly little assistance from previous writers» (1997: ix). First he cares to point out that «the present work is so much more detailed within its own limits that opportunities for making use of them scarcely occurred» (Ib.). Then, Cannan proclaims his own objective as «simply to show what the various theories concerning production and distribution were, and to explain how and why they grew up, and they flourished or decayed» (Ib.).

The path followed by this work, with its resolute dispassionate scientific aim, was quite alike to that of an ordinary book on political economy. First there was a discussion over the concept

⁵ According to James (1959: 5), this attitude of Cannan was typical both to the English-speaking countries and the central European countries.

of wealth, to be followed by four chapters were production and its requisites – land, capital, and labour – were thoroughly discussed. Finally, distribution was dealt with in three more chapters, where the meaning, origin, and causes of wages profits and rent were reviewed, not forgetting to consider «the causes which determine the proportions in which the total produce or income of a community is divided between classes and individuals» (1997: 339). The last chapter is dedicated to a general review of the scientific and practical characters of the ideas previously take into account. Cannan's judgement could scarcely be less enthusiastic, for he begins by stating that «when we look back after the lapse of another eventful half-century upon the theories of production and distribution elaborated by English economists between 1776 and 1848, it is not very easy to understand the admiration which was once felt for the progress made during this period» (1997: 379). This statement meant that, in Cannan's opinion, the scientific achievements of «the theories of production and distribution arrived at in the first half of the nineteenth century must be visited with almost unqualified condemnation» (1997:382), even if «they must obtain a much more favourable verdict» when judged by their capacity to «met the practical needs of their time» (Ib.). Notwithstanding their past practical usefulness, the fact was that Cannan thought those theories to be absolutely inadequate for handling modern society's problems. As for modern theories, although Cannan thought that «it is too early to treat of the economics of the second half of the nineteenth century in an historical spirit» (1997: 395), he nevertheless expresses his belief that meaningful consequences are to be expected from the «progress of theory as to the nature and measurement of utility» (1997: 396). The full meaning of this statement is to be found some pages further, when «the usefulness of the existing theories» is discussed. There, we find a remarkable portrayal of the modern economist's attitude as someone who «is certain to disagree frequently with both socialist and individualist fanatics, who support and oppose changes, not on their merits, but according to the opinion they have formed, often on wholly insufficient grounds» (1997: 407). By sustaining a fair and reasoned attitude, economists are «left in liberty to consider the good and the evil of each change which is made or proposed» (Ib.), consequently refusing «to take a side when both sides are wrong» (1997: 401). Needless to say, this attitude was only possible because the confusion of old doctrines was disappearing, the concept of economics had become wider than it formerly was, and the modern economic theories were growing ever more correct. In a word, theoretical progress was in its way.

3. Some major early 20th century European works

Le grand danger d'une étude de l'Histoire des doctrines économiques, c'est de risquer de produire, dans l'esprit du chercheur ou du lecteur, une impression de scepticisme.

René Gonnard (1930)

3.1. A new chapter by William Scott augmented Ingram's *History* in the 1915 American edition. In this chapter, Scott tried to update the book so to describe the recent European and American developments in political economy, namely by stressing the Austrian «noteworthy attempts to reconstruct some of the leading doctrines of political economy on a basis in many respects different from that on which the classical economists built» (1967: 233). In his view, the ancient dualism described by Ingram was no longer valid, insofar as the old conflict between the classical and the historical schools was now replaced by a conflict between the historical and the new theoretical approach of the Austrian school. However, Scott's most interesting conclusion was that «most economists of the present day cannot be classified as adherents of any school» (1967: 255), insofar as many of them did choose to adopt a tolerant posture that «has made them open-minded to suggestions from all quarters and tolerant of all methods of procedure which promise relief» (1967: 256). In a word, the new generation of economists, now established on a growing professional basis, was characterised by being «open-minded to new doctrines, but at the same time critical» (1967: 255), thus being less prone to adopt any single dogmatic approach to economic inquiry.

This shift in perspective, admitting that the time has come for ancient quarrels to be dismissed, is to some extent characteristic of the optimistic mood of the very first years of the 20th century. Gustave Schelle's book *L'Économie Politique et les Économistes* (1917) may be considered as a radical example of this trend, for it depicts the history of political economy as «the consecutive progresses of the science created by the Physiocrats at the 18th century» (1917: 354). In this survey, Smith's work is portrayed as a clear and methodical exposition of several economic ideas that were to be developed – and to some extent corrected – by later economists. As for Say, Schelle considers him as the most enlightened disciple of Smith, one that not only has given a scientific character to many of the doctrines expressed in the *Wealth of Nations*, but has also provided several new original important contributes to political economy (1917: 176). According to Schelle's point of view, one was to reckon the rapid progress of this science, since a tardy and worrying beginning didn't prevent political economy from «reaching a remarkable accuracy in the early nineteenth century» (1917: 181).

This, of course, in areas concerning «the formation of capital, revenue and profit, the role of money, taxes, and the consumption of riches» (1917: 182), thus leaving aside the difficult questions – simultaneously new and acute – pertaining to the sphere of distribution. In accordance with this line of reasoning, the socialist ideas and the methodological discussions put forward by the historical school are plainly dismissed by Schelle, either as utopias, pessimism, or just plain ignorance of sound scientific principles. The concluding pages of Schelle's book are therefore quite clear either about the scientific foundations of 19th century economics, the traditional enemies' economists have to face, or the objectives and social utility of economists. As the scientific foundations are solid and well established, the only path opened for progress was some improvement in the explanation of new facts or in the formal presentation of the existing principles. Therefore, the economists would continue their fight against the opinions expressed by socialists, utopians, paternalists and protectionists, always trying to abolish the obstacles to individual self-improvement. By doing that, economists would continue to enlarge their score as social benefactors, namely on account of their contribution for the abolishment of quite a lot of absurd laws and regulations.

3.2. Almost in the same moment in time, but now already under the gloomy influence of World War I, Gide and Rist couldn't be so confident both about the past and the future of civilisation. In their *Histoire des Doctrines Économiques*, they were pretty clear about the general feeling of perplexity, which was then experienced at least by most of the Europeans in face of the revival of old, long forgotten doctrines. Looking at the traditional field of political economy, Rist and Gide noticed some possible trends. First, political economy was to be considered as an extremely recent science, almost not free from the hesitations proper to any immature type of knowledge. This had a direct consequence for their work, since in such circumstances «everything an historian of economic doctrines may allow himself is to measure the trail already travelled without trying to guess how far the road ahead will go» (1926: 773). Then, they took into account the very diversity of paths that were followed by political economy both in the past and the present. In face of such a variety, Gide and Rist choose to stress a core of acquired truths as the only basis upon which the several schools of thought could be said to coalesce. This option allowed them to draw a line between a steady path toward scientific progress and an external doctrinal random fluctuation. As a consequence, the linkage between the past and the future could be expressed as a twofold relationship. Concerning the theoretical realm, there were signs of a «growing scientific unity

and collaboration» (1926: 777) between different specialised economists, sharing a «common scientific fund» (1926: 776). At the level of science, progress meant therefore that past errors, once identified, were definitely abandoned and only truth managed to survive through the ages. On the other hand, there was the doctrinaire turmoil, one that would probably continue forever, without displaying any symptom of eventual appeasement. Here, in face of «so many doctrines once thought as final acquisitions and now dead, and so may other once thought dead and now reborn» (1926: 777), Gide and Rist thought that they couldn't really talk about progress but merely of an extraordinary aptitude for survival displayed by the many different religious, political, and social beliefs. For this reason, the only lesson they thought that could be taken from history was the need for a full open-mindedness toward scientific inquiry to be coupled with a substantial amount of patience to endure the consequences of a never ending doctrinal controversy.

3.3. The 1930 *Histoire des doctrines économiques* of René Gonnard was an alternative to Gide and Rist textbook. Written in a lively way, this history seeks to portray the evolution of economic doctrines within an appealing scheme. The ancient and medieval time's stand for the emergence of a “doctrine of moderation”; then, from the 15th to the mid-18th century mercantilism brought the “triumph of Plutus”, to be followed in France by the physiocratic “rebellion of Ceres”. The industrial revolution made way for the rising of the liberal school, bringing forth the age of “Prometheus unbounded”. And, of course, this extreme attitude was to be checked by 19th and 20th century socialism, depicted as “Vulcan revolt”. Finally, it seems that appeasement was reached by means of the realistic schools, which choose to adopt the “lesson of experience”. This scheme of thought conveys a subtle message for the reader. In face of a context that could be characterised by the multiplicity of currents of thought, some of which were in fact a sort of reformulation of old forgotten doctrines, Gonnard tries to lead the reader towards a more confident view on the evolution of political economy. Therefore, although acknowledging that the «great danger of a study in the history of economic doctrines is that it might convey an impression of scepticism over the spirit of the reader» (1930: 685), Gonnard takes good care to stress that «the diversity of schools is lesser than it seems to be» (Ib.), namely because most of the differences relate to «the art of economics, not to science itself» (Ib.). Besides, the reader should also understand that the very troublesome opposition between doctrines was in fact an important cause of scientific progress, insofar as those ongoing «quarrels lead to a deeper scrutiny of facts» (1930: 686).

This argument is in fact quite close to the line of reasoning put forward by Gide and Rist. However, contrary to those authors, Gonnard believes that the slow growth of scientific knowledge will fade away, at least to some extent, the existing uncertainty. Quoting Auguste Comte to point out that «within science there is no room for freedom of thought» (Ib.), Gonnard concludes that progress will gradually evict metaphysical opinions from the realm of political economy, thus allowing for an increasing sounder view on economic subjects.

3.4. Gaétan Pirou (1925, 1946, and 1946a) is the next French author to be considered here. Although his work was respected in France mainly as an economist engaged in the upgrading of economic theory, he was nevertheless quite influential in changing the traditional approach to the history of economic ideas. Pirou was mainly interested in the evolution of economic science. Therefore, he made a serious effort to separate theory from doctrine, something he eventually did by considering that theory was an explanation of reality, while doctrine was «an evaluation, a value judgement, occasionally a reform program» (1946a: 23). Pirou was aware of the several different problems that were engendered by the adoption of this division. First of all, this viewpoint was not only quite recent, but also far from being consensual. Then, it was almost impossible to apply it to the past, for every earlier great economic system was in fact an almost inextricable mixture of both explanations and evaluations (1946: 209). Finally, several of the new schools of thought (as the institutionalist or the interventionist one) actually refused to accept political economy as a merely conceptual discipline without any sort of political commitment (1946a: 23). Notwithstanding these inconveniences, Pirou was sincerely persuaded that it was essential for political economy to become distinctly less *passionate*⁶. Not that the study of doctrines was to be completely left aside, namely because every one of them was promoted by significant interests and feelings, and was expected to be converted into the actual design of some future society (1946: 299). But the real key element was to be found in science. Insofar as the fundamental economic phenomena remain the same, science was in fact indispensable for «establishing the limits to be respected by every reforming action», and for «emending those statements or desires that are unsupported by the facts» (Ib.). Besides, it was only by means of the typically unemotional strictness of science that «a body of experimental truths can be acquired» (1946: 297), thus leading to the necessary agreement among scientists and to a significant progress.

⁶ In Pirou's own words, «il est donc indispensable de "dépassionner" la science économique, et le meilleur moyen pour y parvenir est de dissocier complètement l'explication de l'appréciation» (1946: 298).

This view allowed Pirou to prepare the way for the analysis of the new tendencies – those formed over «the last fifty years» – within political economy. By isolating theory from doctrine, the history of economic scientific reasoning could be summed up within a couple of straightforward categories. Either in Antiquity and the Middle Ages, the incipient character of economic life together with a peculiar intellectual orientation prevented the emergence of economists. The sixteenth century witnessed «profound intellectual, geographical and political changes», which «command and explain the emergence of the first sketches of political economy» (1946: 221). Two centuries later, the Physiocrats and Smith imparted the first basic principles, namely that «there were natural laws», and that «its discovery was the aim of economic science» (1946: 235). Then appeared the classical school, «a group of economists that developed the principles of economic science and the liberal doctrine upon the basis laid by the Physiocrats and Adam Smith» (1946: 239). This school, which had in fact both French and English streams of thought, acted as a sort of reference for «other schools who wanted either to built up a science or a social doctrine on a different basis» (Ib.). This reaction, starting in the early 19th century, took three different paths. The German historical school «criticised the classics method»; the supporters of the national economy, «criticised the economic inferences of the classics»; finally, the interventionist and socialist schools «criticised the social inferences of the classics» (1946: 248). In face of this history, Pirou could assert that the last fifty years «the great doctrines fighting for public approval seem now to come together as long as one looks at their *technical aspects* and *positive programs*» (1946: 282). This amounts to say that, according to Pirou, the 20th century was already witnessing an interrelated scientific (i.e. *technical*) and political (i.e. *programmatic*) consensus. For Pirou, the mere existence of this fact was, of course, a concrete proof that the path towards progress was already in being taken.

3.5. Daniel Villey wasn't so sure about the advantages to be expected from this path. When he wrote his *Petite Histoire des Grandes Doctrines Économiques* (1944), he could profit not only from the existing histories⁷ but also from the methodological scheme (theory/ doctrine) recently put forward by Pirou. However, in face of this new trend Villey felt manifestly disquiet, namely because «the dualism science-doctrine has nowadays acquired its full citizenship among the vocabulary put to use by the French economists» (1944: ix). The major

⁷ He mentions among others Gonnard, Gide and Rist, Dubois, Baudin, G.H. Bousquet, Ottmar Spann, Haney, Bertrand Nogaro, Jean Chevalier, and Pirou,

cause of concern of this author was the probable twofold impoverishment that would result from setting the doctrines aside. First, there would be a decay of the very histories of economic ideas, insofar as «a history of economic *theories* would be of interest except for scholars» (1944: xii). Then, people (and not only students) would be deprived from a series of important teachings⁸ concerning the «interpretation of economic life within a wide-ranging intellectual view» (1944: xi), thus being unable to really understand the compound and powerful forces in action either in the past or in the present of their own societies. His *Petite Histoire* was therefore a sort of mild but nevertheless firm reaction against all those that only had eyes for strictly scientific progress. As a result, the book is divided in three parts dealing with key significant epochs – one from Moses up to 1758, the second from the Physiocrats up to 1870, and the last one from 1871 up to the 20th century. The first part is written in a style that reminds us of Gonnard, for the chapters have the same type of inspiring titles: the ancient world is depicted as being «under the sign of wisdom and nature»; the middle ages are considered to be «under the sign of charity and justice»; finally, the mercantilist epoch is viewed as being «under the sign of gold and power». As for the second part, Villey employs a variant of an already know broad scheme by utilising the liberal thought as the pivot for the entire period. Therefore, the presentation of the original doctrines of the Physiocrats, Smith, and the classic English school is followed by the references to the several different types of European rejoinders, ranging from the French socialists (Fourier, Proudhon) to the national (List) and historical (Schmoller) ones. Interesting enough, there are also two chapters on the «continental development of English classic doctrine» and on the «continental development of English classic theory» – the first dealing with Say and Bastiat, the later with the followers of Ricardo and with Karl Marx.

As regards these two parts, one can easily notice Villey's concern with the building up of the major doctrinal views and their historical evolution, always stressing its close connection with ongoing theoretical advances.

On the other hand, when looking at the modern period (1871 on), Villey pointed out the fact that «many modern economists either refuse to support a doctrine, or admit that they can't bring about one» (1944: 222). Precisely on account of his methodological orientation, Villey couldn't find this situation as a sign of tangible progress, namely because professional economists were ever more «sheltered in pure theory or in accurate and impartial scientific

⁸ For Villey, «a doctrine, in its etymological sense, it's a teaching», it's «a message from one man to other men» (1944: x).

work, leaving willingly to the self-taught or to the profane the realm of the general reflections and the great controversies» (Ib.). The problem with this modern situation was that science had in fact progressed, but at the expenses of the doctrines. Although Villey thought that a certain amount of specialisation within economic studies was distinctively useful, he nevertheless didn't agree with what he saw as an extreme and artificial division between obviously interrelated matters. Therefore, it was only natural for Villey not only to question this type of progress, but also to plead for a new comprehensive intellectual synthesis, duly enriched by the incorporation of the new scientific resources given by the marginalist and neo-classical schools. In his opinion, only then would *knowledge* meet *understanding*, and true progress take place.

3.6. Louis Baudin is the last author to be considered in this section. His *Précis d'Histoire des Doctrines Économiques* (1946) for the students of the faculty of law of Paris⁹ is quite interesting insofar as it tries to abridge the all-embracing existing histories of economic doctrines. As such, this *Précis* allows us to review the main lines of argument that students were expected to take in. The first basic notion that Baudin tried to pass on to his students was that «doctrines are living matters» (1946: 9), with an extraordinary capacity to born again out of an apparent death. Therefore, one had to understand two things before entering into the study of the several doctrines: first that «no economist can claim to have defeated a single doctrine» (1946: 10); next that «today's political economy will be the history of tomorrow» (Ib.). Bearing these caveats in mind, let us then review briefly the assessment of the main economic doctrines as Baudin imparted them.

The first chapter deals with mercantilism, presented under the subtitle «the economics of power». Although considering that mercantilism was neither a doctrine nor an economic style of reasoning, Baudin thinks that it is still worth mentioning not only for it «ruled over a very long and important historical period», but also because mercantilism «has reborn today» (1946: 11), thus presenting itself as «quite current» (1946: 33). The next step is Physiocracy, considered as the birth of a scientific and individualistic view on «welfare economics». The emergence of the industrial revolution in England caused a sharp unbalance between economic and social progress, witnessed by the economists of the classical school. Thus the individualist view was now developed in several directions, namely by Smith «stressing production», Ricardo «underlining distribution», and Stuart Mill «analysing the social order»

⁹ This textbook was designed for the candidates to the degree of High Studies of Political Economy.

(1946: 56). The excesses of this individualistic approach were to be met by some sort of reaction; so, in the first half of the 19th century, people like Saint-Simon, Fourier and Sismondi tried to «emend» several aspects of this doctrine. As time went by, the criticisms grew, giving rise to a chaotic situation where « saint-simonians in full religious fever, late Fourieristes, disciples of J-B. Say and Sismondi, and catholic or socialist economists» (1946: 118) fought against each other. Therefore, the 1840's were a particularly turbulent epoch, where people like Bastiat, Louis Blanc, Proudhon, List, and Stuart Mill exchanged arguments, while people like Roscher, Hildebrand, and Marx gave the first steps towards the emergence of new schools of economic thought. According to Baudin, these new schools – the German historical, the collectivist, and the Le Play schools – stand for the major doctrinal options of the 20th century. Still, in spite of the «changes experienced by the individualistic doctrine» (1946: 208), the debacle of Marxism (1946: 190), and the very heterogeneity of the German historical school (1946:167), the fact is Baudin believes that «there is no hope for a synthesis» (1946: 211).

Without surprise, we thus find once more the twofold conclusion already present in the more comprehensive histories, like those by Gonnard and Gide. On the one hand, individualism in some of its modern, amended versions was considered to have found some new and stronger theoretical basis. On the other hand, in face of the several different existing doctrinal approaches, one could only hope for a limited convergence between the moderate scholars of the different doctrinal persuasions (Ib.). As a consequence, progress in economic ideas was to be envisaged in a moderate and unpretentious way, always caring to admit the possibility of both further theoretical revisions and doctrinal reworking.

4. Conclusions

Surely, the interpretation of the great thinkers of the past have long ago been set in concrete?

Mark Blaug (1996)

Both Adam Smith and Jean-Baptiste Say saw progress as a natural outcome of the mere existence of a new and truly scientific Political Economy. Since Adam Smith thought to have discovered the true principles of that science, progress would inevitably arrive once people – both common people and the legislators – would accept and apply the obvious and simple

system of natural liberty. Progress was therefore a matter of compliance with natural laws, to be obtained through persuasion and a systematic dissemination of sound economic principles. Being a follower and a strong supporter of Smith's ideas, Say couldn't possibly consider progress as any sort of meaningful change of the principles exposed in the *Wealth of Nations*. Therefore, progress was to be considered mainly as a widespread increase in the number of adherents to the gospel of the new science, not as a result of the possible minor improvement that could be made upon any particular principle.

Stuart Mill had a whole different view on this subject. Writing in a period of open crisis, he thought of Progress as the potential of political economy to give a reliable answer both to the scientific criticisms and the major social problems of his time. To make clear and establish as firmly as possible the already acquired principles and then to try to solve some of the unsettled questions concerning pauperism and social unrest were therefore the two necessary steps towards further improvement. To be sure, we can consider the first move as a sort of defensive reaction, for Stuart Mill is more concerned with stressing the existence of established truths than in acknowledging the possibility of further progress. Strictly speaking, his view on progress was therefore confined to the opening of a new section of economic inquiry, one that obviously excelled the conventional boundaries of classical political economy.

Blanqui's history stands for a subsequent step in this direction. There we find much the same attitude concerning the reliability of basic principles, together with an appeal for justice and equity in distribution. Yet, Blanqui thought that the researches conducted by the new French school were already following that line of reasoning, namely because political economy had invariably possessed in France a more «social and organising» character. These national differences between French and English authors thus allowed the former to become more easily in tune with the modern social and political requirements, for they didn't have to depart from a severe science towards a more human one – in fact they had always been in the correct track of progress. At least to some extent, one may therefore argue that the notion of progress is put to use by Blanqui both as a sort of vindication of French political economy from mid-19th century criticisms, and also as a statement of its righteously deserved future supremacy.

Moving to the end of the century, we find in Ingram a somewhat different perspective on progress. Writing in 1888, at a time when the criticisms of the historical school were quite widespread, it is no surprise to find Comte, Roscher and Schmoller, as the representative scholars of a new and promising epoch in economic reasoning. Progress was now to be

obtained through the establishment of new principles and new methods of inquiry, possibly by the very establishment of a whole new social science. Now, time has come to acknowledge the end of the old principles, and to prepare oneself to embrace a new and progressive route, laid open by the aforementioned authors. Progress was still to come, provided that one was prepared to definitely close the classical epoch and enter into an altogether new one.

This confidence was to break within a couple of years. Undoubtedly on account of the manifold criticisms directed against the liberal doctrines, which were reinforced to a certain extent by the ordeal brought up by the First World War, people were obviously much less prone to believe in progress. Schelle may possibly have been one of the lasts to reveal an uncompromising faith in the overall organising properties of the traditional liberal principles. A few years later, Gide and Rist were pretty clear about the general feeling of disbelief and perplexity, which was then experienced at least by most of the Europeans in face of the revival of old, long forgotten doctrines.

Within the same period, Gonnard tried to provide a sort of doctrinaire compass for the use of his students. However, his book is most certainly not a hymn to progress for he is only trying to assert the existence of a common scientific core beneath the ongoing doctrinaire turmoil. To be sure, his book also conveys a faint message of hope for the future, insofar as he believed that true science could banish ideology in the long run, thus establishing a wider consensus over economic matters.

This process of doctrinaire eviction was apparently on its way in the late 1940's. Daniel Villey, one of the last successful French professors of history of economic doctrines, complained precisely about the absence of any new, forceful 20th century economic doctrine, one that could give a new social breath to the modern technical and theoretical sophistication of economic science.

By the second half of the 20th century both economic theory and its history experienced a major change. The long established French tradition of doctrinal history was gradually abandoned, and a new tradition slowly but surely came to the forefront. The 1950 witnessed the growth of a wider consensus concerning both the utility and the need to separate expert-made economic knowledge from general naïve economic ideas. This division allowed for a higher and self-assured view on progress, insofar as the advancement of economic theory as a painstaking product of the toil and trouble of several scholarly generations was in fact easier to ascertain than any alleged doctrinal improvement. Gaétan Pirou (1925: 1) was probably one

of the first to make this division clear for he stressed that economic theory «was the solidest part of political economy, the only one whose evolution results in a definite progress».

Both Gaétan Pirou and Joseph Schumpeter faced this problem the other way around. As clearly stated in the *History of Economic Analysis* of the later, progress was to be expected solely on a scientific and technical basis, thus leaving aside any concern with developments within ideology. Consequently, the history of progress was to be found in several major scientific developments made on a cumulative basis, always improving the economist toolbox. These were the contributes of people like Quesnay or Walras, who discovered basic economic laws that were further established and developed by the workings of a number of minor (but nevertheless important) authors.

This new conception about progress was further developed by the Whig history put forward by Mark Blaug. Right from the 1960's, the notion of mainstream turns out to be an essential factor in splitting apart sound consensual theory from ephemeral experiments conducted by minor dissenting groups of authors, and the concept of progress in Economics developed into an unavoidable heuristic tool.

As we all know, although widely acknowledged this view is not the only one embraced by historians of Economics. Even today, there are still some historians who profess a somewhat less *whigish* perspective, insofar as they bear in mind the existence of competing schools of thought rather than mere occasional insubordination's lead by minor seditious groups. This notion of theoretical and ideological competition is in fact essential for establishing a different relativistic notion of progress – one that merely emphasises the historical primacy of the criteria put to use by one group over the criteria accepted by other groups.

We may therefore presume that the Whig concept of progress is primarily employed nowadays as an important rhetorical instrument in the battle between the several different schools of thought in which Economics is divided. If so, the notion of progress may be said to stand for little more than a suggestive catchword, to be applied to our own favoured theory.

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