

SEE YOU IN VALHALLA
COMMENT ON “SPLEEN: THE FAILURES OF THE CLIOMETRIC SCHOOL”
BY STEFANO FENOALTEA

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ABSTRACT

This comment argues for a more optimistic view of economic history based on a review of recent developments in the discipline, as well as Fenoaltea’s “Spleen” itself, reading between the lines.

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JEL codes: N01, B40, I3.

1. INTRODUCTION

I was delighted to accept the invitation to comment on Stefano Fenoaltea’s reflections on the cliometric school. Alas, second thoughts showed up with almost no delay. Commenting on Fenoaltea’s work is no simple task, and this time the challenge is twofold. First, *Spleen* is not a research paper, the opportunity to dissect its technical aspects is off the table. Second, *Spleen* is a *scriptum senectutis* (cit.), which in the present case means a piece written with more energy, anger and wit than would have been displayed by a *iuvenis*. The combination of subtle reasoning, provoking metaphors, erudite quotes, personal anecdotes, and poisonous footnotes makes the reading of *Spleen* a great experience, but certainly does not help the commentator.

My first comment, perhaps trivial but worthy of a quick note, is on the title Fenoaltea chose for his paper. It speaks of the discipline’s failures, but only of those, as if they were not offset, indeed more than offset, by its

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accomplishments; it lacks balance, it does not render justice to the efforts of the cliometricians. More generally, the very term “failure” makes me uneasy. I am reluctant to summarize things in a dichotomic way, especially in matters of economic history; and to determine whether something failed we should specify of a loss function, or something close to it – and I would need one to counterargue, to weigh in against Fenoaltea’s theses. My personal opinion is that cliometricians’ contributions outweigh their failures, especially if I try to imagine what the discipline would be like if the ‘new economic history’ had not crossed the Atlantic and proselytized in Europe. True, a number of issues are worthy of reconsideration (Hauptert 2016), but I personally feel that we all – economic historians, economists, and scholars at large – owe much to the attempt to construct ‘economic history on the basis of scientific methods’ (Fogel 1966: 656). Unspecified counterfactuals force me to leave the ‘failures vs. successes’ issue open – Fenoaltea’s pessimism against my (moderate) optimism.

A second concern, again with the title, is that the paper contains lessons of broad and general interest, not restricted to specialized readers keen on knowing whether cliometricians did well or could have done better. In *Spleen*, Fenoaltea ponders a number of significant themes that cut across several disciplines. The paper, however, is written with a stubbornly negative attitude: Fenoaltea focuses on, and only develops, the *pars destruens* of his arguments. He could have opted for different strategies. For example, he could have suggested corrections, or shared his thoughts on the way forward. Learning is a process, often a non-linear one, but Fenoaltea does not seem to consider that lessons can be learned, mistakes fixed, ... that even the definition of GDP is susceptible to change. No matter how unlikely this might seem today, one cannot rule out that it could happen, and should that day ever come, constructive criticism would be needed. In this respect *Spleen* does not contribute as one would hope, and it does so only indirectly. In the end, and in reaction to Fenoaltea’s attitude, I have assigned to this short comment the task to interpret ‘failures’ as ‘opportunities’. Despite the negative conclusions that seem beyond appeal, despite its bitter tone, *Spleen* offers a number of powerful stimuli, I am tempted to call them lessons, that qualify the paper as a must read for a broad audience. In the rest of this comment I will follow my personal inclination – to look ahead – and elaborate on my appreciation for *Spleen* for the *pars construens* that I find in the second layer of the paper, one not even well hidden. In the interest of space, I will limit my comments to three points.

2. DATA ARE NOT DATA

The first excerpt I would like to consider is:

Our quantitative “data”, like the historians’ documents, are constructs that must be deconstructed if their relationship to “the facts” is to be understood at all. We must determine by whom, to what purpose, and how they were derived, we must scrutinize them closely for clues to inconsistency, evaluate them in the light of ancillary evidence and indeed of everything we know: we must live them and breathe them, to discover the hidden defects that surface only with extended cohabitation (13).

Fenoaltea puts double quotes around two words, “data” and “facts”. The first pair of quotes is to make the point that data, despite the etymology of the word, are not in fact ‘givens’.¹ Data are themselves the product of a process, a complex one, where the data collector addresses the issues mentioned in the above. The corollary of this is that ‘data’ and ‘facts’ are not synonyms. The need to surround the word ‘fact’ by double quotes originates from Fenoaltea’s postmodernism – this is a different matter, and I will not engage in a discussion on this.

All this is not new. Indeed, I was recently reviewing a book by a prominent economist dealing with economic history, and was delighted to read, several times, “Where do the numbers in the figures come from?” or “How do we know these numbers?”. Economists are familiar, at least to a large extent, with all kinds of data pitfalls and deficiencies. They understand the concept of ‘data generating process’ (DGP), and they master econometrics well enough to implement clever and effective remedies to tackle data deficiencies. And so do cliometricians. My sense is that neither economists nor cliometricians necessarily display the vices portrayed by *Spleen*.

All this having been said, I concede that Fenoaltea has earned a pulpit that allows him to remind the reader of this simple fact, that data are *not* data, that measurement is “difficult, uncertain, highly personal work” (14). The difference here is between Fenoaltea and the large majority of the rest of us. How many readers can claim they resisted, consistently, with no exceptions, during their entire career, the temptation to use a dataset that happened to be ‘just perfect’ for their analysis, without overmuch investigating its pedigree? How many have unfailingly complied with the rule that “that data must be vetted”? (Fenoaltea 2010). How many have surrendered when faced with the unpleasant reality that the desired data do not exist at all? Very few, I suspect. Fenoaltea’s reminder is therefore a welcome one as

¹ In Latin, *data* is the plural of *datum*, “that is given”.

it addresses an issue that lies below the surface – the need to keep up one’s guard against the fallacy of what at first sight may seem incontrovertible, the ‘data’ are not data: *Spleen* contains a plea to analysts to resist the temptation to follow old data-related habits, to renounce time-honored gambits (13). While not novel, I find this call for consistency a most timely one, given the incentives that are now in place in most universities around the world. In a ‘publish or perish’ environment, Fenoaltea’s reminder is going to benefit scholars of all cohorts, *senes* and *iuvenes* alike. My guess is that it may also help curb the on-going ‘death of expertise’ process (Nichols 2018).

3. GDP IS NOT GDP

In the third section, *Spleen* takes the reader into the Gross Domestic Product (GDP) arena, of its uses and abuses. The account given here, despite being somewhat technical, is a most elegant and vivid one. Fenoaltea explains why GDP is *not* a measure of gross domestic product (as ‘data’ are not data, ‘GDP’ is not GDP), and then asks an interesting question, one dodged by many of us: if we know, as we all know, that ‘GDP’ is not a measure of GDP, why do we all use it in our work? Here is Fenoaltea’s (non-)answer:

Why we so (mis)use the published “GDP” statistics I do not know. [...] Do we too believe in transubstantiation, that a statistic consecrated as a measure of gross product becomes that very thing? Or does our practice reflect, as other evidence suggests, the literal-mindedness of the verbally challenged, of those who do not grasp the complex relation between words and concepts because they never struggled, in their formative years, with Latin and Greek? The cause is obscure, but the effect is clear enough: an economist is one who uses a government-issue screwdriver to hammer nails because it says HAMMER right on the handle (18-19).

And a few paragraphs down he observes that economic historians did even worse by extending back in time the estimates of the (pseudo-)GDP.

This discussion reminded me of a similar situation that I came across a long time ago, when I was assigned my first course on poverty and inequality measurement. When time came to introduce the analytical properties of poverty measures, the class was fascinated by Amartya Sen’s index. In his seminal 1976 *Econometrica* paper, Sen began with the observation that the most popular poverty measure was a simple count of the poor expressed as a proportion of the total population – “a very crude index” he observed – completely insensitive to the distribution of income among the poor, to Pigou-Dalton transfers, an index violating most of the desirable properties that any good candidate measure should satisfy. Sen suggested a new

poverty index, soon to be named after him, based on axioms and firmly grounded in the theory. Despite a Nobel prize awarded to Sen (much later, in 1998, but still...) few analysts have used (and use) the Sen index. Nor do they use other poverty indices with better properties than the headcount index. The headcount poverty index remains undisputedly the most widely used within academia and even more so in non-academic international institutions. Since that lecture, year after year, my students continue to ask me: Why? Why do we all use such a crude index? After reading *Spleen* I know how to answer: “Why we so (mis)use the headcount poverty ratio I do not know.” And then will read them Fenoltea’s excerpt, as reported above. *Mutatis mutandis*, I believe the answer is there.

Much the same goes for the use of composite indices in economic history. The popularity of the Human Development Index is hard to counteract, no matter the evidence and the arguments put forward (Amendola, Gabbuti and Vecchi 2018). Why do so many analysts use such a tool for investigating the past? The answer: “Why we so (mis)use the HDI I do not know.”, to which I would add the second part “Do we too believe in transubstantiation...” Etc.

4. SINNERS ARE NOT SINNERS

There are a few additional remarks that I would like to share after reading *Spleen*. First off, given the current system of incentives in the academia, *Spleen* deserves appreciation. The paper is not motivated by the aim to produce new knowledge (at least not in its common forms, new data, new estimates, or new methods), it is not against competing ideas or interpretations, it is not against a colleague. Instead, and more simply, it is a paper written to share thoughts with the reader. A rational and responsible scholar should not embark on writing this kind of essay – *Spleen* is an extraordinary low-return way of investing time, and this is why chances to read this type of essay are increasingly rare. Admittedly, I have read *Spleen* several times – as if I needed reassurance that courage and generosity are values still practiced in my profession. A similar appreciation goes to the *Annals* for hosting *Spleen* and organizing a symposium on these themes.

Next is Valhalla. Shall I ever forget the combination of rhetoric power and irony of the closing paragraph in section 3? The hilarious conversation between cliometricians of different generations fits perfectly well in so many of the seminars that we attend in our Departments of Economics, and Economic History... What I disagree with is one sentence: “We cliometricians are climate historians who reconstruct not past weather, but past weather forecasts: we have failed, sadly, embarrassingly, even as eco-

conomic historians”. (21). This is a criticism that applies – to the extent one agrees with Fenoaltea’s argument, as I do – to cliometricians who have been active in constructing historical national accounts. Cliometrics is obviously much more than that.

My last comment is on the concluding section, ‘Envoi’. “I have a dream – writes Fenoaltea – of a day when the reconstruction of ‘the data’ is recognized for the serious, delicate, creative endeavor that it is” (21). My perception of the distance that separates the current practice of data reconstruction and Fenoaltea’s promised land – the place where the art of measuring things is appreciated for what it is – is not as large and unbridgeable as in Fenoaltea’s account. Again, there is no doubt that he knows better than I do on the specific issues of historical national accounts, but this does not imply that his conclusions extend to other research fields. Indeed, I believe they do not, and offer two arguments in support of my argument.

As far back as in 1978, Edward Leamer, a professor of economics and statistics at UCLA, gave a description of the dilemma faced by applied and theoretical econometricians. Econometric modeling, explained Leamer, is done in the basement, while econometric theory courses are taught on the top floor. Now, despite the fact that the same language is used in both places, Leamer was amazed by the “transmogrification of *particular* individuals who wantonly sinned in the basement and metamorphosed into the highest of high priests as they ascended to the third floor” (Leamer 1978: vi – the italics are mine). The key theme here is the ‘inconsistency’ between theory and practice, and the key question is whether this inconsistency is really as evil as it appears. In the context of *Spleen*, all this translates into whether cliometricians – at least those who sin in the basement – will ever stop sinning. And, more fundamentally, are sinners a serious concern?

My first answer is negative – they are not. I can borrow an argument from Peter Kennedy’s reply to Leamer. Kennedy maintains that “the sinning committed in the profession’s basement is not entirely wanton – a set of unwritten rules governs these transgressions, creating a code of honor among econometric sinners” (Kennedy 2002: 569). In this vein, I believe that *Spleen*’s dichotomic vision underestimates the process of improvement that is under way, both within and without the boundaries of cliometrics, regarding measurement, data, and facts. There are exceptions, bold and/or unscrupulous scholars will always be with us, but they are increasingly few in number and increasingly identified as such. I find little room for *Spleen*’s overwhelming pessimism.

There is a second answer, more on the positive side, where I must concede that Fenoaltea has a point in dreaming of a day where the reconstruction of “the data” will be recognized as a serious and delicate endeavor. I will illustrate this point borrowing from my own research field, which is

poverty and inequality measurement in the past, something very distant from Fenoaltea's research interests (Vecchi 2017). Over the recent decades the literature on the measurement of poverty and inequality in the long run has literally exploded. Several new lines of inquiry have emerged and scholars who have been contributing to this literature include economists and econometricians, economic historians and historians. A'Hearn *et al.* (2016) distinguished three main schools, and dubbed them the Eclectics, the Heroics, and the Fiscalists.² Overall, it is difficult to deny that *Spleen's* criticism might apply to all three.

The *Eclectics* used ingenious sources, methods and data (e.g., Soltow 1968; Williamson and Lindert 1980; Williamson 1985; Lindert 2000): they proxied living standards, for example, by using variables such as occupational pay ratios, the window tax collected under the Inhabited House Duty in Britain, and probate records (van Zanden *et al.* 2014). Fenoaltea's concerns are relevant here – the Eclectics do not surrender, never ever, not even when they are in a blind alley. The *Heroics* have explored the use of social tables for the pre-industrial era. A'Hearn *et al.* (2016) note that “The allure of social tables is hard to resist, because they allow the analyst to roam widely in the past, from the Roman Empire in the year 14 (Scheidel and Friesen 2009) or Byzantium in year 1000, to Moghul India in 1750 or the Kingdom of Naples in 1811 (Milanovic, Lindert and Williamson 2011; Milanovic 2011)” (147). Again, Fenoaltea's concerns seem appropriate here – the Heroics do not resist the temptation to use their social tables, no matter how incomplete they are in their coverage of the target population, in their inability to document the so-called within-component of total inequality. Last but not least, the *Fiscalists*, the school of Piketty and collaborators, who rely on tax records and use the method pioneered by Kuznets (1953) and Atkinson and Harrison (1978). The fiscalists typically compute the shares of top incomes in the total, and while they succeed in overcoming a number of technical difficulties (see A'Hearn *et al.* 2016: 148), their approach remains open to a number of criticisms, including Fenoaltea's.

All things considered, I wonder whether Fenoaltea's dream is a dream at all. My sense is that there is an on-going process – not a uniform one, not equally advanced in all the research fields where cliometricians are active – but nonetheless a visible one: students in my classroom today are certainly more informed about data and measurement issues than my students of ten years ago. This is the result of the work of economists, economic his-

² While the names Eclectics and Fiscalists are self-describing, Heroics deserve an explanation. “The idea is to evoke antiquity, about which some in the school have written, and the spirit of enterprise in calculating inequality in a remote period from rather sketchy data” (A'HEARN *et al.* 2016: 146-147).

torians, cliometricians, ... overall they have succeeded in conveying an increasing attention to “data” (intentional double quotes here). My claim, in short, is that we do not need, or want, James Earl Ray. Unlike his pessimism, Fenoaltea’s philippic is healthy for scholars carrying out empirical work, not just cliometricians, and I feel grateful to *Spleen* – as it gave me both an opportunity to pause and think, to think of my mistakes in the past, of some of my hasty decisions, and motivation to improve my future work.

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