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INTRODUCTION

The Real Economy

WHAT IS the economy? My aim in this book is to provide an answer to this question, for the purpose of better studying the economy, its history, and its politics. The larger hope is that the chapters herein might contribute to a much-needed discussion in the social sciences and humanities about the subject at hand, what the economy really is.

Why pose the question? Are there not already economists, economic historians, economic anthropologists, economic sociologists, practitioners of political economy or law and economics, or normative theorists of economic justice and democracy? What is it they are doing if they are not already studying the economy? And if that is what they are up to, must there not already exist robust accounts (if not exactly shared ones) of what the economy is—a "market sector," a "general equilibrium," a domain of "materiality" or "material subsistence," the "gross domestic product," or some other construction?

There are not—or at least not, in my view, adequate accounts. Long preoccupied with honing methods, the core of the discipline of economics risks losing sight of the economy. Preoccupied with either appropriating or criticizing the methods of economics, other disciplines have failed to articulate an alternative conception of the economy. Therefore, no discipline in the humanities or social sciences today has a convincing theory of the economy. The absence is the motivating concern that lies at the heart of this book. To elaborate an account that is adequate, my strategy has been essentially to start over again from the beginning, asking some of the most fundamental questions, in search of the most basic building blocks.

The path will, occasionally, wind. The topics and themes of the book are various, as is the mode of exposition, which span historical narrative, empirical description, exegesis, and abstract theorizing. The chapters include a range of what might seem disparate topics: the economics of ancient Egyptian pyramid building; the meaning of "radical uncertainty"; theories of corporate personality leading up to the US Supreme Court case *Citizens United* (2010); Keynes's notion of "demand" in *The General Theory of Employment, Interest, and Money*;

debates in psychoanalysis about the correct understanding of desire; the nineteenth-century intellectual discovery of "altruism"; the Chinese demand for holding American silver in the sixteenth century and US treasury bills in the twenty-first; economic theories of capital; the story of Thorstein Veblen's firing from the University of Chicago. However, throughout there is an overarching focus on the nature of the economy, and what developing an account of the economy might mean for the writing of history (my home discipline) and for other forms of social scientific and humanistic inquiry.

I should note that I arrived at the theme of the real economy only while writing what became roughly the first half of the book. A historian very much of my generation, which came of age after the global financial crisis of 2007–2008, my initial concern was with articulating a theory of capitalism and an account of its history.[1] Soon, however, I discovered that in fact I could not escape grappling with the problem of the economy—its underspecified conceptual existence. Doing so, I kept finding myself repeatedly turning back to an earlier moment in the history of economic thought.

The book returns in spirit to the era, roughly stretching from the 1890s to the 1930s, which first gave birth to the discipline of economics. I say "spirit" because I make no attempt at any direct act of simple retrieval—to suggest that some old master, or some old book, got the matter right long ago and for all time. Rather, from this period I have taken inspiration from the economic "Vision," as the economist Joseph Schumpeter once put it. By Vision, Schumpeter meant a general orientation to the world that inevitably precedes analysis. In economic analysis, "to posit to ourselves any problems at all," he wrote, "we should first have to visualize a distinct set of coherent phenomenon as a worthwhile object of our analytic efforts."[2]

In Schumpeter's generation, what many economists were trying to visualize was the economy. This moment—after Marx made the last great contribution to "political economy" but before the triumph of "neoclassical" economics following World War II—was one of "methodological pluralism."[3] Before the discipline of economics found its bearings in neoclassicism, fierce debates raged, as many different visions of economics and of the economy circulated and competed with one another.[4]

In my encounter with these "years of high theory," as one perceptive chronicler characterized them, the economics of Keynes and Veblen have loomed the largest.[5] Both Veblen and Keynes were economic theorists. Keynes entitled his most important books *Treatise on Money* and *The General Theory*, and Veblen, *The Theory of the Leisure Class* and *The Theory of Business Enterprise*.[6] Writing before neoclassicals transformed economic theory into an entirely mathematical affair, when theorizing both preferred verbal exposition (Veblen nearly exclusively). Veblen and Keynes figure in the book most. But so do the economic Visions of a great many twentieth-century economic theorists, even if they do not often crack the text or even the notes. They cross diverse institutionalist, post-Keynesian, Marxist, Austrian, French Regulation, and even neoclassical traditions—from Irving Fisher to John Hicks, Joseph Schumpeter, Frank Knight, Joan Robinson, Albert Hirschman, Nicholas Kaldor, and others. If in different ways, all first cultivated or sought to carry forward the rich legacies of pre–World War II economic theory.[7]

By revisiting traditions of literary economic theorizing that, if not completely lost, have long been overshadowed in the discipline of economics, and have not often been considered outside of it, my goal is to articulate a theory of the economy that is open to rich empirical study from multiple disciplinary and methodological perspectives, across the social sciences and humanities. Perhaps the effort will be of interest to contemporary economists, working in any tradition. My ambition is to convince non-economists in the interpretive social sciences and humanities that there are traditions in economic theory of ecumenical interest, no less than traditions in, say, philosophy, social theory, cultural theory, or political theory. Of course, I also wish to convince historians that it is worth conceptualizing the economy in the ways outlined here. In the chapters, I flesh out this concept and put it to work by constructing historical narratives informed by it. Finally, while I believe this effort can help sharpen capitalism as a category of analysis, for it to succeed the theorization of the economy must be more generally valuable, beyond capitalism—including for understanding what kind of economy existed before capitalism, and what it would mean for an economy to come after it.

Neoclassical Economics and the Real

Before we can proceed, the statement that no discipline in the humanities or social sciences today has a convincing theory of the economy requires support. Best to start with the most obvious candidate for having such a theory—economics.

All disciplines face a similar challenge when relating subject to method in their organization of inquiry. The subject of history, for instance, is the study of change and continuity over time in all its complexity. In that study, historians have chopped up the past into a variety of subject fields—social history, political history, or cultural history. To study these subjects, over the years historians have drawn from a great variety of interpretive methods, though not all methods are compatible with the subject of history. There has been, say, the cultural history of politics, or the social history of ideas.

In this framework, history shares a kinship with nearly all the disciplines that have organized the academic production of knowledge since the beginning of the twentieth century. If at its most basic level history is the study of change and continuity over time, then surely sociology is the study of society, chemistry the study of compounds and elements, anthropology the study of culture, or political science the study of politics. Of course, from time to time all these disciplines have borrowed methods from others.

Economics became different. While the other social science disciplines of the twentieth century debated and fixed their subjects, sorting and cycling through methods, economics became an overwhelmingly methods-focused discipline. Perhaps only philosophy—tellingly, an avowedly metaphysical enterprise—can rival economics in this respect. To state the point most provocatively: economics has no subject. That helps explain its great success as the most "imperialist" social science.[8] Fixated on method, economics began to freely roam across a great many subjects.

But this fixation does have a cost. Economics came to lack the most basic theory of the economy. Gregory Mankiw's *Principles of Economics* has long been a leading contemporary US undergraduate economics textbook. Mankiw informs students, "There is no mystery to what an economy is. Whether we are talking about the economy of Los Angeles, the United States, or the whole world, an economy is just a group of people dealing with one another as they go about their lives."[9] This is in fact a quite mysterious definition of an economy. Why "an economy" here? Why not a society, a culture, a polity, a community—humankind?

Economics abandoned a subject matter for a method in the decades after World War II, with the triumph of "neoclassical" economics, as Veblen first branded the paradigm in 1900.[10] In the first half of the twentieth century, economics was intensely divided about whether to focus upon a subject or a method, as well as—not unrelatedly—which subjects and which methods.[11]

The argument conveyed a long inheritance that went back at least as far as the eighteenth- and nineteenth-century project of "political economy."[12] Here is how Adam Smith defined political economy in *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776):

> considered as a branch of the science of a statesman or legislator, proposes two distinct objects: first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign.[13]

The object of political economy defined its subject: the absolute generation of wealth, either in the form of subsistence or of revenue.[14] A little more than a century later, the Cambridge economist Alfred Marshall began his *Principles of Economics* (1890), a landmark in the transition from political economy to economics, with this first sentence: "Political economy or economics is a study of mankind in the ordinary business of life; it inquires how he gets his income and how he uses it. Thus it is on the one side a study of wealth; and on the other, and more important side, a part of the study of man."[15] Marshall still emphasized the "study of wealth." At the time, so too did rival schools of economics, including the German historical school, then at its peak at the turn of the twentieth century.[16] In one representative German textbook, the economy referred to "all those processes and arrangements that are directed to the constant supply of human beings with material goods."[17] Material goods kept an accent on wealth. After World War I, US-based institutionalist economics, influenced by the fleeting German historical school and claiming inspiration from Veblen, did, too. Walter H. Hamilton's "The Institutional Approach to Economic Theory," the address to the American Economics Association that first named that school, related that approach to the study of "material wealth."[18] In the 1930s, John Maynard Keynes, in his rebellion from Marshall, his teacher, sought to invent a new "theory of output as a whole," or, as he called it, "the wealth of the community."[19] During the interwar moment of methodological pluralism in the budding academic discipline of economics, the study of wealth—a subject—was prevalent, even if the method or methods compatible with it were not at all agreed upon.

In his *Principles of Economics*, Marshall also noted a "more important side" than the study of wealth, which was economics as "the study of man." On this side, Marshall contributed to the "marginalist revolution" in economic theories of value—relative value, not absolute wealth.[20] With this revolution, neoclassical economics was born. As Hamilton noted, what he called "value economics" was a second, distinct tradition in contrast to what Marshall called "the study of wealth," or what we might call by contrast "wealth economics." It went at least as far back as Smith, too. The relative values of goods in exchange, why people value some things relative to others, had greatly concerned Smith and the generations of political economists who followed in his wake. That included Marx, who by relating his Ricardian-inspired labor theory of value to his "law of capitalist accumulation" made the greatest attempt ever to completely integrate an economics of (absolute) wealth to an economics of (relative) value.

The neoclassical marginalist revolution focused on transforming value economics, setting wealth economics to the side. By contrast to political economists from Smith to Marx, who argued for objective, cost-of-production theories of relative value, Marshall and his peers advocated a psychological and subjective theory of utility satisfaction at the margin. The theory posited a form of economizing behavior or conduct.

However, the marginalist theory of value was not the only account of economic behavior—that subject—at this time. Consider Max Weber's struggles to define the "concept of economy" upon his appointment as a professor of economics (not sociology!) at Freiberg in 1898, replacing a member of the German historical school.[21] Weber declared in the posthumous *Economy and Society* that, while avoiding "the much-debated concept of 'value'" it was still possible to theorize economy. Weber focused on "economic activity," by which he meant "careful choice among ends," or "rational calculation." This required a sociological account of valorization, without committing to the full-blown axiomatic theory of "relative value" that marginalists advocated.[22] Soon, as Hamilton noted, US institutionalists were also preoccupied with economic activity, appealing to "instinct, impulse, and other qualities of human behavior," including the institutional processes of economic valuation that could not be reduced to neoclassical axioms.[23] Keynes's *General Theory* underscored the various "propensities," "motives," and "preferences" that explained the contingent valuation of capital-assets, as well as the investment and consumption choices that determined "output as a whole."[24]

When neoclassical economics triumphed after World War II, what prevailed was marginalist value economics refashioned as a generalized method for an extraordinarily unspecified subject, the "study of man." There was no longer any attempt to link this economics back to a subject, including the study of wealth. It was Lionel Robbins who in 1932 defined economics with respect to a certain kind of conduct alone, abjuring wealth altogether. Economics, Robbins wrote, is "the science which studies human behavior as a relationship between ends and scarce means which have alternative uses."[25] The definition captured several important stipulations of what became, broadly speaking, twentieth-century "microeconomics," a term that first emerged during the 1930s. Its great founding text was John Hicks's *Value and Capital*, written by Robbins's London School of Economics junior colleague. *Value and Capital* barely referred to the economy at all. When it did, passingly, Hicks inferred that the economy was nothing more than the sum composed by the "preferences of the individuals" in it. Hicks's inspiration was the Frenchman Léon Walras, a founder of marginalism who first posited the possibility of a "general equilibrium" among all markets. *Value and Capital* focused on putatively economic topics, whether capital, employment, or consumption, but all from the perspective of a mathematical economics of relative value. The word "wealth" appeared four times in *Value and Capital*.[26] During the 1930s, Robbins rightly sensed that what was being developed in the neoclassical camp was a generalized method for the study of individual choice under conditions of scarcity and substitution—anywhere it occurred, inside or outside the economy, whatever it might be.

During the decades after World War II, together with neoclassicism, Robbins's definition of economics became hegemonic.[27] In short, rather than wallowing in knotty subject / method problems, neoclassical economists simply chose method over subject and got over it. The shift was subtle. By claiming human behavior and not the economy as its subject, economics claimed for the unique value of its discipline the contribution of a method. To get analytical traction, however, that method required making highly restrictive assumptions about human behavior, which required often excluding subject matters that, by seemingly any possible definition, would count as fundamental to the economy. Doing so, in the latter half of the twentieth century neoclassical economists successfully constructed a highly idealized but extraordinarily powerful method, in which—in the final step—compelling arguments must be expressed, à la Hicks, in mathematical or, relatedly, quantitative form.

The chief landmarks in this transformation were these. MIT economist Paul Samuelson's *Foundations of Economic Analysis* (1947) was the first postwar milestone in axiomatic, mathematical economics.[28] In this effort, the loftiest postwar achievement was the proof, provided by the end of the 1950s by Kenneth Arrow, Gérard Debreau, and Lionel W. McKenzie, of "general equilibrium."[29] This is a state of affairs in which the interactions of supply and demand, in conditions of perfect competition, determine for multiple interacting markets the most efficient allocation of all commodities among rational maximizing, or optimizing individual agents, given their independently arrived at set preferences and budget constraints. Though its meaning has always remained disputed, this achievement provided a windfall of epistemological confidence for postwar neoclassical economics.[30]

At MIT, Samuelson in 1955 first announced the "neoclassical synthesis" between Walrasian general equilibrium microeconomics and a special-case Keynesian macroeconomics of aggregates, the latter applicable when the economy for some reason entered slumps in total output and employment.[31] Note the term, new at the time, "the economy" in that sentence. As historians and allied scholars have argued, in postwar public debates throughout the world economists helped discursively fix the economy according to the macroeconomic concepts of output, growth, prices, employment, and development.[32] The legacy is that we still say today, intelligibly, that the economy is growing, is developing, or that employment in it is rising or falling.

But in economics as opposed to public discourse, the postwar discursive fix was highly unstable.[33] To his credit, Samuelson would outright admit the logical inconsistency of the neoclassical synthesis—of simply papering over the centuries-old tension, going back to Adam Smith, between the economics of absolute wealth, which leaned toward the study of a subject, and the economics of relative value, which led among neoclassicals toward the application of a method. Microeconomics operated on one track, macroeconomics on another. There was no attempt to integrate them, while taking each seriously.

Smith had at least tried to integrate his understanding of "economic sentiments"[34] in market exchange with his account of the wealth of nations; Marx had at least tried to integrate his labor theory of value with his law of capitalist accumulation; Weber had at least tried to integrate his sociological theory of "economic activity" to "the economy," in the sense, as he put it, of "the optimal utilization of given means of production to meet the demand for goods on the part of a given human group";[35] Keynes had at least tried to integrate his analysis of propensities, motives, and preferences with his macro-theory of output as a whole; Veblen had at least tried to integrate his theory of habit, especially habits of emulation and predation, with his account of pecuniary valuation and wealth ownership. The neoclassical synthesis was far more modest. "The way I finally convinced myself was to just stop worrying about it," Samuelson would reflect.[36] That was nothing much to be ashamed of. Often, intellectual formations overcome their contradictions therapeutically in this way. They do not solve them; they simply stop worrying over them and move on—if only for a time.

What postwar economists began to worry about most was how to properly reason through models, using mathematics. If the economy now existed, it existed in an idealized world within the logical space of a model, not in the world outside of it.[37] By intent, the discipline began to lose contact with what Marshall called the "ordinary business of life." For instance, postwar general equilibrium theory required excluding by assumption money from standard models. In a remarkable rhetorical flourish—according to what in 1949 Don Patinkin first named the "classical dichotomy" separating the monetary and the real—what postwar economists began to refer to as the "real economy" excluded money altogether.[38] That is, the closest twentieth-century neoclassical economics ever got to defining the subject matter of the economy was to mathematically model an idealized real economy, in which money is taken to be a nominal factor alone, and does not really exist.

In the postwar economics discussion of realism, Milton Friedman's essay "Methodology of Positive Economics" (1953) loomed large.[39] By the title alone, the question was already pitched as an issue of method for the discipline, rather than of subject. Friedman argued that the more unrealistic economists' assumptions were about the world the better, if it led to better predictions about the economy (what the economy is, Friedman did not say). Counterintuitive but correct predictions are the hallmark of good science, after all. Friedman's essay gave license for many economists ever since to not worry over the realism of their assumptions.[40] Objections to Friedman's thesis at the time were mostly quibbles. Samuelson lodged an in-degree rather than in-kind objection. As one of his peers commented in an article on the topic of "Professor Samuelson on theory and realism" in 1964:

> I conclude that Samuelson, one of the most brilliant theorists in present-day economics, produces his best work when he deduces from unrealistic assumptions general theoretical propositions which help us interpret some of the empirical observations of the complex situations with which economic life confronts us.[41]

For all the important differences between the two dominant schools of postwar economics at MIT and Chicago, the rough agreement between the two schools on the issue of realism is worth underscoring.

Chicago is the best place from which to narrate an important subsequent development, in which economics moved beyond markets. In 1968, noting these postwar changes, the wide-ranging scholar Karl Polanyi wrote a seminal article, "The Economy as Instituted Process," in which he noted the dualism I have stressed.[42] Polanyi distinguished what he called the "substantive" meaning of the economy, which referred to a subject, "man's dependence for his living upon nature and his fellows," from the "formal" meaning which, going back to Robbins, referred to "the logical character of the means-end relationship"—the latter having come to preoccupy postwar neoclassical economics. Polanyi, viewing the substantive as more encompassing, could only imagine the formal meaning applying to self-interested behavior in "the market." But already then, what he called formal economics had begun to extend its reach.

By the 1960s, the Chicago School had begun to look past markets.[43] In *The Economic Approach to Human Behavior* (1976), Gary Becker cited the Robbins definition approvingly. "The definition of economics in terms of scarce means and competing ends is the most general of all. It defines economics by the nature of the problem to be solved," regardless of the domain of life in which the problem appears. Economics need not focus on "the market sector," Becker emphasized. He concluded, "what most distinguishes economics as a discipline from other disciplines in the social sciences is not its subject matter but its approach."[44] Ronald Coase, famous for importing this approach into the study of legal institutions and inspiring an institutional economics of a very different type than what Hamilton promoted in 1919, approvingly cited both Robbins and Becker before summing up this tradition best when he wrote that, "economists have no subject matter. What has been developed is an approach divorced (or which can be divorced) from subject matter."[45]

Thus was launched the imperialism of microeconomic approaches to human behavior across the social sciences, which soon made its mark in political science, law, sociology, and history among other disciplines. The method of economics may have required using strong assumptions about human behavior and its context—Becker cited "maximizing behavior, market equilibrium, and stable preferences, used relentlessly and unflinchingly"—that to this day make the jaws of most humanists and social scientists who are not economists or sympathetic to their methods drop to the floor. When economists invade their territory, however, mouths close and teeth gnash. For individual choice under conditions of scarcity and substitution really is a problem that often occurs not just in markets, and not just in the economy, however one wants to define it or mark its boundaries, but also elsewhere, in politics, family life, or other social arrangements. Indeed, the method of economics has achieved impressive analytical traction across multiple domains. Of its limits, however, this was all Becker was prepared to concede. "I do not suggest that concepts like the ego and the id, or social norms, are without any scientific content. Only that they are tempting materials . . . for ad hoc and useless explanations of behavior."[46]

It was in 1988 that Coase declared that economists "have no subject matter." Their method, born of high abstract theory, could travel anywhere. By then, already important changes were afoot pointing the discipline in new directions. In the 1980s, applied econometrics and applied microeconomics were becoming ever more prominent fields.[47] One explanation for this was the increasing real-world policy influence of microeconomics in the United States during the 1960s, on issues such as crime, poverty, discrimination, and education.[48] Yet, trends in macroeconomics—still the most policy-relevant branch of the discipline—cut back in the old direction. The search for "microfoundations" in "rational expectations" starting in the 1970s transformed macroeconomics.[49] Microeconomics and macroeconomics—of relative value and absolute wealth—did not so much finally integrate. Rather, micro largely swallowed macro. As one influential 2010 survey explained:

> Many macroeconomists have abandoned traditional empirical work entirely, focusing instead on "computational experiments," as described . . . by Kydland and Prescott (1996). In a computational experiment, researchers choose a question, build a (theoretical) model economy, "calibrate" the model so that it mimics the real economy along some key statistical dimensions, and then run a computational experiment by changing model parameters (for example, by changing tax rates or the money supply rule) to address the original question. The last two decades have seen countless studies in this mold, often in a dynamic stochastic general equilibrium framework.[50]

By this time, the signifier "real" in economics could either refer to any humdrum empirical reality outside the window of a university academic office, or the idealized "real" of the highly abstract models written from within them. In the above passage, the "real" referred to that reality which exists outside the model. Yet, the brand of macroeconomics being described above, privileging the logical coherence of abstract mathematical models, somehow referred to itself with the moniker "real business cycle theory." Criticizing this school of macroeconomics in the wake of the global financial crisis of 2007–2008, the economist Paul Romer named it "post-real" economics. In his view, that was how divorced from empirical reality its assumptions had become.[51]

In sum, toward the end of the twentieth century, the discipline of economics had come to privilege the refinement and extension of a method over the fixing of a stable, empirical subject matter. In this respect, Becker's *The Economic Approach to Human Behavior* makes for an interesting read alongside other brilliant and influential works roughly of its kind published in other disciplines in the latter decades of the twentieth century. Clifford Geertz's *The Interpretation of Cultures* is first and foremost a theory of culture, even if it offers an interpretive approach, or method, through which to study a variety of subjects (including, I would argue, the economy).[52] Likewise, Joan Wallach Scott's *Gender and the Politics of History* theorizes gender as a category of analysis to interpret a variety of subjects (including, I would argue, the economy), although three of the book's chapters analyze the subject of "gender in history."[53] Something similar to this, I think, could be said of the way race works in Paul Gilroy's *The Black Atlantic: Modernity and Double-Consciousness*.[54] All these books expressed disciplinary formations that both distinguished and related subjects and methods. But in economics, the needle had veered awfully far toward the latter.

Capitalism, the Economy, and the Real

Of course, the disciplinary evolution of economics does not end at the turn of the twenty-first century. The narrative I have offered of its twentieth-century trajectory, focusing on some of the crucial turning points of the postwar era, is admittedly condensed and oversimplified. It may have looked different had I focused less on MIT and the Chicago School and more so, say, on the school of twentieth-century economics that arose around Herbert Simon at Carnegie Mellon University, if not somewhere else. The core of the discipline developed in a great many different directions, which cannot all easily be assimilated into any simple framework—and that says nothing of heterodox traditions.[55]

However, in addition to capturing some genuinely prominent trends in economics, this narrative was designed for another purpose: to give some sense of what economics, if only at first blush, signified to me in 2002 as a first-year doctoral student in history in the Social Science Division of the University of Chicago. The origins of this book go back to that time.

In the study of history, the turn of the twenty-first century can well be described as occurring after the "linguistic" or "cultural" turn.[56] I mentioned

Geertz's *The Interpretation of Cultures*, Scott's *Gender and the Politics of History*, and Gilroy's *The Black Atlantic*. These books, very much of that turn, were then still present on reading lists of history graduate students, including my own. By this time, few (or at least fewer) historians believed that in their work it was possible to ever represent the "reality" of the past. Past and present worlds alike are too mediated if not altogether made by discourse, culture, and language for present historical narratives to ever correspond mirror-like to past worlds. This outlook fit into the broader sensibility of social constructivism present in the interpretive social sciences at the turn of the twenty-first century. In hindsight, economics' postwar mathematical turn was similar in some respects to historians' postwar linguistic turn. Math, a language of its own, cast a net over economic discourse, and many economists chose to think and write on its surface, not worrying about whether it corresponded to any independent empirical reality out in the world. That happened at the same time that historians stopped trying to penetrate beneath the surface of language to contact the objective reality of the past.

As a young graduate student in the 2000s, I took the epistemology of the linguistic and cultural turn for granted. And yet, for all the insights this turn afforded to working historians, and still does, I felt constrained by it. For I came to think that I could not adequately grasp a historical phenomenon that I sensed could be partly but not entirely reduced to language and culture: the economy.[57]

In a perceptive 2013 essay, the historian David Gary Shaw captured the mood in history. During the 2000s, Shaw wrote, "history and theory [had] generally been turning away from the symbolic and the linguistic. Trends are toward sensation and presence, to materiality and space, to the body and its affect." Among historians, Shaw noted a desire for a "return to the real."[58] This resonates with my experience—and, it seems, with what was going on in other quarters. The social theorist John Levi Martin, for instance, noted "the return of realism" in sociology at this same time.[59] Here, then, is the right moment to carry the prior narrative of twentieth-century economics through the early decades of the twenty-first century. There was a desire to somehow "return to the real" in economics, too.

Accelerating the trend toward applied topics after roughly 1970, there occurred in the mainstream core of the twenty-first-century economics discipline an empirical revolution, or a credibility revolution. This led to a new emphasis on the gathering of empirical data and on statistical techniques of causal inference and the running of, essentially, social psychology experiments or "natural experiments." Note the language of "the real" in one important 2010 survey of the new literature, literature of a kind that would only proliferate over the 2010s and early 2020s. As the authors put it, in economics, "the number and scope of real experiments has increased dramatically, with a concomitant increase in the quality of experimental design, data collection, and statistical analysis." Researchers "seek real experiments where feasible, and useful natural experiments if real experiments seem (at least for a time) infeasible."[60] In this way, economists might climb down from the ivory tower of high theory to become "plumbers," to quote the 2019 Nobel laureate in economics, Esther Duflo.[61]

Indeed, the twenty-first-century desire in economics to somehow reconnect to the real aligns with my experience of what was going on in the discipline of history. But in this effort, my generation of historians hardly turned to the latest trends in economics. In the wake of the global financial crisis of 2007–2008, many sought instead to revive "the history of capitalism."[62]

Why capitalism? As a term, capitalism has long had an ideological charge, which made it ideally suited for the political moment that followed the financial crisis. But I have since come to think that one of the reasons why so many young historians turned to capitalism post-2008 as the subject of their inquiry is that there was no working concept of the economy available. I confess to holding the naïve belief at the time that all economics—including the subdiscipline of economic history as practiced in US economics departments—in addition to the impenetrable math smacked of transhistorical assumptions about human behavior that no self-respecting historian could ever grant. The entire project was worthy of dismissal. I was not well informed—in part because when considering economics, I only saw the still predominant neoclassical paradigm. For all its merits in reconnecting economics to rough empirical reality, the credibility revolution, like other important recent trends in economics, such as psychology-inspired behavioral economics, has so far dodged any frontal assault on the core theoretical tenets of neoclassicism. Arguably, recent empirically focused work is only the latest iteration of economics as method, in lieu of subject. A statistical theory of causal inference, preference for randomized trials, or more "evidence from . . ." offers no theory of the economy to economists or anyone else.[63]

And yet, we historians and allied members of the interpretive social sciences and humanities had no theory of the economy ourselves. True, historians wrote outstanding and essential genealogies of the concept "economy," but this work consciously stopped short of theorizing economy, in a positive sense.[64] Capitalism, then, represented a better option, as it was a concept abundantly theorized, even if contentiously so, by such grand thinkers as Karl Marx, Karl Polanyi, or Max Weber, the initiators of traditions in which labor, the commodity, the market, or instrumental rationality were the central analytical categories, not the economy.[65] Theoretically, the concept of capitalism also demanded that historians look outside the economy, however conceived, to understand capitalism as a broader social order, or political economy. This synthetic orientation, premised upon critique, also made it possible to retain at least some of the insights and methods afforded by the cultural turn.

Nonetheless, I have found, as someone who has tried to positively define capitalism (and will attempt to do so again in this book) that in my experience many of those who favor using this concept have a near reflexive negative reaction against attempting definitions of it. This is not necessarily because they disagree with the definition offered, although that may be the case, too. It is because they do not see a definition of capitalism to be the point of the concept's use, instead seeing the point as precisely the opposite: critique. Critique has value of its own. But capitalism can be both a critical and constructive conceptual formation. That requires knowing what capitalism is. For that, must we not know what makes an economy capitalist? To know that, surely, must we not know what the economy is?

In this respect, more generally consider these sentiments, common across the interpretive social sciences. Politics always helps determine economic outcomes, or so past and present partisans of political economy (including neo-institutionalist economists) have always said.[66] Markets are always embedded in society—to invoke one prominent sociological inheritor of Polanyi's substantive definition of the economic.[67] The economy is always a culturally constructed phenomenon, or so economic anthropologists have abundantly demonstrated.[68] The economy must be placed in historical context to be understood. There is a broad domain of economic life.[69] Under capitalism, the economy is part of a much broader institutionalized social order or form of life.[70]

I subscribe to all these statements unreservedly. But what does the economy signify in them? What is being shaped, constituted, constructed, embedded, lived, institutionalized, or formed? What is the economy, really?

Two Senses of the Real—Critical and Constructive

The chapters to come attempt to answer that question. To work toward a compelling theory of economy, they take two approaches—one critical, another constructive.

I have already invoked "the real" quite a few times. It is not possible to go much further without saying at least something about philosophical debates concerning "realism." I should say, not too much. To tackle the perennial philosophical issues raised in debates over the nature of reality and truth in discussions of realism and its iterations (naïve, critical, etc.), not to mention realism's lengthy list of contenders (nominalism, antirealism, idealism, empiricism, skepticism, antirepresentationalism, constructivism, relativism, etc.), and not to mention their many iterations, requires a philosophical competence beyond my own.[71] My perspective and the vocabulary I employ is shaped by yet another -ism, and that is pragmatism, which can perhaps most pithily be expressed by Veblen's mantra, "habits of thought are the outcome of habits of life."[72] That is little different from a central idea of Keynes's Cambridge contemporary Wittgenstein's notion of "forms of life."[73] The basic philosophical agreement I see between Veblen and Keynes is a reason I find so many resonances between their economics.[74] Let me state the fundamentals of this perspective by, in the pragmatist spirit, putting it to use on the subject at hand.

I do not know if there is a "real" external world that truly exists independently of our minds and our attempts to grasp it through concepts, like the economy. I am also not certain it is worth debating the problem posed this way.[75] What is clear enough to me is that, practically speaking, the real is a regulative ideal with respect to the working life of concepts, like economy. Discursive invocations of the real often serve two distinct ends. First, they indicate conceptual closure—confidence that an already constructed concept is in good working order and may simply be habitually deployed to good effect.[76] Neoclassical economists who argue that money is not real are not deluded. Very likely they know the reality of their salaries and bank balances, and when they draw from them to buy things in the real world, they offer up real money (or at least real credit). To say that money is not real is to express trust and faith in the analytical power of a concept of the economy that, to get traction, necessarily must exclude money. In this guise, the real expresses certainty, or a lack of doubt in a concept. This is the real, in the constructive sense of the term, when a notion of the real economy is utilized to exclude some matters from an inquirer's analytical vision so that they can focus on others—that are, in this sense, real.

The real may show up in a second guise, in the form not of construction but rather critique. Now, trust and faith flag in a working concept. Is it possible, really, to conceptualize the economy without bringing into vision, say, the phenomenon of money? Here then, the real does not indicate closure, but rather uncertainty and an opening up of a concept to experience and the probing of the empirical real world. This "real" is available for use when there is a feeling that habitual concepts are not in good order, having somehow run afoul. They cannot simply be deployed uncritically. They must be reexamined, partly by breaking out of the confines set on the empirical world—as in, not everything can be considered all at once—by the prior, constructive fixing of the concept.

In the conceptual life of the real economy, there are these two moments, the constructive and the critical. First, there is talk of the real economy when there is confidence in specifying conceptually what the economy is, or where there is faith that it has been positively fixed for good use. Yet, we may also speak of the real when we do not have such faith in a constructed concept.

At these moments, critique comes to the fore.[77] We do not want to have momentary conceptual closure. Rather, the desire is to reflexively critique a concept, by destabilizing it.

Obviously, these two senses of the real strain against one another. The question is whether that strain is productive. Is a constructed concept open to productive critique, and is critique productively feeding back into construction? Or not—consider twenty-first-century economics discourse, where, on the one hand, macroeconomic adherents of real business cycle theory cling to an old concept of the real economy, fixed in the postwar era, that exhibits little empirical curiosity in the world, whereas, on the other hand, adherents of the newfangled credibility revolution, critical of past practices in the discipline, yearn to conduct real world experiments to set economics upon a more secure empirical foundation. When the two "reals" blindly pull against one another this much, that is when a concept may suffer from an intolerable indeterminacy. One comes across mysterious statements in leading undergraduate textbooks, like Mankiw's *Principles of Economics*, about what the economy is.

Some of this book can be read as a critique of orthodox neoclassical economics' notion of the real economy. Often, it draws from the critical perspective afforded by the concept of capitalism. Many critiques have been leveled against neoclassical economics. Some are explicitly ideology critiques—that, say, neoclassical economics wittingly or unwittingly has become a species of neoliberalism.[78] Or, they have been outright methodologically dismissive—that, say, economics' "methodological individualism" should be thrown overboard for a completely different epistemological or ontological framework.[79] Both appraisals have their merits, but I mostly do not engage in critiques of this kind. In my view, the methods of neoclassical economics are not fundamentally corrupt or wrong. Categorically speaking there is nothing wrong with the methodological use of abstraction, mathematical exposition, modeling, building up explanations from individual choice and behavior, extreme scaffolding assumptions, or statistical inference. It may be true that economics at times suffers from being incorrect. The critique I am most invested in making, however, is that even when correct economics also suffers from being intolerably incomplete.

One solution to this incompleteness is to be open to outside influences from other disciplines and intellectual formations. Various chapters to come incorporate perspectives from history, but also the sociology of accounting, the anthropology of money and wealth, legal studies of corporations and property, political theories of sovereignty, and psychoanalytic accounts of psyche. They draw from the conceptual apparatuses of these disciplines. They also pay attention to the empirical realities that their categories of analysis spotlight—the real world in that sense—to expand the range of vision concerning what the economy is.

In addition to this form of critique, however, another constructive step is necessary to theorize the economy. To construct an adequate account of economy by simply critiquing neoclassical economics, from whatever standpoint, is highly unlikely. At least, I have found no other way to work toward the real economy, in the constructive sense, than to reckon with traditions inside economics. The challenge is to positively construct a theory of the real economy that is open to dialogue with a variety of disciplines—economics and beyond—and is therefore at once sufficiently determinate but also itself open to productive critique and thus genuine conceptual life.

Neither of the two moments of the real, the critical or the constructive, necessarily precedes or is antecedent to the other. There is no ultimate destination, no final determination of what the economy is, really, for all times and places. There is no whole, only partial visions of parts. The real economy must be a plural subject, for there is always movement or, to invoke a word that will appear many times across this volume: process.

Outline of the Book

Over the chapters to come, the strategy is to pursue both the critical and constructive senses of the real, hopefully in complementary fashion.

Part 1 of the book is titled "Critique." Much of it was written before I knew the book's ultimate destination, and so therefore the pull has been strong to revise the early chapters, to make what I said then sound more like what I would say now and to retrospectively impose a greater coherence upon the overall pattern of thought than what existed. I resisted this temptation, thinking part of what attracts a reader to a book of this kind is the opportunity to discern an author's line of thought over the years as it evolved in real time in fits and starts, pointing in different possible directions along the way. With that said, what these chapters do is take the many real-world subject matters that neoclassical economics, in its incompleteness, has so often excluded in order to make its methods work—focusing upon them, as the first, critical step toward working back to a compelling account of the real economy. In hindsight, then, each chapter reflects a different attempt to, as it were, labor away at the negative.[80]

Chapter 1 takes up the subject of "Radical Uncertainty." Following Frank Knight's *Risk, Uncertainty and Profit* (1921), neoclassical economics has sharply distinguished risk from uncertainty, or contingencies that can be subject to mathematical probabilities (risks) and contingencies that cannot (uncertainties)—not surprisingly preferring to deal in risk, often by assuming that individuals are lightning-fast calculators of future probabilities. This chapter argues that Keynes's notion of radical uncertainty must be a fundamental category to any understanding of the economy. Tackling uncertainty, this first chapter introduces a crucial focus of the entire book: time. Neoclassical economics is premised upon equilibrium, an analytical construct that may abstract altogether from historical time.[81] For historians, arguably time is what is most real. Each chapter attempts to instill a complex sense of fateful, eventful, and contingent historical temporality to the concept of the economy.[82] Radical uncertainty foregrounds in the real economy what Keynes called "ideas about the future."[83] By locating radical uncertainty in the emergence of money capital, chapter 1 also introduces at the outset a related topic that appears throughout the book. That is, the institution of money, especially in its guise, as Keynes once put it, as a "subtle device for linking the present to the future."[84]

Chapter 2, "Accounting for Profit," offers an accounting history of profit since the rise of early modern double-entry bookkeeping. This chapter is a critique of the neoclassical notion of a profit motive, among either individuals or firms. The history, which spans medieval European trade, Atlantic slavery, and the calculative practices of corporations, demonstrates that the meaning of what a profit in fact is has changed dramatically over time. Theoretically, the chapter develops the prior chapter's emphasis on the importance of time and uncertainty in the theory of capital.

Chapter 3, "Capital as Process," turns explicitly to the theory of capital. It critiques economic theories of capital that restrict capital to a factor of production, which exclude money. Drawing especially from Veblen, I argue for the more integrative concept of capital as process, and place it at the center of a theory of capitalism. Capital is defined as a particular kind of wealth and property, valued due to its prospective and always uncertain capacity to yield a pecuniary profit. This chapter begins with a focus on expectations as a category of analysis. It first presents investment, both as a specific form of spending but more generally in the broadest notion of an investment regime—as opposed to the market, the commodity, exchange, or production—as the central site of the economy. The chapter also introduces a pragmatic perspective on economic valuation, foregrounding active processes of capital valuation—including normative valuation—as opposed to the positing of "real," objective economic values that stand independently not only from the nominal factor of money but also from normative judgments.

Chapter 4, "Egoism and Altruism," and chapter 5, "The Fiscal Triangle," turn their attention to corporations. The neoclassical study of the firm has often taken the form of assuming that firms are rational maximizers of their own utility, taken simply to be profit. Relatedly, in the new institutional economics, and Coase-inspired law and economics, firms became theorized as organizations or hierarchies that arose to diminish the transaction costs of market exchange—a form of reasoning from the perspective of microeconomic maximization.[85] These two chapters, which offer a history of the US corporation across the nineteenth and twentieth centuries, focus on crucial dimensions of the corporation that these accounts of the firm bracketed out—namely nonprofit philanthropic wealth and sovereignty. The chapters center equally on for-profit and nonprofit corporations, linking that institutional split to a related normative division between egoism and altruism that first took place during the nineteenth century. These chapters thus seek to incorporate the importance of ethical norms into the study of economy. By underscoring the relationship of corporations to the state, they also examine corporations from the perspective of sovereignty.

Chapter 6, "Primal Capital," turns to issues of rationality and psyche. Neoclassical economics is famous, sometimes infamous, for its rationality postulate, even if not all neoclassical economists have expressed faith in it.[86] This postulate, most prominent in rational choice theory, has often stipulated by assumption that individuals should be treated as rational maximizers of their own utility and self-interest (excluding other-regarding sentiments or emotions), in addition to lightning calculators of probability. This chapter asserts that Keynes can fruitfully be read through the lens of psychoanalysis, whose British reception during the 1930s influenced him during the writing of *The General Theory*. The chapter presents an alternative theorization of psyche and, from it, valuation, which incorporates putative irrationality, by contrast to neoclassical principles of maximization. This chapter more than any elaborates one of the core aims of the book, which is to place desire at the center of our understanding of the economy.

Part 2 of the book, titled "Construction," draws from materials fashioned in the first part and is more explicitly devoted to the positive theorization of a concept of the real economy, in the constructive sense of the real.

Chapter 7, "The Economy of Stocks and Flows," begins by noting talk in much turn-of-the-twentieth-century scholarship on globalization of transnational capital flows. The bulk of the chapter attempts to theorize the economy from the perspective of Irving Fisher's *The Nature of Capital and Income* (1906), which was the first genuine attempt to place related stock / flow and capital / income distinctions at the center the concept of economy.[87] I run Fisher's conceptual apparatus through Keynes's *General Theory*, connecting it with the account of psyche and desire developed in chapter 6, "Primal Capital." This way, the chapter further defines the meaning of investment, the real economy's first mover. It concludes by deploying the concept of the economy developed within it for an alternative interpretation of late twentieth-century globalization.

Chapter 8, "The General Theory of the Economy," completes my reading of Keynes. I offer a reading of *The General Theory* as a theory not solely of the macroeconomy but of the economy. Continuing the analysis of stocks and flows from the previous chapter, I focus on Keynes's arguments for why the economy should be defined with respect to an ever-looming demand constraint, which may only be relaxed by a flow of income that proceeds down a casual pathway running from the future into the present. "Ideas about the future," which over time themselves change, play a large role in determining the real economy. This chapter, drawing from economic aspects of the ancient world, seeks to theorize what might distinguish a capitalist versus noncapitalist economy, including a precapitalist one. From this standpoint, it offers a new narrative of the global emergence of capitalism in the early modern period.

Chapter 9, "Thorstein Veblen, Economist," concludes the book. It focuses on Veblen's account of the economy from a particular vantage point, his experience at the turn of the twentieth century of being a working economist at the newly founded University of Chicago, which was among the first self-styled US research universities, funded by new forms of philanthropic wealth. If we take seriously Veblen's mantra that "habits of thought are the outcome of habits of life," then the modern and still today contemporary research university environment must have something do with how the economy is lived and thought. I use Veblen's account of the modern research university in its early years to articulate his conception of "the economic life process," the relationship between capitalism and higher education, and the possibility of socialism.

The Real Economy

What does it all add up to? Let me briefly sketch the account of the real economy I will be proposing.

The first thing to say is that the most consistent perspective on the economy is taken from accounting logics—not equilibrium, optimization, market exchange, labor, the commodity form, class struggle, or some other candidate. Years ago, I read a late-in-life 1986 interview of John Hicks, the author of the foundational microeconomics treatise *Value and Capital* in his youth but whose thought had moved in very different directions by the end of his career, and who figures in the book only slightly less than Keynes and Veblen. Hicks was asked, "It seems to me that you think very much from an accounting point of view." The questioner continued, "When I read your work, I see balance sheets (Hicks: "Yes"), income statements ("Yes") and you see their ordering ("Yes"). You also seem to think like an accountant about capital." Hicks responded, "Yes exactly."[88] This stuck with me.

Whatever the economy is, its reality does not exist independent of our ability to account for it. As chapter 8, "The General Theory of the Economy," notes, the origins of accounting practices go as far back as the invention of writing in the ancient Near East, c. 3400 BCE, when the earliest states first sought to account, chiefly, for coerced labor inputs and the storage and distribution of grains that resulted from them—through money, the unit of account and medium of exchange, but not yet the store of value (as it would become under capitalism). Rather than the ancient Greek *oikos* or early modern political economy, typical starting points for the genealogical origins of the economy, my theorization of the economy is rooted in this ancient accounting origin. It is a line of development that runs from the very ancient past through the twenty-first-century popularization of "mark-to-market" corporate accounting practices narrated in chapter 2.

From accounting, I draw nearly all the central conceptual building blocks of the economy, including capital, wealth, income, profit, stock, and flow, as well as the related distinctions between stock / flow and capital / income. I critically trace the intellectual and business histories of these terms, particularly in the first part of the book. But I also stand back, particularly in the second part, to positively theorize from their basis a concept of the real economy.

My argument is that the storage of wealth over time is the act that first creates the economy. This argument hinges upon the accounting logic that was central to Keynes's famous attack on Say's Law, the notion that "supply creates its own demand," or, as Say himself put it, "products are paid for by products."[89] As multiple chapters elaborate, because wealth is stored—whether in the form of granaries, cultivated lands, money, or in some other form—purchasing power traverses over time, and leaks out from any present period. There is therefore always a demand constraint in the economy, though it too may manifest in different ways. The character of this demand constraint, and its possible resolution through the domestication of external sources of demand, initiating new flows of income through investment, defines the economy in tandem with the (also) shifting character of the storage of stocks of wealth.

The real economy is, then: a bounded spatiotemporal order of demand-constrained production, determined by logical accounting relationships among the different stocks of wealth in the economy that generate the different flows of income over time in it. I will also argue near the end of the book that all economies are defined by singular Stocks, around which they gravitate. In a capitalist economy specifically, that Stock is capital. The theory of capitalism proposed herein is rooted in an economic theory of capital—one Stock of wealth among, historically speaking, many. This outline conception of the real economy leaves much to be sketched in, from a variety of different perspectives and disciplines. But it is unabashedly rooted in an economics of wealth. The intent is to restore a refined conception of wealth, or anything produced that is conventionally valued that may be stored over time, as the central subject of the economy.

What about the economics of value? There is no ambition to heroically resolve the historic analytical tension between the economics of wealth and the economics of value. These parts may never completely integrate. But I do try to suggest many points at which the economics of wealth described above connects with the book's preferred approach to value. Here, there is a break from the comprehensive claims of either neoclassical or Marxist theories of value, in favor of pragmatic theories of active, habitual "valuation" (often through accounting practices), or what Keynes referred to as contingent, yet stable-enough "convention."[90] "All value is expectancy," as Commons distilled the point.[91] The economic valuation of capital and income, an ongoing process premised upon uncertainty, is a subject to be observed and analyzed, not merely theorized with axiomatic certainty solely from a plane of abstraction. No one argued that more forcefully than Veblen, when he attempted to frame what counts as "economic" activities and processes. Following Veblen and Keynes, I focus especially on the psychological register of valuation, through the lens of desire. But I also note throughout the book the importance to valuation of politics, social practices, law, and ethics.

In this respect, the scope of economic activity or conduct may be quite broad. For none of this is to suggest that the particular means-to-end form of maximizing posited by neoclassicism does not exist and is not important. Nor is it to ignore that, as Marxists emphasize, commonly the source of profits results from the exploitation of labor, or that historically the rise of wage labor and capitalism made valuation uniquely abstract, or that capitalism imposes upon value a particular form.[92] Rather, instead of axiomatically theorizing value from these phenomena, they may instead be interpreted as occurring within the broader category of economic processes that create, value, and relate an economy's stocks of wealth to its flows of income. This is another way of saying that neoclassical economics, or even much Marxism for that matter, are not categorically wrong, so much as incomplete.

I hasten to add the following repetition, and three qualifications. The repetition is that there is no final and complete view or theory of the real economy. This account, like any other, can only be partial. The first qualification is that the topics covered in the book are not the only negative perspectives, which neoclassical economics has either positively ignored or analyzed according to highly restrictive assumptions, from which to critically work back to a concept of the economy. In no order, the household (in importance at least on par with corporations), environment (especially as it relates to stocks and flows of energy), class, and race are candidates that are as worthy of being addressed as the ones that are. Given the book's basic framework, I think they could be. Readers, who may think of their own candidates, will have to judge for themselves. Likewise, while the arguments bear the mark of Keynes and Veblen most, different routes to similar conclusions might have been taken through other thinkers. I wonder myself how different or similar the economy might look if, say, chapter 8 focused upon Schumpeter's *The Theory of Economic Development* (1911) or Hirschman's *The Strategy of Economic Development* (1958), or if chapter 9 was about Weber's rather than Veblen's struggles as a professor of economics. Readers may think of their own candidates here, too.[93]

Finally, much more so than I give it credit for or even know, neoclassical economics as it has evolved up to this day possesses internal resources for the endeavor in which the book is engaged. At least, recently there have been new efforts to get analytical leverage on both uncertainty[94] and beliefs,[95] as well as to incorporate monetary factors using heterogenous agent models,[96] which have emerged as powerful constructs for analyzing inequality. My psychoanalytic reading of Keynes's account of "long-term expectations" resonates with many of the insights of Kahneman's "prospect theory."[97] On the margin of mainstream economics is the attempt at "stock-flow consistent" models, consistent with the approach taken in this book.[98] It cannot be a coincidence that I first became interested in the phenomenon of Keynes's notion of "liquidity preference" during my time teaching in the Princeton Department of History in the late 2000s, while across the street many members of the Department of Economics were seeking to restore it to a central place in mainstream macroeconomics.[99]

Nonetheless, from being not too long ago perhaps the most abstract and theoretical discipline in the social sciences, arguably economics now risks becoming an undertheorized discipline. Theorizing has fallen on hard times of late across the social sciences and humanities. During the last two decades, at least both history and economics, if unbeknownst to one another, have made sharp empirical turns. For both disciplines, the wheel will likely turn, back to greater theoretical self-reflection. There are good reasons to be optimistic about the future study of the economy. Even economists from leading, mainstream departments speculate that economics may look very different decades from now.[100] Heterodox traditions in economics are being reinvigorated and brought back into conversation with mainstream approaches.[101] Many academic disciplines, beyond that of history, are turning to the study of economic topics.

Of course, the issue is more than academic. The postwar neoclassical synthesis represented a postwar stabilization of the relationship between politics and economics. After a turn-of-the-twenty-first-century moment when globalization destabilized political and economic relationships, today once again politics is very much in search of the economy. It also cannot be a coincidence that the traditions in economic theorizing that I spend so much time discussing in these pages had for their context the political convulsions of the interwar period that all too unfortunately resonate with the post-2008 political context in which this book was written. The return of a politics of fear is hardly welcome. But a renewed era of methodological pluralism in the study of the economy is. In our time, the economy must once again be fixed.

My wish is that this book might contribute to studies of the economy today by suggesting possible historical and theoretical foundations for it, while initiating fresh lines of dialogue across disciplines and fields. With any luck, it will provoke strong counterarguments. After all, it is neither possible nor desirable to say anything definitive about what the economy really is.

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