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Criticism of Orthodoxy: Why Should Economists Study the History of Economic Thought?

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Abstract

Orthodox economists are not persuaded that the History of Economic Thought (HOET) deserves better than the genealogy of economics because of the domination of orthodoxy in their minds. In order to persuade them that HOET is worthy of greater consideration and attention, I believe there is a need to shed light on the flaws of orthodox economics through examining HOET. In this paper, I argue that the logical positivism on which the methodology of orthodox economics was founded does not represent the only methodological foundation for economic knowledge. Historically, when the foundations of conflicting ideas are different, the economic knowledge arising from them is also different. Economic theories rise and spread; there are conflicts, and ideas decline. HOET can reveal that there are flaws in orthodox economics and economists can be reminded that the widespread acceptance of orthodox economics may indeed be only a temporary phenomenon.

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1. Introduction

Economics has a long history. Backhouse's The Penguin History of Economics (2002) traces its ancestry back to the era of Ancient Greece, while Heilbroner's Teachings from the Worldly Philosophy (1997) even shows that there are economic statements present in the Bible. The long life of economics has attracted economists from past to present to study the History of Economic Thought (HOET). Indeed, HOET has itself a long history, and has had significant impacts on economics as a whole. Yet, such impacts have resulted in progress that has been far from being smooth, especially since the beginning of the 20th century. Goodwin (2008), a well-known historian of economic thought, called the first half of the twentieth century the "Golden Age" during which HOET was a popular "discipline" among economists, with some prestigious economic journals regularly publishing works on HOET. During the time, HOET was even employed as a "heuristic device" for solving economic problems. Viner's Studies in Theory of International Trade (1937), for example, explored past theories on international trade in order to, as he stated in the preface, "resurrect forgotten or overlooked material worthy of resurrection, to trace the origin and development of the doctrines which were later to become familiar, and to examine the claims to acceptance of familiar doctrine." In the 1960s, HOET played a relatively smaller role, and it was demoted to being "a sub-discipline of economics" (Goodwyn, 2008). Nevertheless, in Goodwin's words, "albeit without the powerful leaders of the golden age, without a place in most of the prominent research departments, and indeed without many opportunities for graduate training," HOET did not "join the histories of other academic subjects in the deep recesses of history department," because the "children" and "grandchildren of the golden age" were able to construct a significant academic infrastructure that supported the growth of research in the field. A number of HOET conferences take place around the world, with the number of economists attending steadily increasing. In addition, most departments of economics offer HOET courses at both undergraduate and graduate levels, although they are mostly electives. Due to this mixed trend, Goodwyn (2008) thought that the future of HOET to be "uncertain". Meanwhile, some other economists viewed the trend differently. The domination of the so-called orthodox economics[1] would leave HOET as "a haven for heterodoxy" (Blaug, 2011) or "a big tent… for heterodox economists" (Weintraub 2002). Weintraub (ibid.) expected that HOET would become even less important in economics, because the majority of new-generation economists would be trained in the orthodox tradition, while the number of

[1] I realize that, despite being very similar, mainstream and orthodox economics are different (Colander, Holt, and Rosser 2004, and Dequech 2007). According to Dequech (2007), the term mainstream contains "a sociological concept… based on prestige and influence." For this, a certain kind of economics is mainstream, because some prestigious and influential schools teach it. Meanwhile, orthodox economics "is mainly an intellectual category" (ibid.), so Colander, Holt, and Rosser (2004) define that orthodox economics is 'what historians of economic thought have classified as the most recently dominant 'school of thought,' which today is 'neoclassical economics.' I here adopt the term 'orthodox economics' as I think that my point of interest is about the intellectual concept, rather than the sociological one.

heterodox economists would increase at a much slower rate. As a result, HOET would be increasingly marginalized.

During the descending phase of HOET, some prominent economists, such as Schumpeter (1954), Stigler (1969), Corry (1975), Caserano (1983), Vaughn (1993), Roncaglia (1996), and Caldwell (2013), pointed out the benefits of HOET and encouraged economists to study it. For example, Schumpeter's famous three reasons (1954) for studying HOET comprise of pedagogical advantages, new ideas, and insights into the ways of the human mind. I definitely agree with them, as I think that the benefits from studying HOET significantly outweigh the costs. However, if this is right, why has there been a downward trend in the prominence of HOET? Currently, orthodox economics dictates the path of how economic classes are taught, how economic curricula are designed and how economic research is undertaken. Since most economists fall in the orthodox tradition, the literature on HOET often receives scant attention from them.

Vaughn (1993) observed about the teaching of HOET that:

"We need to say straight out that the history of economic thought is 'useful' not because it helps students to sharpen theoretical skills or because it gives them a little interdisciplinary breadth, but because it can affect how they understand economic theory itself."

In order to "say straight out that the history of economic thought is 'useful'," I believe that I need to explain how HOET "can affect how they understand economic theory itself"; that is, how it can help in criticizing orthodox economics. In this paper, I am going to postulate that some of the main elements in orthodox economics can lure economists to an unfortunate stance where they neglect the importance of HOET. A deeper knowledge of HOET could potentially subvert the dominant position of orthodoxy in economists' minds. I intend to focus on examples of economic works from the past which retain contemporary relevance in the hope that this paper may help reinvigorate analysis of HOET.

2. Methodology

The appropriate starting point for criticizing orthodox economics is with the methodology concerned. Dow (1997)[2] explains that "the philosophy of science on which traditional economic methodology is based is termed… as 'logical empiricism': an outgrowth in the 1950s of logical positivism… It required that all scientific statements be testable…" There are two important terms in this statement: "science" and "logical positivitism." Being based on positivism in which information can be derived only from sensory experiences, a logical positivist believes that meaningful knowledge must not be metaphysical, and it must be acquired only from verifying a hypothesis by empirical

[2] The paper is titled Mainstream Economic Methodology. The point I would like to clarify is that Dow used "mainstream", while I, in this paper, use "orthodox". These two words, as explained in the previous footnote, are different in terms of their concepts, but both terms together mean to neoclassical economics. Therefore, I adopt Dow's explanation of "mainstream economic methodology" as my "orthodox economic methodology."

evidence. However, this inductive methodology is prone to be deductively invalid, because one can never be certain in claiming that particular empirical evidence and experiences are sufficient to conclude a hypothesis is valid. Using Karl Popper's infamous example, I, though having seen only white swans throughout my life, cannot conclude that "all swans are white", because it is possible that there is a black swan elsewhere and I have never seen it. This is known as the problem of induction which has been discussed since the eighteenth century by such philosophers as Hume and Kant. Popper, hence, proposed that, instead of verifying a hypothesis, one can alternatively acquire knowledge from falsifying it. That is, one can tell that the statement "all swans are white" is false by observing just one black swan. Even though Popper's attempt was intended to criticize verificationism, which is an important element of logical positivism, his criticism then set the scientific way to acquire knowledge from empirical evidence and experiences. Therefore, falsifiability is a criterion of the demarcation between science and non-science, and Popper's criticism strengthened logical positivism in the philosophy of science. Popper's ideas were then brought to economics, and influenced the rise of positive economics (Lipsey 2008). Orthodox economics with logical positivism as a foundation remains very influential in the development of economics. To illustrate its contemporary influence, almost all undergraduate students in Economics must learn how a null hypothesis is falsified and rejected at a certain level of significance. Certainly, orthodox economists see this development of non-normative economics with pride. Even though they know that economics is not a natural science, they are glad to see that the methodology of orthodox economics, compared with those of other social sciences, has successfully moved closer to accepted scientific methodology.

The interesting thing is that even though logical positivism favors induction over deduction, deduction is by no mean ignored within orthodox economics. Some theories may be deduced purely from reasoning, and they are widely embraced by orthodox economists. The crucial condition for adopting such theories is that they must lead to other testable hypotheses, even though they "are the product of theories which have elements with no empirical counterparts" (Dow 1997). In this sense, a realistic assumption is not necessary. As Friedman (1953) said:

"Truly important and significant hypotheses will be found to have 'assumptions' that are widely inaccurate descriptive representations of reality, and, in general, the more significant the theory, the more unrealistic the assumptions… To be important, therefore, a hypothesis must be descriptively false in its assumptions."

This controversial statement is indeed very important for a construction of an orthodox economic theory. In view of this, such unrealistic assumptions as economic rationality and utility maximization can settle eminently in orthodox economics. Still, they do not exist without criticism. I think almost all economic students question about their relationship with reality. Yet, according to Boland (1981), "no logical criticism of maximization can ever convince a neoclassical theorist that there is something intrinsically wrong with the maximization hypothesis." At present, utility maximization is not employed only in pecuniary or economic issues. Orthodox economists apply it to other non-economic behaviors, such as couple matching, drug use, crime, etc. The extensive applicability of utility maximization to almost all kinds of behavior leads orthodox economists to believe that economics with utility maximization is really general in the sense that it can explain almost everything.

This strong, if not superstitious, belief in utility maximization held by orthodox economists is very important in terms of their knowledge-acquiring processes. As they think utility maximization, serving as a foundational assumption, is general and useful, they are reticent at addressing any manifest weakness in it. Rather than looking at the foundations of theories, orthodox economists would prefer to accumulate new knowledge on top of previous knowledge. They tend to develop an existing theory by adding further related assumptions, employing more advanced mathematical techniques to make the theory more complicated, or empirically testing it by ever more advanced econometric techniques. As a result, HOET is not needed to invent new knowledge.

Within HOET an important economist who believed that seeking a general principle which can act as a foundation for all theories represents a goal of economics is Carl Menger. In his own words,

"Even in the most realistic conception of theoretical problems imaginable, laws of phenomena never state anything else than that phenomena of a certain empirical form regularly follow those of other empirical forms or are coexistent with them. In this, therefore already in the idea of "laws"... there is present… an evident abstraction from full empirical reality… Accordingly, … an abstraction from certain features of phenomena in their full empirical reality is unavoidable.... This abstraction is not a chance happening… It is so inevitable in determining the 'laws of phenomena' of any kind at all that the attempt to avoid it would really nullify the possibility of determining the laws of phenomena" (Menger, 1985 p. 79-80).

In addition, because in this sense all phenomena involve humans, the laws of phenomena are grounded on humans' pursuit of self-interest. Menger said:

"The exact orientation of theoretical research in the realm of social phenomena… has… the task of reducing human phenomena to the expressions of the most original and the most general forces and impulses of human nature… The exact theory of political economy is a theory of this kind, a theory which teaches us to follow and understand in an exact way the manifestations of human self-interest in the efforts of economic humans aimed at the provision of their material needs." (ibid. p.86-87)

However, Menger's and the Austrian School's quest for general laws was opposed and criticized by the German Historical School, led by Schmoller. This collective believed that each economic phenomenon has its own cause, so general laws claiming to explain all phenomena do not exist. Economic explanations require a particular study which cannot be repeated. Hilderbran said that "The history of economic culture in connection with the history of all political and juridical development of nations and statistics is the only sure basis on which a successful development of economic science seems possible" (in Hodgson 2001, p.60). The intellectual battle between the Austrian School and the German School took place around the 1880s and it was known in German as 'Methodenstreit.' The debate covered such topics as induction and deduction, the general and specific principles of economics, methodological individualism, methodological collectivism, etc. (Fusfeld 2008, Louzek 2010). If the winner among the two camps is to be decided by measuring their influence on current economic studies, the crown must go to the Austrian School for sure. Other than this particular criterion, no winner could be conclusively chosen. In fact, the history of economic thought tells us of several cases in which a theory was constructed in response to a social issue at the time. Ricardo's Theory of Value was clearly his attempt to fight against nineteenth century landlords in England. In a similar fashion, Marx wrote in the preface of the first edition of Capital that "In this work I have to examine the capitalist mode of production, and the conditions of production and exchange corresponding to that mode" (Marx, 1992 p.90). Those who study Marx would certainly know that he did not think that capitalism was the only mode of production in human history. On the contrary, he proposed that when a mode of production had collapsed, another mode replaced it. This development continued until the current mode of production - capitalism - had been reached, and he forecasted that there will be yet another mode of production replacing capitalism. If this is so, Marx's magnum opus is specific only to explain a capitalist economy. In fact, Marx himself believes that capitalist economies in different countries were distinct, and his study is more or less specific to that of England because it was "the most significant form", "the most free form", and "the occurrence of the phenomenon in its normality." This is what Hodgson (2001) calls "a problem of specificity," in which a specific economy needs a specific theory. HOET tells us that utility maximization as a general principle in economies never achieved a complete, unequivocal victory in the history of economics, and economists should continue to question it.

3. Definition of Economics

With utility maximization as a foundational principle, an orthodox definition of economics is, for example, "The social science concerned with how individuals, institutions, and society make optimal (best) choices under conditions of scarcity" (McConnell, Brue, and Flynn, 2014 p.5). "Optimal (best) choices" are made by an individual under certain "conditions of scarcity" to maximize his/her utilities. And, since all individuals do the same, the "society" in which they live, hence, reaches its maximum state of welfare. Let me put forward a simple economic model of a buyer and a seller as an example here. By nature, the buyer and the seller stand on opposite sides when prices change. In other words, they are always in conflict. A drop in price certainly means that the consumer earns more benefits because he can buy more with an unchanged budget, while the seller earns less benefits because he earns less money from selling the same amount of products. However, the principle utility maximization embedded in the definition of economics puts Dr. Pangloss's glasses on both market participants, so they would say "all is for the best in the best of all possible worlds."[3] When they both exchange in a market, they benefit from the transaction since the former buys what he/she wants, while the latter sells what he/she produces. The demand and supply schedules are drawn from their utility-maximizing behavior, and the market is where they earn the maximum benefit. When the price decreases, the buyer, who benefits from this situation, receives the highest satisfaction for the price not to drop less, while the seller, who loses from the price drop, also receives the highest satisfaction for the price not to drop any further. That is, when

[3] "Dr.Pangloss" is a fictional character in Voltaire's Candide. The term "Dr.Pangloss" stands for those who believe in optimism, and the sentence "all is for the best in the best of all possible world" is famous in reflecting how the optimists view the world. Some economists refer to Dr.Pangloss when mentioning economics in the context of the principle of utility maximization. For example, in Chapter 3 of his The General Theory of Employment, Interest, and Money, Keynes briefly stated that the classical school was unable to see that prosperity is limited due to the deficiency of effective demand due to the impact of optimism rooted in their beliefs.

there is a change in price, the buyer and the seller respond to it, and they are still able to acquire the maximum benefits from the change. What a beautiful world they have! This ability of the seller and the buyer is the main driver of a market mechanism. If a market mechanism functions well, the sum of their welfare would be at its possible maximum. In the same way, the factors that bring the market into failure, i.e. government intervention, asymmetric information, asymmetric market power, and externality, are undesirable, because the society cannot reach the possible maximum welfare from its economic activities. Taking all this into account, orthodox economists believe that the market is neither essentially inefficient, nor flawed, but its malfunctioning is due to external causes. As a result, when an economy seems to be facing a problem, orthodox economists usually suggest that external causes need to be contained to enable the market to works at its essence.

John Stuart Mill (1967) said that:

"The definition of a science has almost invariably not preceded, but followed, the creation of the science itself. Like the wall of a city, it has usually been erected, not to be a receptacle for such edifices as might afterwards spring up, but to circumscribe an aggregation already in existence."

A market mechanism, hence, is successful only inside of the "wall" of orthodox economics. HOET would suggest that the orthodox definition of economics was constructed only in the twentieth century. It was a composition of Marshall's definition; "Economics is a study of mankind in the ordinary business of life. It examines that part of individual and social action which is most closely connected with the attainment and use of material requisites of well-being", and that of Robbins; "Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses." The former is "a significant shift," for Marshall was claiming that economics was primarily a "study of man," whereas the latter leads to the involvement of the concept of scarcity in an economic study (Backhouse and Medema 2009).

Certainly, throughout the long history of economics, several economic theories have settled outside of the confines of orthodox economics. Economics is not necessarily an individual-based study of choices, scarcity, rationality, and maximum utility. HOET would certainly give an economist some powerful alternatives to orthodox definitions. May I refer to this definition of political economy[4] by David Ricardo (1996) in the preface to his famous The Principles of Political Economy and Taxation?

"The produce of the earth -- all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community; namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated. But in different

[4] I am aware that political economy is different from economics in several aspects. However, the main point of this section is to find how economists define their studies of economies, so it is definitely worthwhile to look at how such people as Ricardo defined political economy, especially during the time when their economics was not yet invented.

stages of society, the proportions of the whole produce of the earth which will be allotted to each of these classes, under the names of rent, profit, and wages, will be essentially different… To determine the laws which regulate this distribution, is the principal problem in Political Economy"

Ricardo's definition includes nothing about choices, scarcity, rationality, and maximum welfare. Instead, his political economy concerns distribution and conflicts among three classes within a society: "the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the labourers by whose industry it is cultivated." Even though Ricardo employed what an orthodox economist calls "The Law of Diminishing Returns" to explain how how scarce land would lead to a diminishing surplus, his goal is definitely not about how to understand "human behavior as a relationship between ends and scarce means which have alternative uses." Instead, it is aimed at explaining how economic benefits are reaped by the proprietor of the land more than the other classes. Of course, a market mechanism which lies outside of Ricardo's definition is not a main point in his economics.

Indeed, a market mechanism could even be viewed as a villain outside the wall of orthodox economics. John Maynard Keynes thought that economics should be "a moral science" regarding an "interpretation of current economic life" or a study about the "economic society in which we live" (Gruchy, 1949). Therefore, Chapter 2 of his The General Theory of Employment, Interest, and Money considers that a market mechanism cannot handle problems of unemployment. That is, he believed that a market mechanism fails in resource allocation, and, hence, an economist who took Keynes's economics quite seriously would develop theories stating that a market mechanism would not work. For example, Hyman Minsky's Financial Instability Hypothesis (Minsky, 2008) explains how a successful economy today would be followed by a crisis caused by market mechanism.

4. Development of Economics

From conversing with orthodox economists lately, I have found that most think that studying HOET is beneficial and HOET should be taught at undergraduate level in departments of economics. Their main reason is that those who engage with economics should know about its origins. I do not think this opinion is incorrect. This is more or less the same as saying that if I know his ancestry, I will know him better. That is, if knowledge is at least something that contains a more-is-better property and learning the origin of economics is a process of getting knowledge, studying HOET must better than not studying it. While I think that this is an acceptable reason, the interesting question for me is; how do orthodox economists get to this reasoning?

Friedman (1973) discussed setting up new hypothesis in positive economics wherein:

"... the process never begins from scratch; the so-called "initial stage" itself always involves comparison of the implications of earlier set of hypotheses with observation; the contradiction these implications is the stimulus to the construction of new hypotheses or revision of old ones."

That is, a new hypothesis is constructed because past hypotheses are still incomplete, weak, or wrong. Despite this, a past hypothesis is the "initial stage" of a new hypothesis, and testing the new hypothesis will potentially lead to more complete, stronger, and even correct understanding of a particular phenomenon. In this sense, knowledge in economics is accumulated from past to present and it represents a foundation for future knowledge. This way of understanding how knowledge is built is what Screpenti and Zamagni (2005 p.4) call "the incrementalist approach" and Roncaglia (1996) calls the "cumulative view". Therefore, in this approach, HOET yields economist knowledge of the past, but it cannot not initiate new knowledge.

Throughout the history of economics, knowledge has not been linearly accumulated. HOET shows that, across time, knowledge is acquired from struggles, disagreements and conflicts among economists. For example, it is notable that in Keynes's letter to George Bernard Shaw he wrote "I believe myself to be writing a book on economic theory which will largely revolutionize - not, I suppose, at once but in the course of the next ten years - the way the world thinks about economic problems." If "the way the world thinks about economic problems" could be interpreted as a paradigm[5] of the classical school[6] , Keynes's attempt was intended to find the way to ensure a paradigm shift. Undeniably, Keynes was successful. The paradigm in economic study shifted from "the individual entrepreneur's output based on the firm's least-cost combination… which culminated in a general equilibrium of maximum output for the entire economy" of the classical school to the Keynesian paradigm within which a "deficiency of aggregate demand resulted in the economy's chronic failure to operate at the level of full employment," and "government fiscal policy involving spending as essential to achieve full-employment Gross National Product (GNP)" (Bornemann, 1976). The advent of famous macroeconomic theories such as the IS-LM model, the Keynesian cross, rigidities in wages and prices, the role of uncertainty and the animal spirit were products of Keynes's struggle to break free from the classical school.

If this is right, new knowledge in economics is not the summit of the mountain built on the accumulation of past knowledge, and a major development in economic knowledge is usually the result of a paradigmatic revolution. A theory which is held true at present could be perceived as completely wrong, after the current paradigm fades. This could be

[5] Thomas Kuhn defines paradigm as "universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners" in his famous The Structure of Scientific Revolution (1962).

[6] According to Keynes (1936 p.3), this school included such economists as "the followers of Ricardo, those, that is to say, who adopted and perfected the theory of the Ricardian economics, including (for example) J. S. Mill, Marshall, Edgeworth and Prof. Pigou." He further said "the classical economists have taught that supply creates its own demand."

the case for the economics of choices, scarcity, rationality, and utility maximization as well. This approach to understanding the development of knowledge in economics represents the phenomenon Screpenti and Zamagni (2005 p.5) call the Discontinuist Approach, and Roncaglia (1996) deems the Competitive View.

5. Rhetorical Uses of HOET Knowledge

Even though paradigm shifts have ushered in some major developments in economics, new knowledge can still be derived from an existing paradigm. Moreover, paradigmatic revolutions and the emergence of new paradigms do not necessarily mean that past knowledge should be completely eradicated. In fact, some economists could acquire new knowledge from the framework held in a previously abolished paradigm, and, in some cases, his/her ideas gained could potentially be extraordinary enough to destabilize the reigning paradigm. A notable case involves the influence of Friedman and the Monetarists which is considered as a counter revolution of the classical school. In a similar fashion, but to a smaller degree, after the subprime crisis of 2008, the term "Minsky's Moment" spread widely, and Minsky's previously forgotten ideas were brought up as a way of preventing a future crisis (The Economist, 2016). This phenomenon more or less shook orthodox economists' belief in the efficiency of market mechanisms. In this sense, even though some economic knowledge is radical enough to be considered paradigm-shifting, such ideas do not come out of thin air. Indeed, all knowledge must be somehow related to past thought, so it is normal to see economists connect theories with those of famous economists in the past for a rhetorical purpose. I consider that there are two major types of such referring to the past. The first type is when an economist claims that his ideas are improved, developed, or transformed from past knowledge. For example, when Robert Solow constructed his famous growth model, he said

"A remarkable characteristic of the Harrod-Domar model is that it consistently studies long-run problems with the usual short-run tools… The bulk of this paper is devoted to a model of long-run growth which accepts all the Harrod-Domar assumptions except that of fixed proportions. Instead I suppose that the single composite commodity is produced by labor and capital under the standard neoclassical conditions. The adaptation of the system to an exogenously given rate of increase of the labor force is worked out in some detail, to see if the Harrod instability appears."

Even though Solow's growth model does not bear a close relation in terms of its construction, his mention of the Harrod-Domar model is crucial to the narrative of how his growth model emerges from the incomplete theory. The other type is when an economist mentions a notable economist to give weight to his reasoning. McCloskey (2008) observed that one of the reasons the sentence "the demand curve slopes down" is widely accepted in economics is because practitioners know that the renowned Alfred Marshall created the demand curve. They simply believe the concept due to his fame! This type of rhetoric is very general in economics. For example, when an economist from the treasury would like to justify a larger government deficit, he may well mention Keynes. Or, when an instructor introduces economics to his students, he will mention Adam Smith as a father of economics.

Let me make it clear that I do not think that there is anything wrong with rhetorical uses of HOET. Even I am doing so in this paper. However, what I observe is that because orthodox economists employ HOET knowledge in their rhetoric, many of them distort HOET knowledge in order to serve their reasoning. Even though a distortion of HOET knowledge for rhetorical purposes rarely appears in academic journals, it can be seen easily in other kinds of publications, such as textbooks, policy prescriptions and newspapers, which influentially escalate the role of orthodox economics. This kind of distortion could be categorized into two types. The first is that an orthodox economist misrepresents (either intentionally or unintentionally) what a past economist originally said. For example, Gregory Mankiw wrote in his textbook Principles of Microeconomics:

"In his 1776 book An Inquiry into the Nature and Causes of the Wealth of Nations, economist Adam Smith made the most famous observation in all of economics: Households and firms interacting in markets act as if they are guided by an "invisible hand" that leads them to desirable market outcomes."

In this sentence, an invisible hand as a market mechanism represents an insightful and innovative thought by Adam Smith. Since Mankiw's textbook has been read worldwide, it has certainly disseminated Smith's idea widely among its readers. However, the fact is that Smith wrote the term "invisible hand" only three times in all of his published works, and it by no means was meant to be a market mechanism. He, in fact, used it in an ironic sense to question certain behaviors with which he disagreed, and "it is the sort of idea he would not have liked" (Rothschild 1994).

The second type of distortion of HOET knowledge for rhetorical purposes is when an orthodox economist understands what "the great economists actually said, but he does not understand what "the great economists really meant to say" (Blaug (1990). For example, we all know that the theory of comparative advantage was originally outlined by David Ricardo, and it has been a core theory in orthodox international trade economics for decades. Orthodox economists, therefore, refer to Ricardo and his comparative advantage to encourage the flourish of international trade. For example, in the front page of World Trade Organization (WTO)'s website:

"All countries, including the poorest, have assets — human, industrial, natural, financial — which they can employ to produce goods and services for their domestic markets or to compete overseas. Economics tells us that we can benefit when these goods and services are traded. Simply put, the principle of "comparative advantage" says that countries prosper first by taking advantage of their assets in order to concentrate on what they can produce best, and then by trading these products for products that other countries produce best."

Or, in C-ASEAN's website[7] , it says:

"Moving forward to the theory coined by Mr. David Ricardo, The Theory of Comparative Advantage states that a country should export the most efficient product of their economy in return for the importation of another good… the AEC may very well bring this historic ideas into shape and form through the Free Trade Agreements that span across the region, which will then create intricate supply chain networks, webs, and Special Economic Zone throughout Southeast Asia."

What WTO, C-ASEAN, and other orthodox economists say about Ricardo and Comparative Advantage does not misrepresent what he "actually said," but they do not fully capture what Ricardo "really meant to say." Indeed, when proposing his comparative advantage, Ricardo sought a theoretical setting to support the abolishment of the Corn Laws. Ricardo saw that the Corn Laws yielded some benefits to landlord via higher rents, while capitalists suffered from the falling rates of profit[8] . Ricardo was aware that the landlords would intervene in the legislation process for their own benefit. Once he wrote a letter to John Ramsey McCulloch informing that "I have no hope of good measures being adopted, the landlords are too powerful in the house of Commons to give us any hope that they will relinquish the tax which they have in fact contrived to impose on the rest of the community" (Ricardo, 1973b p.158). This evidence suggests that conflicts of interests between the classes are the point that Ricardo would like to emphasize, but it is a point which current supporters of comparative advantage pay scant attention to.

6. Conclusions

Logical positivism has shaped orthodox economists to think that an innovation in economic knowledge does not need HOET knowledge. This has led to a downward trend in the study and influence of HOET since the 1960s, with it being placed as merely a discipline in current economic study. Still, even though HOET is not deemed necessary, orthodox economists still view HOET knowledge useful in terms of their rhetoric. In other words, HOET is not important, but it is not dispensable. If rationality, utility maximization, and the other principles they gladly apply to explain almost all kinds of behavior, really exist in their processes of thinking, they must certainly believe that the role and status of HOET nowadays are placed in an optimal position supporting the existence of orthodox economics. However, it is important to clarify here that the optimal position for the existence of orthodox economics does not mean the optimal position for the existence of

[7] C-ASEAN is, according to its own description in its website, a social enterprise aimed at becoming a platform for ASEAN networking, exchanging of best practices, and facilitating peer-to-peer discussions at the regional level.

[8] On 30th July 1815, Ricardo (1973a) wrote "A really high price of corn is always an evil; in this opinion I think you would concur because it is always occasioned by difficulty of production." (p.241). "Difficult of production" partially is a result of high tariffs for imported corns. Roy Ruffin (2002) estimated that Ricardo likely invented the comparative advantage during March to October of 1816. Before that, Ricardo and Malthus exchanged ideas about profits, rents and corn prices.

economics as a whole. If people such as Schumpeter (1954), Stigler (1969), Corry (1975), Caserano (1983), Vaughn (1993), Roncaglia (1996), and Caldwell (2013) are right in saying that HOET is really beneficial for economists and those who study economics, the downward trend of focus on HOET in current economics programs generates huge opportunity costs for them. Although the current position of HOET in economics does not explicitly jeopardize economics itself, it does so implicitly.

In my opinion, orthodox economists are not persuaded that HOET deserves better than being a subdiscipline, merely acknowledging to students the ancestry of current economics, because they are dominated by orthodox economic thought. Consequently, the goal of this paper is to show that they are missing out on seeing the flaws inherent in orthodox economics by not studying HOET in sufficient detail. I argue that HOET knowledge could be employed to criticize at least four aspects of orthodox economics: its methodology, its definition of economics, its views on the development of economics, and its rhetorical uses of HOET knowledge. HOET would suggest that logical positivism is not the only methodology available to economics, and economic ideas springing up from different methodologies are drastically divergent. As a result, knowledge accumulation in economics does not come in the form of a monotonically increasing function, and newly discovered knowledge is not always the most complete one. Therefore, the consideration that HOET merely represents a genealogy of economics in the minds of orthodox economists should be replaced by the understanding that struggles, disagreements, and conflicts among economists have created knowledge throughout the long history of economics. Furthermore, studying the rises, spreads, conflicts, and declines of economic theories in HOET can remind economists that the widespread acceptance of orthodox economics may yet be only a temporary phenomenon.

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