



The European Journal of the History of Economic Thought

Wassily Leontief et la science économique

by Amanar Akhabbar, ENS Éditions, Lyon, 2019. 262 pp., €21 (Paperback), ISBN 979-1036200885

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To cite this article: Antoine Missemmer (2020) Wassily Leontief et la science économique, The European Journal of the History of Economic Thought, 27:2, 339-341, DOI: [10.1080/09672567.2020.1741929](https://doi.org/10.1080/09672567.2020.1741929)

To link to this article: <https://doi.org/10.1080/09672567.2020.1741929>



Published online: 20 Mar 2020.



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by Solchany to his growing transnationalism and anti-government stance. This took him somewhat to the right of the neoliberals in the MPS, and by the early 1960s he had embraced much of American neoconservatism, was a supporter of Barry Goldwater as a Presidential candidate and a champion of William F. Buckley.

Cultural pessimism rooted in “the possibilities that enabled industrialisation and economic growth for broad layers of society are simultaneously the catalysts of crisis” (205) drives Röpke’s formulation of liberalism, where the “natural order” will outlast the state. This attachment to natural order foreshadows some of the New Institutionalism associated with North; but alarmingly, as Goldschmidt and Dorr reveal, his support for apartheid in South Africa is reactionary, elitist and fundamentally racist.

Röpke’s conception of bourgeoisie culture is explored by Schneider, consisting of “virtues, norms and institutions” (223) concluding that Röpke, “has a conception of culture but lacks a systematic theory backing it.” (228) This lack of a unifying theory combining economics with social philosophy is exposed as a weakness of Röpke’s thought. The exposition of his proximity to James Buchanan, which concludes the volume, unconvincingly asserts that despite the core amorality of Public Choice this is close to Röpke’s highly ethically based conception of the market economy.

Overall, this book offers a timely reminder of the importance of Röpke to liberal thought in the twentieth Century, but lacks a narrative of Röpke’s intellectual development and how it responded to time and place. Undoubtedly, Röpke was a liberal economist who valued the market economy, and added to the understanding of business cycles; but ultimately he did not trust the market to produce solutions in accord with his reactionary social philosophy, which is shown to be enormously out of joint with the industrial and societal developments of his time. Schneider aptly quotes Gregg: “It is a good thing Röpke died before 1968; he would not have survived it” (23).

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<https://doi.org/10.1080/09672567.2020.1741928>



Wassily Leontief et la science économique, by Amanar Akhabbar, ENS Éditions, Lyon, 2019, 262 pp., €21 (Paperback), ISBN 979-1-03620-088-5

The collection *Feuillets d’économie politique moderne* of the ENS Éditions consists of introductory essays to the economic ideas of major post-WWII thinkers, on the basis of a detailed presentation and analysis of a founding or significant text of the literature. The eighth volume is devoted to Wassily Leontief and is written by Amanar Akhabbar, an associate professor at ESSCA School of Management (Paris), and also a historian of economic thought who has worked on Leontief for many years.

Wassily Leontief et la science économique is longer than other publications in the collection, and it offers an essentially methodological analysis. Rather than providing a comprehensive presentation of Leontief’s economics, Akhabbar opts for a perspective that allows

him to be very precise on the issues that interest him, leaving aside broader biographical aspects that the reader might have expected. In other words, the book is not truly an introductory essay to Leontief's economic thinking; it is rather a pedagogical and detailed essay on his method, for readers who already know who Leontief is and what he did.

Akhabbar's book consists of seven chapters, preceded by an introduction and an interlude, and followed by a synthesis, an epilogue and a post-scriptum. The French translation of "Mathematics in Economics" (1954) (delivered at the American Mathematical Society in December 1953) is reproduced in the final section of the book.

Chapter 1 establishes Leontief's position towards econometrics and the possibility of testing empirical observations through structural models. Leontief was sceptical on this point, and he favoured the development of data collection, and so work on detailed empirical content and not on unobservable variables in econometric calculations. His "input-output framework" ("*dispositif input-output*"), as presented by Akhabbar, was designed to link theoretical ambition with empirical foundation.

Chapters 2 and 3 present in detail the input-output framework, composed of the input-output table and the mathematical model associated with it. Akhabbar's prose is very pedagogical, describing step-by-step the use of the framework, and giving examples. An interesting reminder is that Leontief did not think of his device as being devoted to national accounting; it was a theoretical as well as an empirical undertaking.

Chapters 4 and 5 fully investigate what Akhabbar calls Leontief's "operationalist epistemology" (150), i.e. a third way between hypothetical-deductivism and inductivism to make economics a true empirical science. Searching for a close correspondence between empirical observations and theoretical concepts, Leontief wished to simplify economic language: each theoretical variable needed to have a clear, direct empirical significance to be observable and measurable. In contrast to Koopmans, he refused to separate the work of the economist-theoretician and the work of the statistician.

Chapters 6 and 7 provide two applications of the input-output framework that have become famous in the history of economic thought: the Leontief paradox, and the issue of economic change. Regarding the former, Akhabbar shows how Leontief invalidated the Heckscher-Ohlin-Samuelson model for international trade, and why the model survived this, retaining a central place in today's economic theory – because they adhere to an inadequate understanding of Popper's refutation criterion, economists are able to preserve and continue using invalidated theories and models. On the issue of economic change, the input-output framework helps to monitor the diffusion of innovations and productivity shocks within all branches of the economy. Akhabbar connects this use to the intellectual proximity between Leontief and Schumpeter, and explains how the input-output framework is still used today on this issue.

In the postscript Akhabbar finishes his essay by encouraging further research on empirical approaches in the history of economic thought, regretting that most studies focus on theories and models at the expense of tools and practices. Empirical measurements, and debates on observation, also structured the evolution of economic thinking. According to Akhabbar, they deserve more attention from historians of thought.

Wassily Leontief et la science économique is well written and well documented. The reader can appreciate how the author's detailed knowledge of Leontief's method enables him to provide a synthesis that is both complex and intelligible. The regular reminder throughout the book that the input-output framework was a dual device, with (i) the input-output table and (ii) the mathematical model, is essential for a correct understanding of Leontief's undertaking. The articulation between scientific innovation and concrete technologies is also well drawn: if the input-output framework had such significant success in the

mid-twentieth century, it is because it was supported by, and reversely helped the development of, calculators and computing machines – Leontief embodied a “techno-scientific” (9) project.

Akhabbar seeks to contextualise Leontief’s method with respect to major controversies. This leads him, for instance, to write about the “measurement without theory” debate in the 1940s, Carnap’s philosophy of science, Duhem’s resilience theory, and the post-1980s evolution of macroeconomics. Most of these detours are useful and well-articulated within the body of the text, but some could have been shorter. The same applies to certain slightly repetitive passages from one chapter to another, or between the last chapter, the synthesis and the epilogue.

The whole remains well-presented and pleasant to read. Akhabbar’s essay is really more ambitious than it seems. The author presents his work as a reflection *on* Leontief, but it is more a general reflection on economic methodology *with* Leontief as a thread. For instance, Akhabbar’s comments on the economists’ attitude towards Popper’s refutation criterion go beyond Leontief – Akhabbar notably explores and analyzes Tirole’s position in this matter (22, 153). In other words, *Wassily Leontief et la science économique* does not only help to have a better understanding of Leontief’s method, it is also an invitation to think about the relationship between theory and empirics in economics. The readers interested in this essay will therefore certainly be more numerous than simply *aficionados* of Leontief and of the input-output framework.

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<https://doi.org/10.1080/09672567.2020.1741929>



The value of applied economics: the life and work of Arthur (A. J.) Brown, by Kenneth Button, Edward Elgar, Cheltenham, 2017, 237 pp., £80 (hardback), ISBN 978-1-78643-365-7

When Richard Stone proposed in 1945 the establishment of Cambridge’s Department of Applied Economics (DAE) to synthesis measurement, theory and methodology, he made clear that “The ultimate aim of applied economics is to increase human welfare by the investigation and analysis of economic problems of the real world” (cited in Pesaran and Harcourt 2000, F149). Although not a Cambridge economist, and never to work at the DAE, Arthur Brown (1914–2003) exemplified this ambition. Educated at Oxford (PPE, 1936; DPhil, 1939, supervised by Jacob Marschak within the newly established Institute of Statistics), he quickly achieved ‘rising star’ status: an All Soul’s Prize Fellowship (1937); an Oxford university lectureship (1937); two of the early publications of the Oxford studies in the price mechanism which explored empirical foundations for Keynesian interest rate theory; and, after service as an economist during the war (Chatham House) and immediate reconstruction period (Cabinet Office Economic Section), he became professor at Leeds in 1947 where he spent the rest of his career. The presidency of the Royal Economic Society (1976–78) was one of the many honours he received, with his 1978 presidential address