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APPLIED ECONOMIC HISTORY AS PRACTICAL HISTORICISM: ENCOURAGING POLICYMAKERS TO REASON WITH THE PAST

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Applied Economic History as Practical Historicism: Encouraging Policymakers to Reason with the Past*

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Abstract

This paper examines how applied history can contribute to policymaking when understood as a way of structuring judgement under uncertainty rather than as a source of policy lessons or predictions. It argues that economic history is particularly well suited to facilitating this role because it combines institutional analysis with disciplined comparison of plausible alternatives and close attention to temporal constraints. Distinguishing between micro-pedagogical and macro-institutional applications, the paper analyses two sites of practice: (1) a historically grounded policy simulation used to train early-career civil service economists delivered by the Centre for Economics, Policy and History, a research centre based in Belfast and Dublin; and (2) longer-term engagement between historians and policy advisers in Whitehall organised through History & Policy, an applied history forum. The paper concludes by clarifying the possibilities and limits of applied economic history as a contribution to reflective policy practice.

Keywords: applied economic history; historical uncertainty; policy pedagogy; practical historicism.

JEL Classification: A20; B40; N01.

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1. Introduction

Policymakers routinely invoke history. References to past crises, previous reforms, and earlier policy failures are common features of contemporary policy debate. Yet the use of history in policymaking remains uneven and often unsystematic. Historical analogies are frequently deployed to justify positions rather than to interrogate them, and appeals to precedent are as likely to obscure uncertainty as to clarify it.

This pattern has been widely noted. Writing in the context of foreign and security policy, Ernest May famously warned that policymakers tend to extract "lessons" from the past in ways that compress complex historical processes into over-simplified narratives, and exaggerate the relevance of selected precedents to contemporary problems.[1] Margaret MacMillan and Richard Evans, writing from different perspectives, make a related point: history is routinely instrumentalised in public debate, stripped of context, and mobilised to lend authority to present-day claims rather than to discipline them.[2]

These concerns are echoed in more recent work on crisis decision-making. Annika Brändström and co-authors show that past crises are routinely mobilised as cognitive and political devices through which policymakers diagnose situations, justify action, and communicate authority, even when such references are partial or misleading.[3] Niall Ferguson shows how, under acute time pressure, policymakers often reach for historical analogies precisely when their capacity to interrogate those analogies is weakest.[4] Richard Neustadt and Ernest May go further by insisting that such practices are not aberrations, but structural features of decision-making under uncertainty.[5] Policymakers cannot avoid thinking historically; the question is whether they do so consciously and critically, or implicitly and carelessly. From this perspective, the problem is not that policymakers use history, but that they are rarely trained to do so well.

Much of the existing literature on applied history has focused on what historians can offer policymakers, or on how historical insight might inform policy design. Within the *Journal of Applied History* itself, applied history is often framed as a way of making historical scholarship relevant to contemporary problems rather than as a prescriptive enterprise.[6] Work in organisation studies

[1] E.R. May, *'Lessons' of the past: The use and misuse of history in American foreign policy* (Oxford: Oxford University Press, 1973).
[2] M. MacMillan, *The uses and abuses of history* (London: Profile Books, 2009); R.J. Evans, *In defence of history* (London: Granta, 2012).
[3] A. Brändström, F. Bynander and P. 't Hart, "Governing by looking back: Historical analogies and crisis management", *Public Administration* 82(1) (2004), 191–210.
[4] N. Ferguson, "Applying history in real time: A tale of two crises", *Journal of Applied History* 5(1) (2023), 1–18.
[5] R.E. Neustadt and E.R. May, *Thinking in time: The uses of history for decision-makers* (New York: Free Press, 1986).
[6] H. Kaal and J. van Lottum, "Applied history: Past, present, and future", *Journal of Applied History* 3(1–2) (2021), 135–154.

reinforces this point by showing that history already operates within institutions as an organising practice, shaping sense-making, legitimacy, and strategic action, rather than entering policy as a purely external analytical input.[7] Less attention has been paid to *how* policymakers are encouraged to reason historically, and to the pedagogical and institutional conditions under which historical reasoning enters policy practice.

This paper makes two related claims. First, we argue that applied history is most useful when understood not as a source of policy lessons or predictions, but as a way of structuring judgement under uncertainty. Framed in this way, applied history does not compete with economics or policy analysis; it complements them by foregrounding time, context, and constraint. This conception aligns with strands of applied history that emphasise disciplined comparison and the careful use of analogy rather than prescription.[8]

Second, the paper argues that economic history is particularly well-suited to assisting in structuring judgement under uncertainty. As Colvin and Winfree argue in the *Journal of Applied History*'s first edition, economic history occupies a distinctive position at the intersection of applied economics and applied history, combining narrative reconstruction with explicit attention to institutions and counterfactual reasoning.[9] This positioning matters because it addresses a recurring feature of many policy problems: their combination of long time horizons, institutional entanglement, and incomplete evidence.[10] Such problems are not poorly served by formal economic analysis, but they are rarely exhausted by it. They require forms of reasoning that can accommodate path dependence, unintended consequences, and historically specific constraints.

Economic history is distinctive in being organised around precisely these features, and thus provides a mode of analysis that is useful in policy environments in which decisions must be taken before causal relationships are fully understood. From this perspective, Barry Eichengreen similarly emphasises that economic history contributes to policy not by offering forecasts or rules, but by clarifying mechanisms, constraints, and plausible alternatives.[11] The significance of our contribution is heightened by the increasing institutionalisation of economic reasoning within policymaking, which,

[7] R.D. Wadhwani, R. Suddaby, M. Mordhorst and A. Popp, "History as organizing: Uses of the past in organization studies", *Organization Studies* 39(12) (2018), 1663–1683.
[8] S. Keulen, "Functions, limitations and the correct use of historical analogies in applied history", *Journal of Applied History* 5(2) (2023), 111–131.
[9] C.L. Colvin and P. Winfree, "Applied history, applied economics, and economic history", *Journal of Applied History* 1(1–2) (2019), 28–41.
[10] G.J. Stigler, "The goals of economic policy", *Journal of Law & Economics* 18(2) (1975), 283–292; A.S. Blinder, "Stigler's lament", *Eastern Economic Journal* 32 (2006), 381–389.
[11] B. Eichengreen, "Economic history and economic policy", *The Journal of Economic History* 72(2) (2012), 289–307.

as Elizabeth Berman argues, risks displacing structured judgement with formalised notions of efficiency.[12]

To develop these claims, we distinguish between two analytically distinct contexts where applied economic history can be used to encourage policymakers to reason with the past. At the micro-pedagogical level, historically grounded simulations can train individual policymakers—especially early-career economists working in the civil service—to apply standard analytical tools under conditions that approximate real decision-making. At the macro-institutional level, applied history can encourage reflection within policy organisations, by reconstructing issue histories and challenging selective institutional memory. This distinction resonates with recent attempts within the field of applied history to differentiate types and scales of application, rather than treating applied history as a single practice.[13]

Throughout our paper, the term *policymaker* is used in a deliberately differentiated sense. We distinguish between *principals*—typically political actors who hold formal decision-making authority and bear responsibility for outcomes—and *advisers*, including civil servants, government economists and statisticians, think tank analysts and other experts, who are tasked with providing analysis, proposing options, and advising on trade-offs.[14] While final decisions rest with principals, much of the use of history examined in this paper occurs at the advisory level, where judgement is exercised through problem framing, comparison, and the interpretation of precedent.

Additionally, we understand *uncertainty* in a Knightian sense, as distinct from quantifiable risk.[15] This refers not to situations in which probabilities can be assigned to known outcomes, but to conditions characterised by incomplete and contested evidence, imperfectly understood causal mechanisms, long time horizons, path dependence and delayed consequences, alongside institutional constraints under which judgement must nonetheless be exercised.

Finally, by *structured judgement* we mean neither mechanical rule-following nor unconstrained discretion, but a disciplined mode of evaluation suited to policymaking under uncertainty. It involves weighing evidence from multiple sources, including models, historical comparison, and institutional knowledge; making trade-offs across competing objectives explicit; and recognising where normative assumptions enter ostensibly technical analysis. Structured judgement does not aim to replace formal

[12] E.P. Berman, *Thinking like an economist: How efficiency replaced equality in U.S. public policy* (Princeton: Princeton University Press, 2022).
[13] J. Mens, "Two types of applied history", *Journal of Applied History* 5(2) (2023), 89–110.
[14] This is similar to the distinction made by Neustadt and May, *Thinking in time*.
[15] This follows from the distinction popularised by F.H. Knight, *Risk, uncertainty and profit* (Boston: Houghton Mifflin, 1921).

methods, but to situate them within a broader process of interpretation and choice, especially where no single metric or optimisation criterion can capture what is at stake.

We do not claim that applied economic history leads to better policy outcomes, nor that historical reasoning can override political judgement. Our more modest aim is to show how applied economic history can contribute to more reflective policymaking, by improving how problems are framed and how trade-offs are understood when decisions must be taken under uncertainty. Our contribution is to argue that academic economic historians can choose to play a distinctive role in this process: not by supplying ever more lessons or predictions, but by encouraging policymakers to interrogate historical analogies—making their assumptions, limits, and implications explicit—rather than relying on them uncritically.

Our argument proceeds as follows. Section 2 sets out a conception of applied history as "practical historicism", rejecting both predictive historicism and the extraction of simple policy lessons. Section 3 explains why economic history gives applied history particular analytical traction in policy contexts. Section 4 examines how best to expose policy advisers to historical reasoning, focusing on pedagogical approaches that emphasise comparison, counterfactual reasoning, and attention to time. Section 5 illustrates these arguments through two sites of practice: (1) a policy simulation run by the Centre for Economics, Policy and History for the Northern Ireland Civil Service Economist Profession, based on a failed industrial intervention in Northern Ireland; and (2) longer-term engagement between historians and policy advisers associated with History & Policy and HM Treasury. Section 6 concludes by drawing out the implications and limits of applied economic history. Two appendices detail our pedagogical interventions.

2. Applied History as Practical Historicism

Applied history is often treated with suspicion by historians, largely because it is assumed to rest on strong claims about causation, prediction, or the extraction of policy "lessons". These concerns are not misplaced. As MacMillan and Evans both argue, history is easily stripped of context and reduced to narratives of success and failure when it is instrumentalised for present-day agendas.[16] In such forms, applied history risks becoming advocacy by other means.

Yet rejecting applied history outright risks conflating poor practice with the enterprise itself. This paper adopts a narrower and more defensible conception of applied history, understood as "practical historicism".[17] The aim is not to predict outcomes or to derive policy prescriptions from past

[16] MacMillan, *The uses*; Evans, *In defence*.
[17] J. Tosh, *The pursuit of history* (7th ed., Abingdon: Routledge, 2022).

events, but to improve the quality of judgement exercised under uncertainty. Practical historicism accepts that historical events are unique, that outcomes are contingent, and that social processes do not unfold according to stable laws. Its contribution to the policymaking process lies instead in clarifying constraints, exposing trade-offs, and widening the range of plausible alternatives at a given moment.

The intellectual boundary of this approach is set most clearly by Karl Popper's critique of historicism.[18] Popper argued that attempts to derive predictions from history misunderstand both the openness of social processes and the role of human agency in shaping outcomes. Practical historicism takes this critique as its starting point rather than its rebuttal: it abandons prediction entirely and focuses instead on consequence, comparison, and plausibility.

Alongside Popper's setting of an epistemic boundary on what history can legitimately claim, historians have also grappled with how far policy should figure as an object of historical inquiry. Julian Zelizer observes that since the late 1970s, much historical scholarship has retreated from sustained engagement with public policy, leaving questions of governance, implementation, and institutional change relatively underexplored within the discipline.[19] This retreat did not remove history from policy practice, but it did mean that historical reference often re-entered policy debate in compressed and unsystematic forms rather than through sustained historical analysis.

Against this backdrop, the key problem is not whether policymakers should use history, but how they already do so. For example, during the Brexit debates, UK politicians—most prominently Boris Johnson—frequently drew on wartime registers of national sovereignty and self-reliance, invoking Britain's experience of standing alone in moments of existential challenge, to frame withdrawal from the European Union as a test of resolve rather than as an institutional and economic reconfiguration requiring detailed comparison.[20] More generally, historical reasoning enters policy routinely through analogy, narrative, and compressed references to past episodes.[21] Ferguson shows that this tendency becomes particularly pronounced during crises, when time pressure encourages policymakers to privilege familiar historical frames even as their capacity to interrogate those frames diminishes.[22] The danger is not analogy per se, but casual analogy deployed without sustained attention to difference.

[18] K.R. Popper, *The poverty of historicism* (London: Routledge, 1957).
[19] J.E. Zelizer, "Clio's lost tribe: Public policy history since 1978", *Journal of Policy History* 12(3) (2000), 369–394.
[20] T. Williams, "Mobilizing the past: Germany and the Second World War in debates on Brexit", *Revue LISA/LISA e-journal* 19(51) (2021).
[21] See discussion in C.L. Colvin and J. Fourie, "Histories that matter: The case for applied economic history", QUCEH Working Paper Series, Paper No. 26-01 (January 2026).
[22] Ferguson, "Applying history".

A further difficulty, emphasised by Neustadt and May, but also by Ronald Coase from a very different tradition, is that policymaking rarely affords the luxury of suspended judgement.[23] Decisions must be taken under time pressure, with incomplete information, and often in the knowledge that inaction itself constitutes a choice. As Coase observed, public policy is shaped not in abstract optimisation problems, but in institutional settings where delay carries an opportunity cost. No decision is itself a decision. From this perspective, "thinking in time" does not mean postponing decision-making, but recognising that urgency sharpens rather than eliminates the need for disciplined comparison. Applied history therefore operates within, not against, the temporal constraints of policy: its task is to slow judgement just enough to expose weak analogies and unexamined assumptions before commitments are made.

Practical historicism responds by treating historical comparison as an analytical exercise rather than a rhetorical one. As Sjoerd Keulen and Pieter van den Heede emphasise in different ways, productive historical analogy requires explicit attention to both likenesses and differences, and to the mechanisms through which past processes unfolded.[24] This also implies that historical cases are not interchangeable inputs. The indiscriminate selection of precedents, or the use of superficially similar cases divorced from their institutional and temporal context, risks reproducing precisely the kinds of compressed and misleading analogies that practical historicism seeks to counter. By contrast, poorly specified, selectively chosen, or rhetorically deployed comparisons tend to compress complexity, obscure causal pathways, and encourage premature closure. The value of applied history therefore lies less in access to a stock of cases than in the disciplined construction and use of cases that are capable of sustaining explicit comparison, counterfactual reasoning, and reflection on constraints.

A further implication concerns the distinction between history and memory. Organisational memory is shaped by incentives, hierarchies, and retrospective coherence.[25] It tends to privilege outcomes over processes and to compress complex sequences into usable stories. Historical analysis, by contrast, deliberately reconstructs lost contexts and foregrounds uncertainty, disagreement, and contingency. John Tosh's defence of applied history, developed in the context of the *History & Policy* initiative, rests precisely on this distinction: applied history adds value not by confirming what policymakers already believe, but by unsettling it.[26]

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[23] Neustadt and May, *Thinking in time*; R.H. Coase, "Economists and public policy", in *Essays on Economics and Economists* (Chicago: University of Chicago Press, 1994), 43–58.
[24] Keulen, "Functions"; P.J.B.J. Van den Heede, "Historical events as 'magic yarn balls': Towards productive engagements with historical analogies", *Journal of Applied History* 5(1) (2023), 47–66.
[25] Wadhwani et al., "History as organizing".
[26] J. Tosh, "In defence of applied history: The History & Policy website", policy paper, *History & Policy* (30 March 2006).

Seen in this light, applied history does not compromise historical method. On the contrary, it depends on it. Its value lies not in providing answers, but in improving the reasoning used to make decisions when ready-made answers are unavailable. Understood as practical historicism, applied history is neither predictive nor prescriptive. It is diagnostic, comparative, and conditional—and for that reason, compatible with the realities of policymaking under uncertainty. This implies that applied history cannot be reduced to the circulation of well-designed case studies alone. While historians need not be permanently embedded in policy organisations, historical expertise remains crucial in shaping how cases are constructed, contextualised, and used. In practice, applied history is most effective where sustained relationships allow historians to influence problem framing and modes of reasoning, rather than merely supplying historical material as a standalone input.

3. Why Economic History Matters for Applied History

While practical historicism provides a general framework for applied history, economic history gives that framework particular analytical traction in policy contexts. This is not because economic history offers clearer lessons, but because it routinely operates under informational constraints similar to those faced by policymakers: limited observations, complex institutions, imperfect evidence, and reliance on judgement. Where evidence is incomplete, economic historians can draw selectively on economic theory to construct plausible analytic narratives linking cause and effect.[27] This orientation is now firmly mainstream within economics, as reflected in the repeated recognition of economic history by the Royal Swedish Academy of Sciences.[28]

Barry Eichengreen has made this point most directly in arguing that economic history contributes to economic policy not by supplying forecasts or rules, but by clarifying mechanisms, constraints, and plausible alternatives.[29] Policy problems typically concern slow-moving processes—such as productivity growth, fiscal sustainability, or regional divergence—that unfold over long horizons and interact with institutional structures. These are precisely the kinds of problems for which clean identification strategies are difficult to apply and for which economic historians have long developed alternative modes of reasoning.

[27] The canonical exemplar for this approach is: R.H. Bates, A. Greif, M. Levi, J.-L. Rosenthal and B.R. Weingast, *Analytic narratives* (Princeton: Princeton University Press, 1998).
[28] These recent Nobel Memorial Prize winners are: Ben S. Bernanke for research on the Great Depression (2022); Claudia Goldin for historical analysis of labour markets and gender inequality (2023); Daron Acemoglu, Simon Johnson, and James A. Robinson for work on long-run institutional persistence (2024); and Joel Mokyr for research on technological change during the Industrial Revolution (2025).
[29] Eichengreen, "Economic history".

This perspective also casts light on the changing character of applied economics over recent decades. The increasing emphasis on identification strategies and local causal effects has brought clear gains in internal validity, but it has also narrowed the range of questions that are readily addressed, particularly where policy problems are systemic, historically contingent, and institutionally complex. Angus Deaton has been especially clear on this point, arguing that techniques designed to secure clean identification are poorly suited to contexts in which evidence is sparse and causal mechanisms are contested.[30] In more recent reflections on his own approach to economics, Deaton extends this argument by calling for a rebalancing towards context, judgement, and institutional understanding, not as a substitute for formal methods but as a necessary complement to them.[31]

Scepticism about technocratic policy advice has a longer lineage: as George Stigler argued, economists routinely treat policy goals as given when in practice they are politically chosen and contested, a tendency that obscures the limits of economic expertise and the centrality of judgement in policy decision-making.[32] And as Frank Knight argued more explicitly, neither economics nor politics can be governed by technical rules alone: under conditions of uncertainty, policy choice necessarily rests on principles and judgement that cannot be derived from analysis, even when analysis is indispensable for clarifying consequences.[33] Work in the history and sociology of economics further shows that economic theories can become performative, shaping institutions and practices in ways that harden particular assumptions into the policy environment itself rather than merely informing decision-making.[34] These insights point to the importance of approaches that make assumptions explicit and emphasise structured judgement as a central part of policy analysis.

Economic history is well suited to this rebalancing because it treats counterfactual reasoning as an explicit analytical tool rather than an implicit assumption.[35] Counterfactuals are not deployed to claim what would have happened under alternative policies, but to discipline causal arguments by asking which mechanisms must have operated for the observed outcomes to have occurred. This approach aligns closely with the role of policy advisers, who must assess options and articulate

[30] A. Deaton, "Instruments, randomization, and learning about development", *Journal of Economic Literature* 48(2) (2010), 424–455.
[31] A. Deaton, "How economics must change", *Finance & Development Magazine*, International Monetary Fund (March 2024).
[32] Stigler, "The goals of economic policy".
[33] F.H. Knight, "The rôle of principles in economics and politics", *American Economic Review* 41(1) (1951), 1–29.
[34] D. MacKenzie, "Is economics performative? Option theory and the construction of derivatives markets", *Journal of the History of Economic Thought* 28 (2006), 29–55; M.S. Morgan and T.A. Stapleford, "Narrative in economics: A new turn on the past", *History of Political Economy* 55(3) (2023), 395–421.
[35] The canonical exemplar for this approach in economic history is: R.W. Fogel, *Railroads and American economic growth: Essays in econometric history* (Baltimore, 1964). For a wider discussion about counterfactual history, including its use outside of the field of economic history, see N. Ferguson (ed.), *Virtual histories* (New York: Basic Books, 2000).

economic, social, and political trade-offs under conditions where experimental evidence is unavailable, in order to inform the judgement calls ultimately taken by their policy principals.

Earlier traditions of applied economics were more explicit about this role for judgement. As Backhouse and Biddle show, applied economics historically referred not to the mechanical application of theory, but to the selective use of general principles to illuminate particular circumstances.[36] Theory functioned as a toolkit rather than a rulebook. Over time, however, the balance within the discipline shifted, as increasing specialisation and formalisation encouraged a greater emphasis on internally coherent methods and standardised techniques. This evolution reflected changing research priorities rather than a rejection of structured judgement as such, but it did mean that the more pluralist and institutionally grounded style of earlier applied economics became less central to mainstream practice.[37] We think that economic history inherits this earlier, judgement-centred conception of applied economics. It is typically more methodologically pluralist and secular with respect to theory, choosing analytical tools according to the problem at hand rather than those in disciplinary fashion.

This pluralism also extends to communication. Policymaking relies heavily on narrative compression to convey complex ideas under severe time constraints. Deirdre McCloskey's analysis of economic rhetoric underscores that persuasion, metaphor, and storytelling are intrinsic to applied economic reasoning, whether acknowledged or not.[38] That this argument was developed by an economic historian is not incidental; McCloskey's wider work on the Industrial Revolution draws attention to the ways in which economic arguments are always embedded in narrative forms, and to the skills required to move between thick description and abstraction without collapsing one into the other.[39] Economic historians are trained to move between detailed narrative and abstract reasoning, and to recognise how rhetorical choices shape interpretation.

The institutionalisation of economic reasoning within policymaking has further sharpened the need for this perspective. Elizabeth Berman argues that the embedding of economic expertise in policy institutions has progressively displaced more holistic forms of judgment with formalised notions of efficiency, narrowing the range of considerations deemed legitimate in decision-making.[40] From this perspective, the contribution of applied economic history is not to supplant economics, but to reinsert structured judgement into policy processes that have become highly technocratic. Here, judgement

[36] R.E. Backhouse and J.E. Biddle, "The concept of applied economics: A history of ambiguity and multiple meanings", *History of Political Economy* 32(S1) (2000), 1–24.
[37] D. Colander and C. Freedman, *Where economics went wrong: Chicago's abandonment of classical liberalism* (Princeton, 2019).
[38] D.N. McCloskey, *The rhetoric of economics* (Madison: University of Wisconsin Press, 1985).
[39] For an accessible introduction to McCloskey's economic history, see: D.N. McCloskey and A. Carden, *Leave me alone and I'll make you rich: How the bourgeois deal enriched the world* (Chicago: University of Chicago Press, 2020).
[40] Berman, *Thinking like an economist*.

refers not to intuition or preference, but to the capacity to weigh economic costs against institutional feasibility, political constraint, distributional consequences, and long-run historical trajectories that cannot be reduced to single-metric optimisation. Applied economic history's value, then, lies not in the promise of better policy outcomes or prediction, but in its potential to improve the policymaking process: how policy problems are framed, how trade-offs are articulated, and how uncertainty is navigated when decisions must be taken without definitive evidence.

4. Encouraging Policymakers to Think in Time

Policymakers are rarely short of historical references. What they often lack is a disciplined way of interrogating those references to support the cultivation of judgement under uncertainty. In drawing "lessons" from the past, complex historical processes are easily compressed into simplified narratives that lend spurious certainty to present-day decisions.[41] The result is a slippage between analogy and analysis, and a failure to recognise how assumptions about continuity, feasibility, and causation quietly structure policy choices.

Neustadt and May argued that policymakers inevitably draw on the past when confronting novel problems; the issue is not whether history is used, but whether it enters reasoning tacitly, through inherited analogies and institutional memory, or deliberately, through explicit comparison and critical reflection.[42] Teaching policymakers to "think in time", in their formulation, means slowing down judgement long enough to expose hidden assumptions, implausible analogies, and false expectations about continuity and change. Their approach operationalises historical reasoning through a series of structured questions, requiring decision-makers to distinguish between what is genuinely new and what is familiar, to compare multiple past cases rather than rely on a single precedent, and to test proposed actions against explicit counterfactuals about how events might plausibly unfold.

A central difficulty is that policymaking environments reward speed, decisiveness, and narrative coherence. Historical reasoning, by contrast, is slow, conditional, and resistant to closure. Teaching applied economic history to policymakers—both to principals and to their advisers—therefore involves a deliberate tension: introducing friction into decision-making processes that are designed to minimise it. The aim is not to delay for its own sake, but to expose weak analogies and untested assumptions before they become policy commitments.

This problem is particularly acute under crisis conditions, but not simply because policymakers fall back on analogy under pressure—precisely when their capacity to interrogate those analogies is at

[41] May, *'Lessons'*.
[42] Neustadt and May, *Thinking in time*.

its weakest.[43] As Eichengreen shows in *Hall of mirrors*, historical analogies can discipline crisis response when similarities and differences are specified carefully, but distort it when analogies are treated as templates rather than hypotheses.[44] Readings of the Great Depression shaped responses to the Great Recession in both productive and misleading ways, depending on how institutional context, policy instruments, and sequencing were understood. The pedagogical challenge, therefore, is not to discourage analogy in crises, but to cultivate the capacity to use it diagnostically rather than mechanically.

Pedagogical frameworks associated with "thinking in time" offer one way of operationalising this discipline. Rather than beginning with solutions, participants are encouraged to distinguish between what is *known*, what is *unclear*, and what is *presumed*. Historical comparison is introduced only after this clarification, and is used to identify both similarities and differences in institutional context, political constraint, and expectations about cause and effect. In this sense, history becomes a diagnostic tool rather than a source of instruction.

A further dimension concerns the temporal scope of historical reasoning. Policymakers often draw on short-run event histories while neglecting longer-run issue histories and organisational trajectories. This can lead to overconfidence in institutional capacity and to repeated rediscovery of familiar problems. Alix Green's analysis of historians working inside policy institutions shows that their influence rarely takes the form of policy advice; instead, it operates through reframing problems, questioning assumptions, and reconnecting present dilemmas to longer historical sequences.[45]

Interactive formats—simulations, workshops, and structured discussions—have the scope to be particularly effective in this regard. They force participants to articulate assumptions, confront disagreement, and revise reasoning in light of new information. Within the applied history literature, this emphasis on training judgement rather than supplying answers aligns with attempts to distinguish between different types and scales of application.[46] From a pedagogical perspective, this reflects a broader body of evidence showing that experiential and simulation-based learning environments support deeper engagement and more sustained reflection when participants are required to act under constraint rather than merely evaluate outcomes after the fact.[47] Recent applications have also drawn selectively on gamification techniques—such as staged information release, role differentiation, and

[43] Ferguson, "Applying history".
[44] B.J. Eichengreen, *Hall of mirrors: The Great Depression, the Great Recession, and the uses—and misuses—of history* (Oxford: Oxford University Press, 2015).
[45] A.R. Green, "Historians on the inside: Thinking with history in policy", in *History, policy and public purpose*, 37–64 (Cham: Palgrave Macmillan, 2016).
[46] Mens, "Two types".
[47] Z. Zainuddin, S.K.W. Chu, M. Shujahat and C.J. Perera, "The impact of gamification on learning and instruction: A systematic review of empirical evidence", *Educational Research Review* 31 (2020), 100326.

iterative feedback—not to incentivise performance, but to structure attention and sustain engagement in complex decision environments.

Finally, it is important to note what this approach does not attempt to do. Encouraging policymakers to think historically does not aim to replace positive economic analysis or to supplant existing decision tools. Rather, it seeks to reintegrate structured judgement into policy processes that have become increasingly technocratic. Berman's account of "thinking like an economist" is useful here precisely because it clarifies why judgement can be crowded out: not through malice or stupidity, but through institutionalised forms of evaluation and professional authority.[48] Applied economic history, as developed here, is therefore best understood as a complement to economic analysis: a means of reintroducing temporal awareness, institutional constraint, and reflective practice into policymaking under uncertainty.

5. Two Sites of Practice: Applying Economic History

The preceding sections have emphasised that applied economic history can contribute to policymaking by shaping judgement rather than by delivering policy prescriptions. How this contribution materialises depends on the level at which historical reasoning is introduced and the pedagogical problem it is intended to address. This section therefore distinguishes explicitly between two analytically distinct sites at which applied economic history can be used: (1) a micro-pedagogical intervention aimed at individual skill formation; and (2) a macro-institutional collaboration aimed at longer-term reflection within the policy apparatus.

At the micro-pedagogical level, applied economic history can be used to train individual policy advisers, particularly early in their careers. The emphasis is on putting abstract economic and policy concepts into practice under conditions that approximate real decision-making: time pressure, incomplete information, and competing objectives. Historical material is deployed not primarily to transmit knowledge, but to create structured environments in which assumptions are exposed, contested, and revised.

At the macro-institutional level, applied economic history can be used as part of a longer-term strategy to encourage reflection within policy organisations. Here the objective is not individual skill acquisition but the cultivation of historical awareness around recurring policy problems. The focus shifts from individual decisions to issue histories, institutional memory, and the conditions under which lessons from past experience are recalled, ignored, or misapplied. This distinction echoes recent

[48] Berman, *Thinking like an economist*.

attempts within applied history to differentiate between types and scales of application rather than treating applied history as a single practice.[49]

5.1 Policymaking under Uncertainty: A Northern Ireland Case

Our Northern Ireland case illustrates how applied economic history can be used at the micro-pedagogical level.[50] The intervention was developed by the Centre for Economics, Policy and History as part of its outreach and engagement mandate.[51] Its aim was to help improve in the training of early-career civil service economists, a group that typically enters employment across government with economics degrees and strong formal analytical skills, but receives limited opportunities for continuing professional development once initial entry-level instruction has been completed. Many have never before experienced any economic history teaching, because it is not always present in economics degrees.[52]

Concerns about the professional formation of economists were raised decades ago, yet evidence suggests that economics education continues to prioritise technical mastery over institutional, historical, and applied forms of reasoning, leaving early-career economists underprepared for real-world decision-making.[53] Our pedagogical intervention is designed to complement standard instruction by providing a historically grounded case through which familiar tools—such as cost–benefit analysis, business-case appraisal, and risk assessment—must be applied in practice. Exposure to real historical cases, unlike the hypothetical ones used in their existing training, make visible the complexity, contingency, and institutional constraints that shape how policy decisions unfold in practice. They also allow participants to observe what happens next, and to do so at a distance that reduces the political sensitivities associated with live policy debates.

The case centres on a major industrial policy intervention undertaken in Northern Ireland in the late 1970s and early 1980s: the DeLorean Motor Company. The episode is introduced through a sequence of briefing materials corresponding to contemporaneous decision points faced by policy principals and their advisers. These materials were developed from declassified archival records, contemporary newspaper reports, and a selection of statistical publications collated from government agencies and trade journals. Because the intervention has already run its course, the case allows

[49] Mens, "Two types".
[50] Full case described in Appendix A.
[51] Founded in 2022 with a grant from the Government of Ireland, the Centre for Economics, Policy and History (CEPH) is a research centre linking economic historians at Queen's University Belfast and Trinity College Dublin. Its aim is to support both institutions in developing Ireland as a centre of excellence in policy-relevant economic history research (see https://ceph.ie/about/).
[52] Brownlow and Colvin, "Economic history".
[53] D. Colander and A. Klamer, "The making of an economist", *Journal of Economic Perspectives* 1 (1987), 95–111; D. Colander, *The making of an economist, redux* (Princeton, 2008).

participants to reflect on outcomes and consequences that were not visible at the time decisions were taken. Importantly, the episode is widely regarded as a policy failure, which creates analytical space for structured reflection without the defensiveness that often accompanies discussion of live or recent policies.

The historical reconstruction draws on analytic narratives developed by Graham Brownlow, who shows how soft budget constraints, political pressures, and optimism bias interacted to sustain a failing intervention long after its economic rationale had weakened.[54] These narratives allow participants to distinguish between *ex ante* uncertainty and *ex post* evaluation, and to examine how institutional incentives shape decision-making over time.[55] The pedagogical value of the case lies not in identifying a correct decision, but in exposing how economic analysis interacts with institutional constraint, political pressure, and uncertainty when choices must be made under imperfect information.

The case is deliberately structured as an experiential decision environment rather than as a retrospective evaluation exercise. Participants are allocated into groups to represent different government departments, with differing incentives and information. They must articulate assumptions, take positions, and justify trade-offs, revising their policy judgements as new information is revealed and arguments are presented external to their group. Research on gamification and simulation-based learning suggests that such structured, interactive formats reliably increase engagement and cognitive investment when participants are required to act under constraints rather than merely observe outcomes.[56]

Counterfactual reasoning is used explicitly. Participants are encouraged to consider alternative approaches, opportunity costs, distinguish between binding constraints and analytical assumptions, and assess how different sequencing, governance structures, or exit strategies might have altered outcomes. Time pressure and urgency are introduced deliberately, replicating the conditions under which policy advice is often formulated, and reflecting the situation in period. In design terms, this corresponds to what Landers and colleagues describe as the disciplined use of game elements—such as staged information release and iterative feedback—to support judgement under uncertainty rather than to incentivise performance.[57]

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[54] G. Brownlow, "Back to the failure: An analytic narrative of the DeLorean debacle", *Business History* 57(1) (2015), 155–181.
[55] G. Brownlow, "Soft budget constraints and regional industrial policy: Reinterpreting the rise and fall of DeLorean", *Cambridge Journal of Economics* 40(6) (2016), 1497–1515.
[56] Zainuddin et al., "The impact".
[57] R.N. Landers, "Developing a theory of gamified learning: Linking serious games and gamification of learning", *Simulation & Gaming* 45(6) (2014), 752–768; R.N. Landers, E.M. Auer, A.B. Collmus and M.B. Armstrong, "Gamification science, its history and future: Definitions and a research agenda", *Simulation & Gaming* 49(3) (2018), 315–337.

Pre- and post-workshop surveys were used to understand participants' views and evaluate their learning. The post-workshop results from the quantitative questions demonstrated that participants: (1) increased their knowledge and understanding of key concepts, including historical case studies, counterfactual analysis, and historical evidence; (2) were more likely to consider historical case studies in their policy work, having previously only occasionally used these; and (3) became more confident in identifying relevant historical events to inform policy evaluation, seeing economic history as more relevant to their current role. Post-workshop qualitative responses demonstrated that participants had changed their view on the role of economic history within the policy making process: these emphasised the importance of counterfactual reasoning to aid judgement, through greater awareness of context, uncertainty, and institutional constraints. A full discussion of the responses is provided in Appendix A.

5.2 Reflective Practice and Issue Histories: History & Policy and HM Treasury

Engagement between historians and policymakers facilitated by History & Policy illustrates how applied history can be used at the macro-institutional level.[58] This intervention is about encouraging civil service economists and other policy advisers to be more historically aware of the problems they confront and the precedents they invoke.

History & Policy operates as a platform that facilitates structured interaction between policymakers and historians willing to engage directly with policy processes and contribute historical expertise to contemporary policy issues.[59] It commissions policy papers and case studies, organises workshops, and attempts to sustain continued engagement between historians and policymakers both through the media and in more closed environments. Its work is deliberately issue-based rather than event-based, focusing on recurring policy challenges—such as fiscal consolidation, inflation, industrial strategy, or state capacity—rather than on discrete historical episodes. The pedagogical question is not simply what happened last time, but how similar problems have been approached before, under what conditions, and with what consequences.

Historical engagement with HM Treasury provides a particularly clear illustration of this approach. Peter Beck's study of historical work within the Treasury documents both the possibilities and limitations of embedding historical analysis within a central economic institution, showing how institutional memory is shaped by organisational structure, incentives, and political context.[60] This

[58] Full case described in Appendix B.

[59] History & Policy (H&P) is a non-partisan, not-for-profit network founded in 2002 and now hosted by the Institute of Historical Research. Its aim is to inform public policy through the dissemination of high-quality historical research in accessible formats, and by providing a forum for sustained engagement between historians, policymakers, and journalists (see https://historyandpolicy.org/about-us/what-we-do/).

[60] P.J. Beck, "History and policy at work in the Treasury, 1957–76", policy paper, *History & Policy* (24 April 2006); P.J. Beck, *Using history, making British policy: The Treasury and the Foreign Office, 1950-1976* (Palgrave Macmillan, 2006).

pattern aligns with arguments that history's contribution to policy is most often indirect and relational, operating through problem framing and institutional reflection rather than through the delivery of discrete policy recommendations.[61] More recent History & Policy case studies similarly show that historical reasoning tends to influence policymaking indirectly, by reframing problems and challenging assumptions rather than by determining decisions.[62]

History & Policy's collaboration with the Treasury operates over longer horizons and relies on repeated exposure rather than intensity. Its effectiveness depends on organisational culture, senior sponsorship, and the willingness of officials to engage historically with their own areas of responsibility. Its ambition is correspondingly modest: to widen the frame within which policy options are considered and to counter the tendency for institutional memory to collapse complex histories into simplified narratives. The collaboration sits alongside other forms of historically informed training delivered within Whitehall, including formal postgraduate teaching initiatives developed in collaboration with academic institutions.[63]

In practice, History & Policy's engagement takes the form of a series of episodic but cumulative interventions: seminars that revisit the historical evolution of familiar policy domains, briefing papers that reconstruct issue histories rather than evaluate current proposals, and informal exchanges that expose officials to alternative temporal framings of their own policy areas. Rather than supplying guidance on what should be done, these interventions work by unsettling settled narratives—questioning assumptions about novelty, feasibility, and institutional capacity, and drawing attention to how similar policy problems have been defined, redefined, and constrained over time. Their influence is therefore rarely traceable to a specific decision or policy outcome; instead, it operates by shaping the repertoire of analogies, reference points, and expectations that officials bring to subsequent analysis and advice.

Taken together, these two sites of practice illustrate how applied economic history can operate at different levels of policymaking. Micro-pedagogical interventions can sharpen reasoning under pressure, while macro-institutional engagement can support reflection over time. Neither is sufficient on its own, but together they clarify what applied history can plausibly contribute to policy practice. Feedback from the Northern Ireland workshop suggests that the structured, case-based approach encouraged participants to move away from treating historical cases as sources of ready-made lessons,

[61] V. Berridge, "Why policy needs history (and historians)", *Health Economics, Policy and Law* 13 (2018), 369–381.
[62] C. Knowles, "The use and application of history in HM Treasury", case study, *History & Policy* (5 January 2023).
[63] For example, HM Treasury has for several years supported the MA option course at King's College London (https://thestrandgroup.kcl.ac.uk/module/chancellors-and-the-treasury-managing-the-british-economy/). With teaching by former chief economic advisor to the Treasury Ed Balls and former permanent secretary to the Treasury Lord Macpherson, this course is designed to familiarise early-career officials with post-war policy experience and institutional change.

and towards a more disciplined use of analogy grounded in explicit comparison, counterfactual testing, and reflection on institutional constraints. Feedback from History & Policy seminars within HM Treasury points to complementary effects: greater attention to scale, feasibility, and political context, a broader repertoire of reference points, and the development of a shared vocabulary for thinking about recurring policy problems. In this setting, historical engagement appears less as a source of substantive guidance than as a support for reflective practice within the policy apparatus.

6. Discussion and Conclusion

Applied economic history is most defensible when understood as a way of structuring judgement rather than as a source of policy prescriptions. Distinguishing between micro-pedagogical and macro-institutional applications helps clarify both what applied history can plausibly achieve and where its limits lie.

At the micro-pedagogical level, historically grounded simulations and cases can sharpen individual reasoning under conditions that approximate policy practice. By forcing participants to act under time pressure, with incomplete information and contested objectives, such interventions expose assumptions that are often hidden in routine analytical work. This aligns closely with Neustadt and May's insistence that the value of history lies not in analogy as such, but in disciplined comparison that foregrounds difference as much as similarity.[64] The contribution here is limited but tangible: improved problem framing, greater sensitivity to institutional constraint, and a clearer appreciation of trade-offs when evidence is limited.

At the macro-institutional level, applied economic history can support reflection over longer horizons by reconstructing issue histories and challenging selective organisational memory. Work associated with History & Policy's historical engagement in HM Treasury shows that such influence is typically indirect, operating through reframing and questioning rather than through decision authority.[65] This form of engagement is necessarily fragile. Its effectiveness depends on organisational culture, senior sponsorship, and the willingness of policymakers to treat historical analysis as a resource rather than as a constraint.

It is also important to note that these two sites of practice are not fixed or mutually exclusive. Micro-pedagogical interventions of the kind described here need not remain confined to individual training environments. If sustained over time, embedded within organisational routines, and supported by senior sponsorship, they can evolve into more durable forms of institutional engagement. Repeated

[64] Neustadt and May, *Thinking in time*.
[65] Beck, "History and policy"; C. Knowles, "The use".

use of historically grounded cases can contribute to shared reference points, common analytical vocabularies, and the gradual accumulation of organisational memory, thereby approaching the kind of macro-collaborative role played by initiatives such as History & Policy. In this sense, micro-level training and macro-institutional reflection should be understood not as alternatives, but as points on a continuum of applied historical practice.

Any defensible account of applied economic history must take its limits seriously. As MacMillan and Evans both emphasise, history can mislead as easily as it can inform when it is used instrumentally or selectively.[66] The aim of applied economic history, as developed here, is therefore not to improve prediction or to provide lessons, but to discipline reasoning under uncertainty. Rather than occupying a purely positive or normative register, applied economic history enables movement between the two: clarifying causal claims while making explicit where judgement, values, and responsibility necessarily enter—precisely the space that Frank Knight identified as irreducible to technical expertise under conditions of uncertainty.[67]

This ambition is best situated in relation to the changing role of expertise in policymaking. Berman shows how the institutionalisation of economic reasoning has reshaped policy processes around formalised notions of efficiency, often crowding out contextual judgement and historical awareness.[68] From this perspective, the contribution of economic history is not oppositional. It does not reject economic analysis, but complements it by reintroducing temporal perspective, institutional constraint, and explicit engagement with counterfactual possibilities. Economic history is particularly well suited to this role because it is accustomed to operating without the promise of definitive answers. As Eichengreen argues, its value lies in clarifying mechanisms and constraints rather than in supplying rules or forecasts.[69] Understood in this way, applied economic history can be seen as a corrective to over-confidence rather than as a source of authority.

The argument advanced in this paper is therefore deliberately modest. Applied economic history cannot resolve political disagreement, eliminate uncertainty, or guarantee better decisions. What it can do is improve how policymakers think with the past: by slowing judgement, exposing assumptions, and widening the range of plausible alternatives considered at moments when decisions must be taken without the benefit of hindsight. That contribution is limited, contingent, and easily overstated—but difficult to dispense with.

[66] MacMillan, *The uses*; Evans, *In defence*.
[67] Knight, "The rôle of principles".
[68] Berman, *Thinking like an economist*.
[69] Eichengreen, "Economic history".

Appendix A: The Northern Ireland Policy Simulation

A1. Purpose, Scope, and Historical Background

This appendix documents the design and operation of a policy simulation based on a major industrial intervention that took place in Northern Ireland in the late 1970s and into the early 1980s. Its purpose is not to re-evaluate the policy outcome itself, but to make transparent how the exercise operationalises applied economic history as a tool for training judgement under uncertainty. The simulation complements formal economic training by placing participants in a historically grounded decision environment in which analytical tools must be applied under institutional, political, and informational constraints.

The case is explicitly pedagogical rather than evaluative. Its objective is to discipline historical reasoning, not to extract lessons or provide policy prescriptions. By reconstructing decision points as they appeared to policy advisers at the time, the exercise aims to slow judgement, surface implicit assumptions, and encourage structured reflection on uncertainty, counterfactual possibilities, and institutional constraint.

The simulation is run with early-career civil service economists drawn from across government departments in Northern Ireland's devolved administration. Participants typically enter government with economics degrees and strong formal analytical skills, but limited opportunities for structured professional development beyond initial entry-level training. The exercise therefore requires participants to apply familiar tools – such as cost–benefit analysis, business-case appraisal, and risk assessment – in a setting that more closely resembles real policy work.

Participants are introduced to the economic and political conditions prevailing in the United Kingdom and Northern Ireland during the late 1970s. At the national level, this period was characterised by slowing growth following the post-war boom, the breakdown of the Bretton Woods system, heightened macroeconomic volatility, and the intensification of deindustrialisation. Regional disparities widened, and lagging regions such as Northern Ireland experienced persistently high unemployment and weak private investment.

Northern Ireland faced additional challenges. Manufacturing and agriculture were in long-term decline, unemployment stood at roughly twice the UK average, and economic development relied heavily on government-supported industry. These pressures were compounded by sustained political violence and insecurity, known as the 'Troubles', which shaped both the feasibility of private investment and the political salience of employment creation. Participants are also introduced to the institutional configuration of the period, including the roles of Westminster and the Northern Ireland departments at Stormont, to situate economic appraisal within a complex governance structure.

A2. Simulation Design and Staged Decision-Making

Participants are split into groups and assigned to departmental roles reflecting the perspectives of key actors involved in the original decision, including the Northern Ireland Office, HM Treasury, and the Department of Industry. Information is deliberately fragmented across groups to reflect institutional asymmetries and competing objectives. The case is structured as an experiential decision environment rather than a retrospective case study: participants must take positions, justify trade-offs, and respond to new information as it emerges, rather than observe decisions made by others. Time pressure and urgency are deliberately introduced, replicating the conditions under which policy advice is often formulated, reinforcing the need for judgement rather than optimisation.

The simulation unfolds over three stages, with each group presenting its analysis to the others at the end of each stage, and the justification for their policy recommendations. In the first turn, set in 1978, participants assess an initial proposal by the DeLorean Motor Company to establish a large-scale car manufacturing facility in Northern Ireland with government support.[70] Teams receive briefing materials corresponding to the information available at the time, and are asked to evaluate the proposal from their departmental perspective, including responding to their department's priorities and incentives. Midway through this stage, additional material in the form of an independent consultancy analysis is introduced, requiring participants to revise or defend their initial assessments.[71] Because the intervention has already run its course, participants are able to work with a complete temporal arc —covering the inception of the project, its evolution, and its eventual outcome—something that is not possible when analysing contemporary policy interventions whose consequences remain unresolved.

The second turn is set several years later in 1981, following the approval of the project and a change in UK government, but at a time when the project is under significant commercial and political strain. Participants confront changed macroeconomic conditions, including exchange-rate volatility and deteriorating public finances, as well as evidence of operational and financial difficulties. Under heightened political and institutional pressure, they are asked to reconsider earlier judgements, assess sunk costs, and evaluate alternative courses of action.

The third and final stage consists of a collective review and discussion. Participants compare initial and revised positions, reflect on how assumptions evolved across turns, and discuss which constraints were binding and which were analytical. This staged structure emphasises reasoning across

[70] This proposal is presented as it was in 1978, including promises of production targets and workforce hiring that are extremely ambitious.

[71] This mirrors the limited time given to process the consultancy analysis in the historical case, replicating the circumstances under which the policymakers operated in the 1970s.

time, highlighting how policy commitments are sustained or challenged, and the need to adapt to a changing context.

The historical reconstruction draws on analytic narratives developed by Graham Brownlow, which trace how political pressures, optimism bias, and soft budget constraints interacted to sustain the intervention after its economic rationale had weakened.[72] These narratives are used not to assign blame, but to help participants distinguish between ex ante uncertainty and ex post evaluation, and to examine how institutional incentives shape decision-making. In this respect, the exercise explicitly operationalises Neustadt and May's injunction to "think in time", translating their emphasis on structured comparison, temporal sequencing, and explicit counterfactual questioning into a practical decision-making setting.[73]

Counterfactual reasoning is employed explicitly throughout the exercise. Participants are encouraged to consider alternative sequencing, governance arrangements, and exit strategies, and to ask which mechanisms would have needed to operate for different outcomes to have occurred. Counterfactuals are treated as tools for disciplining causal arguments rather than as predictions about what would have happened under alternative policies.

A3. Participant Reflections and Learning Outcomes

The workshop was run several times across 2024 and 2025, each time with different groups of early-career civil service economists. Participants were surveyed both pre- and post-workshop, to provide benchmarks and to evaluate their learning from the workshop. Survey questions used Likert scales to measure familiarity with concepts, implementation of economic history within everyday work, and the relevance of material covered in the workshop to their current role. Qualitative questions focused on understanding of economic history, and how the workshop would inform their practice, alongside feedback on the workshop itself.

The pre-workshop survey responses indicated that participants viewed economic history as relevant to their work, but emphasised this being contingent on their role and therefore its narrow potential. When asked about how historical case studies might improve policymaking, participants overwhelmingly viewed these as sources of lessons to be learnt. There was a particular emphasis on historical case studies providing the opportunity to avoid past mistakes. Participants were focused on what they could learn from historical case studies that could be directly applied to current or future policy interventions, focusing on prediction to avoid past failures, and thus achieve better outcomes.

[72] Brownlow, "Back to the failure"; Brownlow, "Soft budget constraints".
[73] Neustadt and May, *Thinking in time*.

The responses to the post-workshop survey allow comparisons to be made of participants' pre- and post-workshop familiarity with concepts, and the relevance to their role. Figure A1 shows that their familiarity increased across all four concepts measured: economic history, historical case studies, counterfactual analysis, and historical evidence. Figure A2 shows that participants became more confident about identifying relevant historical events to inform policy evaluation (Panel A), and saw economic history as potentially more relevant to their current role (Panel B). Figure A3 shows that pre-workshop, participants rarely used historical case studies (Panel A) or considered historical scenarios (Panel B); but post-workshop they had gained enough confidence in constructing counterfactual analysis (Panel C), with 83 per cent likely to consider historical case studies on their future policy work (Panel D).

Post-workshop qualitative feedback suggests participants developed an increased sensitivity to context. Alongside this, participants frequently emphasised that the workshop highlighted the benefit of slowing the decision-making process when faced with uncertainty. The presence of institutional constraints—introduced into the workshop through the assignment of participants to different departments with different roles and priorities—and how these shape decision making, was repeatedly mentioned as a key takeaway from the workshop. Post-workshop responses frequently noted that counterfactual reasoning is an approach they would integrate into their practice. This is also reflected in 59 per cent of participants being moderately or very confident about constructing counterfactual scenarios in their policy evaluation work (Figure A3 Panel C).

Taken together, the responses of participants aligned with a recognition of having a greater understanding of context, the importance of "thinking in time" when faced with uncertainty, how institutional constraints shape the decision-making process, and the utility of counterfactuals to assist with policy evaluation. These aspects can be seen as coalescing around the central theme of using applied economic history to improve reasoning processes through which policy judgements are formed. The differences in pre- and post-workshop responses show there was a greater awareness of this following participation, with relatively less emphasis on gaining precise lessons from economic history, although this view remained present amongst some respondents.

Figure A1: How familiar are you with the following concepts?

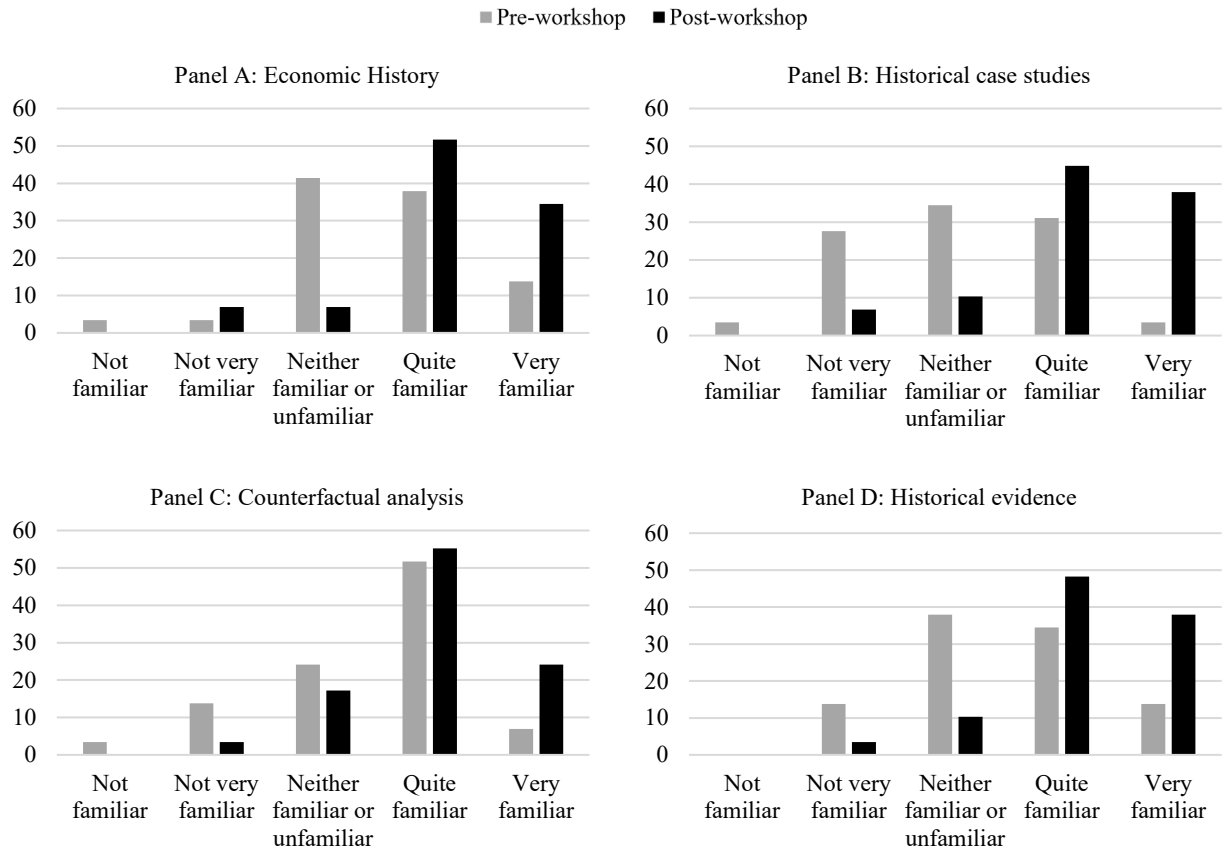


Figure A2: Relevance of economic history to policymaking

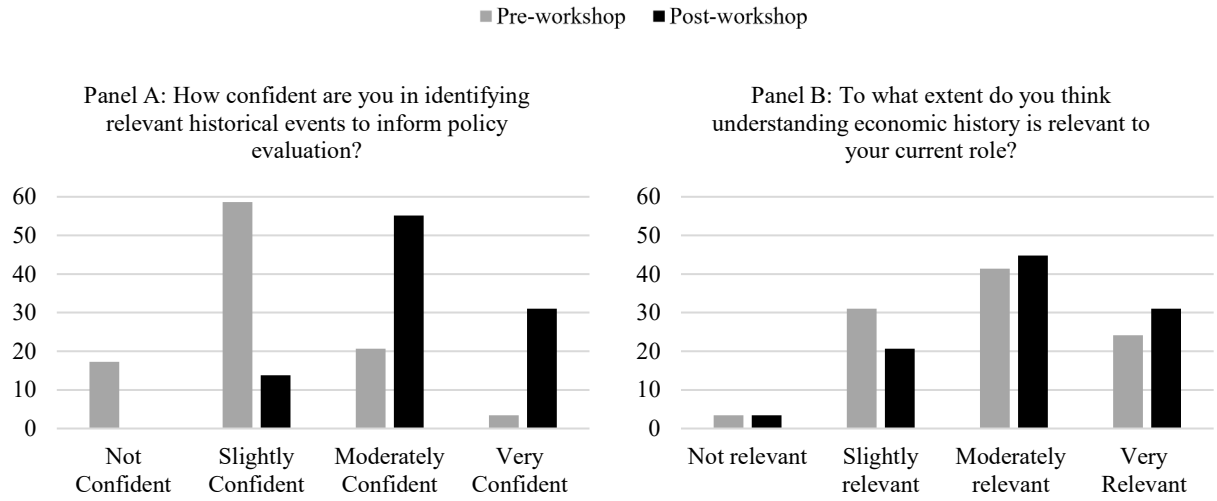
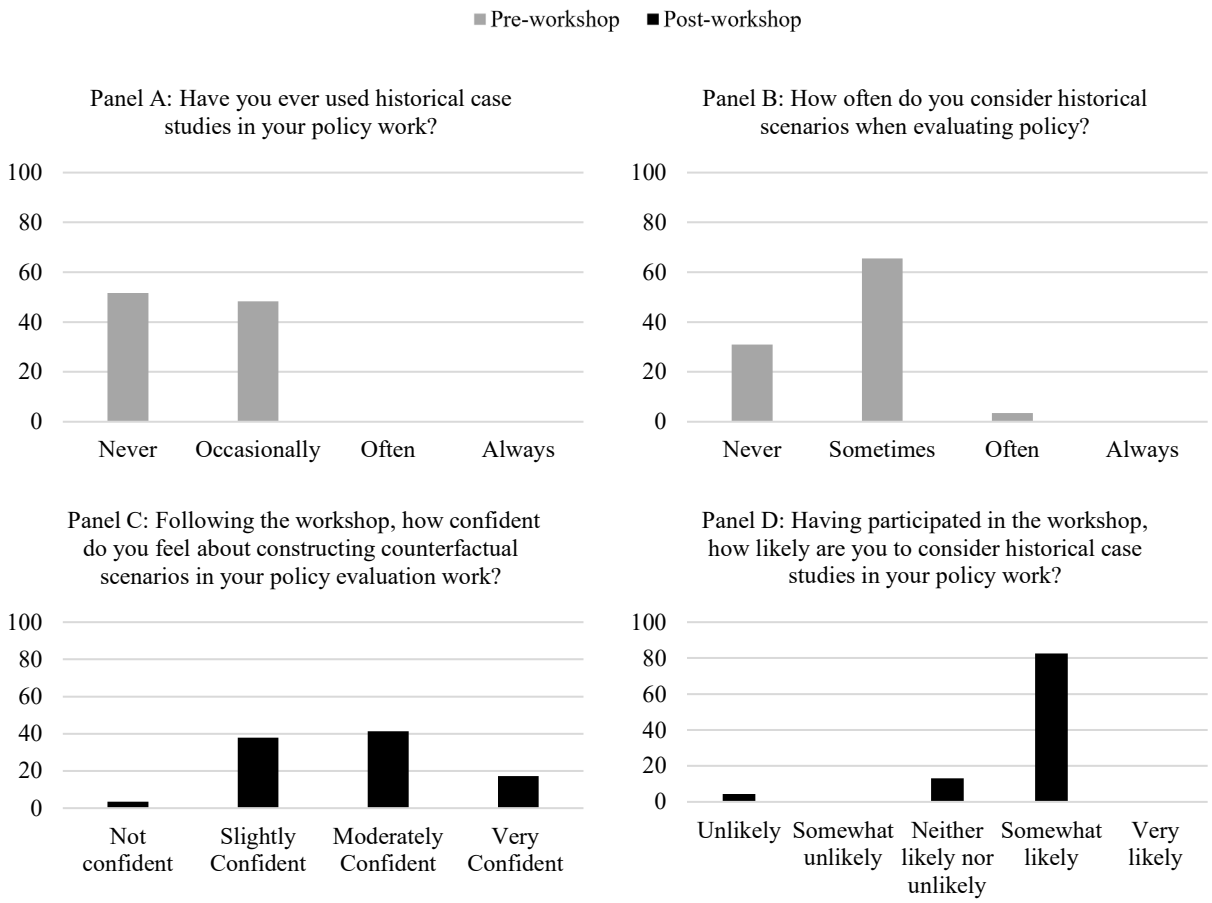


Figure A3: Application of economic history to current role



Appendix B: Historical Engagement at HM Treasury

B1. Institutional Setting and Modes of Engagement

This appendix examines a macro-institutional form of applied economic history, focusing on sustained historical engagement within a central UK policy organisation rather than on the design of a discrete training intervention. It uses HM Treasury as its primary site of analysis. HM Treasury is the UK government's central economic and finance ministry, responsible for fiscal policy, public spending, and the coordination of economic strategy across other Whitehall departments. It thus occupies a pivotal position in shaping how policy priorities are framed, evaluated, and constrained.

The appendix documents sustained engagement between historians and Treasury officials, examining how historical reasoning enters policy practice through seminars, workshops, and related publications. The emphasis is on modes of engagement and institutional conditions, not on policy outcomes or claims of impact. The aim is to show how applied history operates within a central policy institution by shaping problem framing, institutional memory, and judgement over time.

One of the channels of engagement between policymakers and academic historians is History & Policy, founded in 2002 to facilitate historically informed public debate. Its core interventions—historically grounded policy papers and structured engagement with policy advisers organised around recurring policy problems—prioritise contextualisation, comparison, and temporal perspective over lesson-drawing, and provide the institutional backdrop for historical engagement with HM Treasury.

B2. Seminars and Workshops as Sites of Applied Economic History

Historical engagement at HM Treasury provides a particularly clear illustration of this approach. The first sustained series of History & Policy engagement seminars at the Treasury began in 2012, in the context of the coalition government's fiscal consolidation programme following the financial crisis. Treasury officials were acutely aware that institutional memory of previous episodes of large-scale spending cuts was limited, owing to staff turnover and the passage of time.

The seminar series addressed earlier episodes of fiscal consolidation, including the Geddes Axe of the early 1920s, the fiscal adjustments following the 1976 IMF loan, and the 1981 Budget. Rather than presenting these episodes as templates, the seminars encouraged officials to examine scale, sequencing, political constraints, and institutional dynamics. Participants were able to situate contemporary policy debates within a longer historical trajectory, gaining a clearer sense of what had previously been considered feasible and how such episodes had unfolded over time.

History & Policy has also facilitated interactive workshops at the Treasury and other departments on topics such as transport infrastructure, industrial strategy, and European integration.

These workshops typically involve the use of primary source material and role-based discussion, somewhat similar in nature to our micro-pedagogical intervention discussed in Appendix A. These workshops require officials to engage with historical problems as decision-makers rather than as retrospective observers. The emphasis is on reconstructing how judgements were formed under uncertainty, rather than on evaluating outcomes with the benefit of hindsight.

B3. Historical Distance, Institutional Memory, and Reflective Practice

A central advantage of historical engagement of this kind lies in the temporal distance it affords. Because the policies and interventions under discussion have run their course, participants are able to work with a complete temporal arc, encompassing inception, implementation, adaptation, and outcome. This allows reflection on consequences and dynamics that were not visible to decision-makers at the time, while preserving sensitivity to ex ante uncertainty.

From the perspective of HM Treasury, such engagement has been valued primarily as a means of addressing gaps in institutional memory and expanding the range of reference points available to officials. One senior official involved in the early engagement seminars observed that, following the financial crisis, "we didn't have the institutional knowledge of how to do it," referring to large-scale spending cuts after a prolonged period without fiscal consolidation.[74] Feedback from subsequent seminars and workshops consistently emphasises the usefulness of historical discussion in clarifying scale, feasibility, and political constraint, and in situating policy options within longer trajectories of institutional development.

Participants frequently described these activities not as sources of substantive guidance, but as helping to establish a shared vocabulary for thinking about recurring policy problems and for anticipating how proposals would be received by ministers, Parliament, and the public. In the context of a seminar on Gladstone's 1853 Budget, for example, one Treasury official remarked that the discussion highlighted how "budget making is as much an art as a science," and that nineteenth-century concerns with legitimacy and social balance were "not very different from how most politicians look at it today".[75] Others stressed the value of historical comparison in understanding how long it can take to build political support for major policy change and in recognising the importance of sequencing and justification when navigating parliamentary constraints.

At the same time, both historians and officials emphasise the limits of such engagement. Historical reasoning rarely translates directly into decisions. Its influence is typically indirect, operating through problem framing, the questioning of assumptions, and the broadening of the set of

[74] Knowles, "The use".
[75] Knowles, "The use".

precedents considered relevant, while political considerations, distributional conflict, and immediate constraints continue to dominate outcomes. Even where historical interventions were regarded as highly informative, their effect on final outcomes was often marginal, with one external participant noting that workshops could be "incredibly valuable" in challenging received wisdom while leaving ultimate decisions to political judgement.[76] In this respect, sustained historical engagement at HM Treasury is best understood as a contribution to reflective practice within a central policy institution: a means of widening the temporal and institutional frame within which policy choices are considered, rather than an alternative mode of policy analysis or a source of determinate policy recommendations.

[76] Knowles, "The use".