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3-1-2014

Review of *The Making of the Economy: A Phenomenology of Economic Science* by Till Duppe

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Accepted version. *Journal of the History of Economic Thought*, Vol. 36, No. 1 (March 2014): 128-130.
DOI. © 2014 Cambridge University Press. Used with permission.

references that go towards pluralism, let me throw in three other volumes (Levy and Peart, 2005; Caplan and Schotter, 2008; Banerjee and Duflo, 2012) as a way towards “interaction, debate, openness and tolerance of others” (p. 579).

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Till D uppe, *The Making of the Economy: A Phenomenology of Economic Science* (Lanham, MD: Lexington Books, 2011), pp. vii, 241, \$65. ISBN 978-0-7391-6419-8.
 doi: 10.1017/S105383721400011X

Till D uppe’s *The Making of the Economy* is, to my knowledge, the only attempt to seriously apply Edmund Husserl’s interwar phenomenological thinking to economics and its history. The book is highly original, thought-provoking, and rich in its survey of the entire history of economics. Husserl’s complaint against modern science (1970) is that it ‘forgets’ our immediate, pre-given ‘life-world’ (*Lebenswelt-vergessenheit*), and creates an abstract, false world of objects and facts it investigates in an abstract (indeed, alienated¹) way. ‘Scientification’ is an ‘objectification’; ‘nature’ is constructed; science is a history of accumulating facts (*Tatschengeschichte*) whose justification is a hollow, scientific, realist progressivism. Husserl and phenomenology are Continental philosophy’s answer to logical positivism and the whole twentieth-century philosophy of science tradition derived from that starting point—which, it is worth noting, has also long been the way that the history of economic methodology has been seen, or at least until the disjuncture caused by the rise of the sociology of scientific knowledge and social constructivist thinking, as influenced by people such as Steven Shapin. Thus, one definite service D uppe provides is to encourage us to take an unfamiliar and, in many respects, deeper philosophical look at how we understand the evolution of the history of economics.

His title gives us economics’ particular form of scientific objectification: the economy itself is something made. “The economy—one may quote me on this²—has never shown

¹Husserl thus follows in a long history of dialectical reasoning in terms of the alienation concept dating back to Hegel.

²Okay, I will.

itself, even if the government were on holiday” (p. 119). In this, he shares with Margaret Schabas (2006) the view that ‘scientification’ in economics is associated with a denaturalization of economic life. The lived ‘natural’ world, the *Lebenswelt*, is a matter of human concern prior to seventeenth-century British mercantilist economics, but after this time—here, Düppe especially follows William Letwin (1963)—the emergence of trade and the disturbing manifestation of private interest drove a new liberal political economy discourse, ultimately the science of wealth (J. S. Mill), whose crowning achievement was to successfully dispel, at least temporarily, a ‘culture of suspicion’ surrounding the new science over whether the world of the economy commonly worked to one’s disadvantage.

Indeed, suspicion, the shadow of the suppressed and forgotten *Lebenswelt*, the vague sense that economics misrepresents the world, is the principal theme in Düppe’s argument. This is the meaning of the painting on the book’s cover—*Ein Notar* (1542) by Marinus van Reymerswaele—which shows a seemingly inconspicuous clerk in the center of the picture recording an unhappy transaction between a money lender and a poor debtor. The clerk’s *persona* is the one sought by the future economist, who seeks the virtue of ‘blind sight’ (Daston and Galison 2007) associated with the anonymity of a scientist concerned only with how ‘objective’ forces operate in the ‘economy.’ Yet, suspicion persists, and so, for Düppe, the evolving history of economics is built around constructing an increasingly abstract structure lying beyond human interests and removed from the world we experientially occupy. Here, then, it is Michel Foucault who matters for Düppe, because Foucault sees the development of science as inseparable from the development of authority. Economics, then, does more than simply objectify; it governs and rules our perception of the *Lebenswelt*.

A few words about Düppe’s periodization of the history of economics: the ‘first wave of scientification of economic writings,’ liberal political economy, lasts until the 1840s, when J. S. Mill and Karl Marx confront industrialization. The second wave, ‘high modernism,’ lasts from then until 1945. These two waves are described with much historical knowledge and insight, but it is the third wave, the ‘formalist revolution’ (with its seed in the socialist calculation debate), and the symbolic figure of Gerhard Debreu, that is of special interest for current debates over the nature of economics (also cf. Düppe 2012). What future might economics then expect, having reached a pinnacle of abstraction? Here, Düppe’s verdict is not unremittingly pessimistic, but he also gives little reason for optimism. Might economics thus be at the end of its alienated ‘life-cycle’? I won’t tell you how the story ends (indeed, it cannot), but simply note that, for Düppe, economics can only press the forgetting of the *Lebenswelt*, never eliminate it as its basis.

A couple of issues: first, one criticism might be made of Düppe’s phenomenological argument. The central claim of the book is that economics has redirected and controlled our perception and thereby suppressed the *Lebenswelt*, the lived natural world of which we are part. But one could ask: why isn’t the objectified world our real *Lebenswelt*? And why shouldn’t our own *Lebenswelt* be different from that which we imagine occupied the pre-modern world? Second, why not include phenomenologist Maurice Merleau-Ponty in this account?

However, whatever one’s view is of Düppe’s overall arguments, he is surely to be commended for his impressive knowledge of the history of economics, which exceeds that of not a few more senior scholars. And his writing a whole history also prompts us to ask: where are the ambitious histories of economics among the publications of

historians of economics today? Indeed, who any longer debates the major interpretations of the history of economics in our contemporary small-scale culture of journal publication? Do historians today even recognize that historiographic form that once made an issue of how the history of economics is to be interpreted, such as occupied such great historians as Edwin Cannan, Erich Roll, Henry William Spiegel, Warren Samuels, and so many others of two generations past?

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Daniel Carey and Christopher J. Finlay, eds., *The Empire of Credit: The Financial Revolution in Britain, Ireland, and America, 1688–1815* (Dublin: Irish Academic Press, 2011), pp. 272, \$74.95. ISBN 978-0-71653-415-0.

doi: 10.1017/S1053837214000121

The diverse studies collected in *The Empire of Credit*, ranging over both monetary and financial history and the history of monetary theory, share a common theme: the interaction between the fiscal requirements of national defense and the rapid evolution of monetary and financial institutions from the late seventeenth century to the early nineteenth century, the period in which Great Britain unexpectedly displaced France as the chief European military power, while gaining a far-flung intercontinental empire, only modestly diminished by the loss of thirteen American colonies in 1783. What enabled that interaction to produce such startling results were economies achieved by substituting bank-supplied money (banknotes and, increasingly, bank deposits) for gold and silver. The world leader in the creation of these new instruments, Britain reaped the benefits of reduced transactions costs while simultaneously creating a revenue source (through the establishment of the Bank of England) that could be tapped by the Crown and Parliament to fund the British military, thereby enabling conquests against rivals (especially France) that lagged behind Britain in the development of flexible monetary institutions.

Though flexible, British monetary arrangements were based on a commitment to a fixed value of sterling in terms of gold, a commitment that avoided both the disastrous consequences of John Law's brilliant, but ill-fated, monetary schemes in France, and