# The Future of History

BY JESSIE ROMERO

In the mid-2000s, when economic stability seemed like it was here to stay, a well-regarded economist applied for a National Science Foundation grant to study economic crises. The application was rejected because, in the words of one referee, "We know those things don't happen anymore."

That referee was soon proven wrong, of course, and his comment illustrates what some see as a serious problem: the waning influence of economic history as a discipline, which seems to have left the economics profession without the historical context it needs to interpret current events. Many economic historians feel, as Robert Whaples of Wake Forest University wrote in a 2010 article, that it is "a neglected field, a field on the margins."

But the perception of neglect is nothing new — and might not be accurate, according to Price Fishback, an economic historian at the University of Arizona and executive director of the Economic History Association (EHA). "We've been saying that economic history is on the decline ever since I've been in the field." (Fishback completed his Ph.D. in 1983.) "But the field looks pretty stable to me."

Certainly, there are worrying signs. In the 1960s and 1970s, it was common for university faculties to have at least one economic historian, and few economics students could escape graduate school without studying economic history. Today, economic history has all but vanished from graduate school curricula. And job opportunities for economic historians are slim. Out of 256 recent job postings on the American Economic Association's website, only nine listed economic history as a preferred specialty. "It is a small market for economic historians," admits Fishback. "Everybody who goes out on the job market as an economic historian typically goes out as something else as well."

Economic historians are disappearing from history departments as well. Between 1975 and 2005, the number of history departments in the United States with an economic historian fell from 55 percent to 32 percent, despite the fact that the number of history professors overall more than doubled.

In part, the shift reflects the increasing importance of mathematics in economics, Fishback says. "When I started grad school back in the 1970s, there were people who were taking calculus courses at the last minute. These days you pretty much have to be a math minor to enter an economics Ph.D. program."

The specialty also was changed by the "cliometrics revolution" that began around 1960. Cliometrics is the application of rigorous quantitative techniques and economic theory to historical analysis. ("Clio" was the Greek muse of history.) Exemplified by the research of future Nobel laureates Robert Fogel and Douglass North into topics such as railroads, slavery, and the importance of institutions, cliometrics quickly became dominant.

But there were unintended consequences: Because economic history was now using the same tools as other specialties, separate courses were deemed unnecessary and economic historians were no longer considered a distinct group. Cliometrics also made economic history less accessible to historians who lacked formal economics training. At the same time, the use of quantitative approaches has spurred new interest in economic history, says Philip Hoffman, an economic historian at the California Institute of Technology and the current president of the EHA. "Economic theory has helped revive economic history. There is fascinating research being done by people outside of economic history but who use historical data." And Fishback notes that work that might be categorized as economic history is increasingly published in top-tier mainstream journals.

Lately, interest in economic history has been especially high as policymakers and economists have tried to understand the financial crisis and recession. And economists with historical expertise have been prominent in policymaking. Christina Romer of the University of California, Berkeley, who chaired the Council of Economic Advisers in 2009-2010, has written extensively about the Great Depression, as has former Fed Chairman Ben Bernanke.

Many people also believe that reinstating economic history courses in graduate programs could help economists recognize the next crisis sooner. As Kevin O'Rourke of Oxford University wrote on the economics website *VoxEU*, "Historical training would immunise students from the complacency that characterised the 'Great Moderation.' Zoom out, and that swan may not seem so black after all."

Of course, not everyone agrees that more training in history is the cure for what (if anything) ails economics. As Harvard University economist Edward Glaeser wrote in a chapter for the 2012 book *What's the Use of Economics*, knowledge of history is important for economic policymaking, but graduate school isn't necessarily the place to impart it. "We should trust Ph.D. programs to deliver competent researchers and hope that later experience provides the judgment that the wider world demands." Others believe that the more important curriculum change is greater study of credit markets and financial frictions.

Either way, the financial crisis and recession are starting to recede into history themselves. But even if the current vogue for economic history proves to be a blip, the economy will continue to present questions that cannot be answered fully without turning to the past. **EF**