

J.W. Drukker, *The revolution that bit its own tail: how economic history changed our ideas on economic growth* (Amsterdam: Aksant, 2006. Pp. 308. 39 figs. 6 tabs. ISBN 9052601984 Pbk. €35/\$44.95)

This is an ambitious and interesting book that focuses on the evolution of modern economic history, mostly post-1950, and emphasizes the success and limitations of the cliometric revolution. Its main argument is that the revolution built on the neo-classical economics paradigm and has evolved over time to reach the—somewhat unexpected—conclusion that institutions and culture matter and, consequently, that the ahistorical neo-classical approach to economic history should be rejected. For Drukker, neo-classical theory is only able to explain the successful experiences of economic development, those in which initial institutional conditions are conducive to economic growth; it fails to explain those historical cases—in practice, the majority—in which institutions have prevented economic development from occurring.

The book surveys the methodological changes that economic history has undergone over more than a century. Initially, in the classical era, the discipline had a close association with political economy, but there was something of a divorce—offset somewhat by the growing links with social history—with neo-classicism in the first half of the twentieth century, before there occurred a ‘reunification’ with economics, albeit at the expense of alienating the non-economically trained historians. For Drukker, as the neoclassical paradigm then exhibited diminishing returns in its explanatory power of the past, economic historians have recognized gradually the central role of institutions and culture. Such a circular evolution corresponds to a revolution that bit its own tail.

Part 1 comprises four chapters. After an overview of the achievements of cliometrics, it deals successively with the birth of economic history as an independent discipline after the *Methodenstreit*, the Annals School as a revolution within the field of history, and the diffusion of the new economic history in the US. Part 2 is a deconstruction of the neo-classical approach to economic history, the most powerful weapon in the hands of cliometricians for re-interpreting the past. The destructive capacity of cliometrics is confronted with its lack of ability to provide a new consensus. A systematic survey from a neo-classical perspective of the main shortcomings of cliometrics—‘black holes’ in Drukker’s terminology—is then carried out, in which the low explanatory power of factor accumulation as a source of growth in opposition to the ‘residual’, the delayed impact of innovations (the ‘productivity paradox’), and the persistence of inefficiency as ‘path-dependent’ provide powerful examples of the limitations of neo-classical economic history to provide a persuasive explanation of the economic past. The evolution of three major cliometricians (Douglass North, Paul David, and Joel Mokyr) from a pure neo-classical to an institutional approach epitomizes the circular evolution of economic history: from using a general theory to explain economic history under any circum-

stances regardless of the institutional background, to vindicating the role of institutions as the providers of the incentives that condition human economic behaviour.

One of the main achievements of cliometrics has been becoming global. However, Drukker barely references economic history outside the Anglo-Saxon world: Asia, Africa, and Latin America are hardly mentioned. A particular omission is the 'new comparative economic history', a 'presentist' approach to economic history (with policy implications for developing countries) associated with Jeffrey Williamson and his collaborators. Some major names are also absent from the bibliography, and often they are only cited for their earlier works. Thus Patrick O'Brien's seminal contribution to understanding European industrialization is not even mentioned; Nicholas Crafts's recent work explaining the 'productivity paradox' in the historical examples of steam and electricity is also a noteworthy omission, as is Dale Jorgenson's groundbreaking attempt to reduce the 'residual' from a neo-classical perspective. Recent innovative developments in institutional history such as Avner Greif's work do not appear at all. All this is in contrast to the overemphasis on Dutch economic historians (a by-product of the origin of the volume as a Dutch textbook).

The book reads well and its detailed explanations of the methodological debates will be useful for postgraduate students. The health of a discipline, Deidre McCloskey wrote a long time ago, is inversely correlated to the ongoing methodological debate. Without disagreeing, I consider that this volume contains useful reflections for the future of our discipline. A final paradox is not addressed, however, by the author: why, when economic history is more present than ever in social sciences journals, is its size as an independent field shrinking? Is it part of 'the snake that bit its own tail', thereby returning us to our original position in the broad field of political economy?

Universidad Carlos III de Madrid

LEANDRO PRADOS DE LA ESCOSURA