Taking Method Seriously
Henry K.H. Woo
Hong Kong Institute of Economic Science

Economic methodology as an independent subject of enquiry has seldom been popular with economists. Interests shown in methodological discourse in economics are usually confined to discussions within certain substantive areas, involving technical issues rather than fundamental principles of methodology. How this general indifference to method comes about is interesting but beyond the scope of this essay, which is to explore the fuller and often unappreciated significance of methodology and thereby, the ways in which method matters in academic enquiries in general, with special reference to economics. Before embarking on this enquiry, I shall delineate four attitudes, the first three of which are commonly found among economists. I shall point out why the first three attitudes are not helpful in deepening our understanding of the economic reality and then contend that this unhelpfulness is rooted in not taking methodology seriously enough.

Naïve Eclecticism

The first attitude takes the position that since different methods approach a problem from different perspectives or tackle different aspects of a problem, each of these methods can be considered as ‘intrinsically’ useful. Hence the particular context in which an enquiry takes place should determine which particular method is more appropriate. Debates on the intrinsic merits of different methods might be interesting, but they have little bearing on or only remote relevance to our actual choice of method. Hence for practical purpose, debates on method are not necessary. In practice, we should apply a mix of methods as far as possible and allow each individual context of enquiry to determine which particular combination of methods is most helpful. This attitude we can call “naïve eclecticism”. The eclecticist’s position is, of course, welcome to many because in acquiescing to the claim to merit of different methods and in conceding to a naïve pluralism, it cuts off the need to further discuss questions of method, which many economists may find an obstruction to their plunging straight into their particular projects of enquiry.

One can detect in this naïve eclecticism a very instrumentalist view of methodology which treats the different methods available in a manner analogous to the technician’s bag of tools. If any tool is considered ‘intrinsically’ useful, one need not be critical about the inter-relations between different tools or concerned about whether they are related in any systematic way to the nature of the different realities under study. Also, since a tool is useful in one way or another and since it would be irrelevant to ask if any single tool is such is superior to another, one should try to collect as large a repertoire of tools as possible. In emphasizing the ‘practical’ usefulness of methods, naïve eclecticism tacitly denies the potential contributions of methodology, namely, the criticizing, comparing, and justifying of methods. This tacit denial of methodology must mean that the eclecticist tends to bias unwittingly towards the orthodoxy, for its position implies an uncritical acceptance of what is currently favored. The result is that, in spite of its alleged claim against dogmatism, eclecticism actually paves the way to it.

The ‘Substantivist’ Thesis

Another familiar position is that methodological problems are meaningfully discussed and debated only in the context of substantive enquiries. Similar to naïve eclecticism, this view emphasizes the importance of research context. But unlike the former, which pays mere lip service to method, it seriously recognizes the importance of methodological debates within a narrow and technical scope. In this view — which we can call ‘substantivist’ — methodological problems arise and only meaningfully arise out of discourse in the substantive areas. The role of methodological debates is to clarify confusions and controversies in these areas. Methodology, therefore, is of service, but subsidiary to substantive enquiries. As such, it should not be the end of discourse and should not be discussed in isolation from substantive issues. In research activities, one should engage first in substantive enquiries. Only when there is a need to choose between methods should one start to engage in methodological discussions. Since methodological discussions are only ad hoc in character, one is not compelled to examine in any systematic manner the initial assumptions and the not yet articulated presuppositions of the substantive enquiries.

One can interpret the ‘substantivist’ thesis as subscribing to a ‘mono-causal’ position, in the belief that methodological problems are causally generated by substantive issues but not the other way around. It thus never occurs to the proponents of this view that a particular choice of method might itself select the substantive issues raised, or shape the formulation of these issues, or define the kind of ‘facts’ that apparently constitute the basis of these substantive issues. As a result, this thesis fails to take into account the multiple, causal relations between method, theory and fact. And in conflating the distinction between broad methodological issues and technically-oriented ones, it naturally leads to the mistaken conception that methods employed in solving technical problems are all there is to methodology.

The ‘Importationist’ Approach

As opposed to the above two positions, the third view vigorously endorses the need to engage in methodological discourse. To its proponents, there is no question that methodology is essential to the appraisal of economic discourse. However, how method actually matters in economics does not usually bother them as a matter of foremost importance. Instead, their points of departure are the methodological canons prescribed by currently popular schools of philosophy of science or philosophy of social science. Thus, when logical positivism reigns in the philosophy of science, proponents of this view begin to formulate methodological problems in economics in the light of the positivist spectacles. And when Popperian falsificationism becomes topical, the issue of methodology in economics becomes how the rule of falsification could be enforced in appraising economic theories. We can call this approach “importationist”. Major methodological theories drawing inspiration from other areas of enquiry — notably the physical sciences — are to be applied to economics and used to interpret, justify or reject existing practices of doing economics. It has rarely been thought that the materials of economics could also be the inspiration for developing methodological doctrines.

This criticism does not, of course, deny the usefulness of, say, the positivist or the Popperian framework and their bearing on economic methodology. But clearly, wholesale importation of what is fashionable means that progress in economic method would be subject to the vicissitudes of the popularity of certain methodological themes and canons in philosophies of science and social sciences. It implies tacitly a naïve, uniformist conception of the unity of science; namely, what is methodologically binding to enquiries in the physical domain would be equally binding to those in the human domain, and by corollary, what is methodologically valid in enquiries in the human domain as a whole would be applicable to those in the economic domain. This conception of methodological unity presumes in turn an ontological unity, that is, the structural properties of the physical domain, the human domain and the economic domain are all in analogue with one another. The first part of this presumption, namely, that there is sufficient analogue between properties in the physical domain and those in the human domain to justify methodological unity, has by and large been dismissed. With respect to the second part, one has also strong reason to wonder whether the popular philosophies and methodologies of the social sciences which emerge mainly out of social science disciplines other than
economics and which deal with realms that can be said to be highly indivisible with respect to the relations between their various components, would be binding on the study of the economic domain, which characteristically consists of highly atomized participants and large chunks of divisibilities made possible by the existence of a price system.

The 'Integrationist' Approach

One can thus characterize the importationist approach as a 'top-down' one. Whereas one does not deny the significance of this approach, one might consider to overcome its shortcomings by meeting it half way with a 'bottom-up' approach. This latter approach to be developed must be based upon inquiries into the ontological or 'meta' structural properties of the economic domain itself, and their methodological ramifications. There is, of course, a limit to the extent to which this 'local' approach could be fruitful developed, unless it is to be developed with a view to ultimate integration with the top-down approach. That is, what similarities and differences there are between the economic domain and other domains (such as the psychological, social, cultural, or historical), how the economic domain qualitatively interfaces with them, in what ways the economic domain is autonomous of and in what way dependent on or depended upon by these other domains, and what types of universe emerge out of the web of such intricate inter-dependent and inter-penetrating relations — all these are questions that need to be explicated and spelt out under this very approach. At the level of method, questions such as in what respects economic methods should be similar to and in what respects different from or complementary to the methods of other disciplines have thus to be evaluated in the broader context of the place of the economic domain among other domains. In spite of its seemingly parochial concern, the bottom-up approach is an indispensable step in developing methods peculiar to economics, thus deserving special attention and future research efforts. We can call this approach 'integrationist'.

This approach recognizes a deep complementarity between economic methods and other social science methods, as well as physical science methods. It is a more sophisticated approach in that it not only explicates how the peculiarities of economic methods are rooted in the idiosyncratic structural properties of the economic domain (hence both the top-down and bottom-up approaches are complementary), but it also involves in methodological debates the relations between method, theory, and fact and the multi-causal and interdependent relations between them. And in recognition of these multicausal relations, this integrationist approach naturally leads us to further explore the subtle relations between metaphysics and epistemology, in particular the way methods presuppose on the one hand certain conceptions of ontology, and on the other, the way methodology could be fruitfully used to bring out and to criticize such presuppositions. A kind of "methodological holism" can thus be said to underpin this fourth view. This holism exists at two levels of analysis. At the micro-level, the holism is manifested in acknowledging the multiple relations between fact and theory under any particular methodological regime. At the macro-level, the holism is characterized by an interplay between metaphysics, epistemology and methodology. The two levels of analysis, needless to say, exhibit between them another holistic dimension.

Two Senses of Methodology

Having outlined the four different attitudes to methodology among economists who take a positive stance about it, we can examine the more fundamental issue of why method matters, with special reference to the social sciences and economics. After seeing why and how method matters, we would be in a better position to judge why the fourth attitude is most beneficial for the development of economics.

Before proceeding further, it should be pointed out again that when philosophers discuss methodology, their concern lies mainly in the logic of enquiry. Methodology in this sense involves issues on a very general and abstract level, such as whether science must rely on induction. It is, therefore, at least seemingly plausible that methodological canons arising out of such enquiries are applicable to all disciplines. On the other hand, when practitioners discuss methodology, the object of discourse would include not only the general logical issues, but also research techniques and procedures, such as whether a particular statistical technique is appropriate for analysing data from a particular survey. Methodology in this latter sense does seem to be confined to issues local to one discipline and of no concern to others, thus apparently consisting of nothing but tools. In a sense, it may be safe to say that the academic community in general is plagued by a semantic misfortune of confusing the two kinds of issues through applying the same label to them. In some contexts of discourse, it may be necessary to distinguish the two. However, these two senses of methodology do share many important common characteristics. I hope that in the rest of this paper, I shall be able to capture and discuss the features common to both. Hence, it is a deliberate policy not to distinguish them in the present context.

How Method Matters

In my view, method matters in the following four ways:

(A) Method matters in any particular choice of method affects the definition, selection and omission of facts.

The positivist/empiricist conception of facts as something directly experienced, objective and perhaps to some extent, infallible, has long hampered our understanding of the epistemology of facts in the domains studied by the social sciences. With numerous debates now behind us, the cardinal features about facts in the social science domains become more evident. Among them, the following arc of special interest to us. First, facts in the human domain are largely "theory-impregnated". We are not subscribing here to the relativist's extreme position in denying any significant degree of objectivity to facts. Facts are neither neutral nor given because our pre-articulated expectations and internalized conceptions about the reality we confront often heighten our sensitivity in certain directions while dulling our awareness in others. As such, they tend to direct and organize our preconsciously receptive to certain aspects of reality before our conscious recognition of them. This is most evident in, say, body language and para-linguistic behaviors peculiar to a sub-culture. Second, by virtue of the complexity and multi-dimensionality of the causal factors involved, any adequate description of human actions or activities would require a descriptive vocabulary that recognizes different layers or levels of facts. Third, most of what we consider to be crucial facts pertinent to theories of man are facts of a higher order, either in the form of aggregates or in the form of patterns. Indeed, the crucial facts constituting our social, political and psychological domain are generally at a level above that of perception and directly observable events or circumstances. They are abstract orders and patterns that span across specific events. Human capital and factors governing its formation or degeneration are cases in point.

Such being the nature of facts, what constitutes facts in the social science domains is a selection from the totality of the psycho-socio-economic reality, the selection being made by a perceiver conditioned by tacit or explicit expectations, conceptions and theoretical frameworks. It is possible that in some cases a new theory would "create" new facts in the sense of conferring meanings to aspects of reality that are previously ignored. In a manner parallel to the fact-shaping role of expectations, conceptions and theoretical frameworks, methods standardize (either explicitly or by implication) recognized facts as well as the selection and processing of them. Like all standardization, a particular method will accord special priority and cognitive status to certain types or groups of facts and, by implication, omit, ignore and downgrade what falls outside the net of such a method.

The quantitative method, for instance, operates largely with fact-aggregates and 'manifest' facts at the end of a causal chain of events, and as a result, is compelled to omit facts not amenable to such aggregation. Thus, to theorists who are interested in the relation between the level of capital investment and the level of gross national product, the facts that matter would have to be aggregates. How, for instance, social relations and cultural ties affect the capability of
would-be entrepreneurs to raise funds, would be a fact likely to be considered either uninteresting or irrelevant. Questionnaire and survey methods, on the other hand, usually take as facts what the participants overtly profess, and would tend to under-play the importance of hidden or unconscious motives as facts. In a similar vein, if many of our crucial psychological facts are indeed of an abstract order, and if the individual’s actions and reactions are not bound to the specifics of single instances, the limitation of the experimental method in psychology in studying man’s higher mental order is obvious. To talk of personality traits or conditioning histories at the level of particulars is, therefore, likely to be futile.

Apart from directly acting as a kind of filter to what are recognized as facts, method has the potential to affect our recognition of facts via another route of theories. Since at least a significant part of the facts in the social science domain is in some sense “theory-laden”, and since the adoption of any particular method affects the choice of theories (a point which we shall take up later), there is a second route by which the choice of method affects our recognition and interpretation of facts. A thoroughgoing view of methodology would naturally have to incorporate a systematic inquiry into what constitutes facts, and in the case of economics, what constitutes economic facts and which are crucial ones, and which particular method would give special priority to which type of economic facts.

(R) Method matters because any particular choice of method tends to imply or entrench the acceptance of certain norms and criteria in theory appraisal.

Any choice of method involves, albeit often in a tacit manner, certain types of relation between theory and fact. The converse also holds. An alleged relation between fact and theory is likely to favor the adoption of a certain method. Consider those who hold that the relation between fact and theory is one of confirmation. To them, the more confirming instances there are in support of a theory, the more the theory is said to be confirmed and thereby preferable. As a result, the inductive method and, by implication, its attendant probabilistic and statistical methods become the proper methods of scientific enquiry. On the other hand, those who hold that the relation between theory and fact is one of, say, “naive” falsification and that the scientificity of a theory is its falsifiability status, the aim of science should be to overthrow claims made by scientific theories. In consequence, the proper method to use would consist in formulating and constructing theories in such a way that they could be contradicted by certain ‘crucial’ facts. Constructing ‘crucial’ experiments in the physical sciences, in this view, represents rightly the most important procedure in scientific enquiry. In the social sciences, and to some extent in economics, many debates in methodology focus upon how theories could be more tightly formulated to be capable of falsification and the circumstances under which a theory is said to be conclusively falsified.

Following this very logic, to philosophers of science who hold that the proper relation between fact and theory should be conceived of as a triad relation, namely, between a set of facts and at least two rival theories, and that a theory should not be discarded for being contradicted merely by a certain set of anomalies, an entirely different set of criteria for theory appraisal and, correspondingly, different methods of science have to be developed. Lakatos, for example, considers that a theory should be appraised in terms of whether it is making a progressive problem-shift in the broader context of a series of theories constituting a scientific research program. The crucial criterion, according to him, would be whether the new theory is able to predict novel facts, apart from being able to explain existing ones. Scientific method, therefore, consists in discovering rival theories that possess this property, so that over time degenerative research programs can be weeded out. On the other hand, Feyerabend who sees more ‘indivisibility’ between fact and theory, and by extension a more fundamental schism between different types of theories, contends that the prescriptive and normative character of method is positively harmful because it discourages the proliferation of rival approaches to problems and the proliferation of ‘incommensurable’ theories. Hence he is against the fixation of methodological norms.

Lest it be taken for granted that the choice of method passively depends on any particular conception of fact-theory relation, it should be pointed out that the opposing direction of causation is equally common. The notion of Baconian scientific method which dominated scientific thinking in the long-stretched Newtonian era, was instrumental in shaping one of the most popular images of science thatingers on till today. Similarly, the experimental method in psychology, first given big impetus by Watsonian and Skinnerian behaviorism, prevailed and helped to entrench the latter over a longer period in the history of psychology. A recent example is the way methods employed in computer and computer analysis shape the boundary and substance of present-day cognitive science.

(C) Method matters in that any particular choice of method presupposes and entrenches a particular set of ontological conceptions of reality and of human cognition in general.

The above discussion brings us to a more general assertion. Method matters in that any particular choice of method is inescapably tied to certain ontological outlines of reality or of human cognition in general. Descartes’ method of systematic doubt, for example, is rooted in the cognitive conception that the mind is populated by false prejudices of all kinds and that the unshakable basis of self-evident truth could only be brought to light by such a method. Consider Baconian induction. This method is rooted in the ontological conception that reality is complex but systematic. Since we can know only the surface of reality, and since the deep reality can only be vaguely guessed at, the proper method would be to accumulate observations via a step-by-step procedure. Take another example.

The psychoanalytic method propagated by Freud is founded upon the concept of a multilayered mind, of which the conscious part that we are aware of is not causally efficacious. Quite the contrary, it is the vast, deep, unconscious mind that is alleged to causally shape our own beliefs and actions. The proper method then would be to uncover the unconscious stratum of our mind and to recover the hidden meanings of what are manifest. Manifest events and actions are thus only instruments rather than the ultimate objects of discovery.

In general, the reductionist method which dominates much of the physical sciences, and which has great influence over the life sciences and much of the human sciences, rests on the conception that the universe is a hierarchical and mechanistic order. It stipulates that higher-level phenomena are completely explicable in terms of the laws that govern their constituent elements. This is cogently put by the physicist Heinz Pagels who writes: “In its crudest form, material reductionism maintains that there is a series of levels. At the bottom level are the subatomic particles, and from these the chemical properties of atoms and molecules are obtained. Molecules form living and nonliving things, and from the behavior of molecules and cells it is possible to determine the behavior of individual humans. They in turn establish a social order and institutions. Finally at the top level of the ladder are historical events. The claim is that in principle, history is materially deducible to subatomic events.”

In the realm of the human sciences, the reductionist method employed by sociobiology is particularly illuminating. In the views of sociobiologists like Dawkins and Wilson, important realms of human behavior such as aggression, altruism, religion, the incest taboo, competing systems of morality, sex differences and homosexuality, however complex they appear to be, are explicable solely in terms of the properties of human genes and the laws of Darwinian natural selection. All culture is, by extension, the result of the evolutionary propensity of individual genotypes to maximize their reproductive success. Naturally, this method, precluding the idea of emergent properties, systematically omits factors and phenomena that are less reducible to this framework. In a similar vein, the Chomskyan formal syntactical method is based on the ontology that the structure of the mind is in analogy with the deep syntactical structure of language. As a result, observed use of language or hypothesized dispositions to respond, habits and so on, while useful to providing clues to the ultimate nature of our mental reality, cannot constitute the actual subject matter of linguistics. The key to unlock the mystery of our language, and of our mind, is to uncover
those syntactical rules by which grammatical utterances and sentences are generated.

In the realm of economics, the heavy reliance on the formal method implies the reliance on the validity of a sweeping ontological regime. This often unarticulated regime consists of the following features. First, probably rooted in the image of the market, the economic reality is presumed to be a perfectly divisible order. Second, economic actors are presumed to be perfectly rational in so far as their 'economic personality' is concerned. Third, economic actors are presumed to be so cognitively competent or so well-equipped with information that much of the economic reality they confront is transparent to them. Clearly, these ontological presumptions are made in order that individual behaviors and actions could be legitimately subdued under abstract mathematical formulas, so that hidden and powerful conclusions of the most obscure kind could be unearthed by the deductive machinery of mathematical systems. Taken independently, each of these presumptions is not entirely divorced from the reality by which it is inspired, provided that the extremities it posits are to be allowed for in our reading of the conclusions drawn from the premises. The idea of the perfectly divisible order, for example, could be viewed as the theoretical limit of a free market economy. The idea of a perfectly rational man is, by all accounts, not too far from the truth. However, the misfortune seems to be that it is not often recognised that once these assumptions are converted into extremities amenable to mathematical formalism, they become entrenched as fundamental ontological 'furniture' in subsequent enquiries. Still less appreciated is that the deductive machinery, being a neutral tool, will yield upon the cross-breeding of these extremities truly unreal theorems that have no conceivable counterparts in the realm of reality after a number of rounds.

A dynamic picture can be drawn as follows. The ontology peculiar to the economic domain does render formalism a profitable proposition at the start. Given the natural affinity between such an ontology and formalism, the gradual rise to dominance of the formal method is anything but natural. In time, the increased application of this method comes to define the very boundary of economics and the fine-tuning of the method will harden the first working hypotheses of economic behavior and economic reality into the orthodox axioms of the core of the discipline. Further complications develop as these axioms and the subsequent theorems cross-breed to produce further generations of theorems, the validity of which depends solely upon the previous but not-so-unreal premises. As this mass of less real theorems accumulate and as our cognitive ability to make allowance for such unreality is overstripped by the complexity of the theorems derived, the ability of these subsequent theorems to reflect reality is gradually lost. The result is that the principal aim of science, namely, the depiction and explanation of reality, is to be compromised as the orthodox method tyrannizes over the direction and the content of enquiry. Similar to this development in economics is the dynamic relations between experimental psychology and Skinnerian behaviorism. In each case, the Peyerarend fear of the stupefying effects of methodological monopoly is fully realized.

The upshot of the above is that methods stand in some dynamic or perhaps dialectical relations to the substantive realms under enquiry. If one chooses not to be critical of the kind of method one employs, in particular the kind of ontology such method presupposes, one is faced with the risk of allowing one's method to dominate gradually the content of one's discourse, to suppress alternative, budding visions of reality, and to gradually build up research results that reflect more and more the peculiarities of the method in question, rather than the shape of reality said to be under investigation. Alternatively put, the accumulation of researches dominated by a particular method might, beyond a point, negatively hamper our perception of reality as we become weighed down more and more by the technicalities and technical products of the method in question. And an apparently useful tool, left to develop on its own long enough without being criticized, is thus likely to lapse into a state of 'degenerative instrumentalism'.

(D) Method matters in that it acts as heuristic to the problem formulation, problem shift and development of a discipline. The dynamic relations discussed in the preceding paragraph brings us to a more general point. A set of methods is characterized by its rules and procedures and involves the development of norms and criteria. Together these properties confer on a set of methods its heuristic power. The application of a set of methods to a domain under enquiry enables us by virtue of its procedures and rules to chart untroubled territories in a systematic manner. In the process of evolving norms and criteria, a particular method enables us to demarcate in more sophisticated ways more important facts or theories from less important ones. Since reality could be richer and more complex than one first encounters, it is always fruitful to rely on some systematic rules to generate facts and theories in the earlier phases of an enquiry in a discipline. On the other hand, one should guard against the complete reliance on any apparently useful method. By virtue of its heuristic power, a set of methods in its continual application will produce a mass of facts. As facts accumulate, theories will proliferate in order to account for the anomalies that appear. As theories proliferate, the same set of methods continually being in use will beyond a point prove inadequate to make good sense of or to give order to all the facts and theories produced. New norms and criteria would have to be spun out of the existing set of methods or, if these are not forthcoming from the interior system, some external criteria or norms would have to be borrowed or some higher order criteria would have to be developed to cope with the increasing volume of less-than-fundamental facts and theories.

Alternatively, methodological questions are inescapable, if only to resolve the questions of theory choice. In a sense, methodology could be said to be the inevitable product of the interactions between method in the sense of tools and substantive researches. As competing norms and criteria begin to proliferate, they in turn require still higher level validations and appraisals. Hence, 'meta'-methodological discussions of a higher order will have to evolve in order to weed out the less qualified methods. In a nutshell, one could equate this kind of discourse to the basic function of philosophy and the method so used to the 'philosophical' method. As one might expect, this function of clarifying and elaborating 'meta'-norms and 'meta'-criteria is less formally structured and, therefore, in principle there can be no precise rules to govern this kind of discourse and no limit to this type of development.

Since debates at a higher level could never be sustained without feedback from substantive researches from the lower levels, and since the selection of norms at the high level will affect the selection of substantive debates, meta-methodological discourse sustained by lower levels representing interactions between methods and substantive researches will act as the 'grand' heuristic that leads a discipline incessantly to re-formulate its issues and problems, to redefine its existing boundary in light of its new methodological language, as well as to re-define its relations with other disciplines. The heuristic function that method as a whole discharges is thus 'holistic' in nature, multi-causal in direction at some lower level but tending towards a more unified direction at the higher level. As much as method is embedded or implicated in a discipline, a discipline could also be said to be embedded or implicated in certain sets of method.

Towards the Idea of 'Methodological Holism' The above has altogether presented a crude framework for justifying the stance of taking methodology seriously. Each of the four themes, needless to say, requires elaboration that goes beyond the scope of this essay. Nonetheless, they should jointly help make clear a few salient features about the nature and role of methodology. First, the kind of intricate relations between fact, theory and method that we have pointed out should alert us that some idea of 'methodological holism' is essential in methodological discourse. Such an idea should help us to dispel the belief that all discourses on method in economics so far are all there is to economic methodology. Second, since methods presuppose ontological assumptions which are capable of being true or false, they can no
longer be looked upon as mere tools. If a methodological choice involves questions of truth-value, methods become criticizable in terms of the truth and falsity of their ontologies presupposed. Were this to hold, one might further venture the general methodological canon that whereas it may not be necessary for the validity of a particular method to depend on the demonstrated truth of its presupposed ontology, we would have to require that as a necessary condition for the validity of a method, its presupposed ontology is not incompatible with the ontology of the phenomenon under study by the method in question. Following this argument, one might conclude that the analogy between method and tool breaks down and hence the ‘instrumentalist’ view becomes untenable. By corollary, the ‘substantivist’ thesis can be seen to offer an impoverished account of methodology once we realize that methodological issues are at once external as well as internal to the ontology of the phenomenon under study.

As a conclusion, perhaps we can liken the relation between method to academic enquiry as one between the self-reflective faculty of our mind to our entire conscious and unconscious self. Just as the reflective function of the mind helps us to track down the structure of our psyche and the causal mechanisms that affect our actions, vigilant methodological enquiries, by virtue of the self-generating, open-ended epistemic ‘loop’ that we have explained, enable us to monitor the position and direction of an academic discipline and to take stock of its progress and problems. More importantly, such reflective activities enable the practitioners in a discipline to check against committing systematic errors and to avoid its lapsing unwittingly towards or trapped in a cul de sac.

Where to Begin?

Eugene Meehan
University of Missouri — St. Louis

Assuming the goal is something more than providing a wailing wall for the disgruntled, the central problem facing an organization concerned with “the methods currently employed” in economics is clearly: Where to begin and how to proceed. “Method” is not an adequate starting point, for method is always contingent upon purpose. An inadequacy in methods is only symptomatic of more fundamental disorders — confusion or error in the set of purposes taken as the basis for inquiry. Raising the question “Where to start?” literally forces an effort to surface the fundamental assumptions expected to control inquiry. My goal is a very brief summary of the way those fundamentals are produced or identified, including one or two important implications of that process. Space constraints make for dogmatic-sounding assertions rather than carefully worked out arguments, and for that I apologize in advance. Perhaps they can be argued properly in due course.

In any discipline, methods are assessed by reference to the purposes that are being pursued — to the questions to be answered and the canons of inquiry that are considered appropriate to answering them. The best starting point is simply: What kind of a discipline should (economics) be? or How is the field to be bounded? Agreement is needed on a set of phenomena to be studied, on a set of questions relating to those phenomena to be answered, and on the criteria to be applied to proposed answers. In those terms, the purpose of the proposed economics network is nothing less than to forge an agreed base for the discipline — empirical, normative, and methodological.

Such efforts cannot begin with economics as presently constituted. The term is only a label; it has no “essential” meaning to be grasped and applied. Instead, some basis external to economics must be found that can supply the necessary criteria for defending the conclusions reached as well as the evidence and argument used to reach them. The problem is precisely equivalent, analytically at least, to an effort to assess the performance of a university, to determine what should be added or dropped, or where a change in emphasis is needed. From that perspective, the primary need is for a way of answering the question: What, if anything, is wrong with economics? There is no point in focusing on the origins of the present discipline; the need is for sound remedies. And even the question how to administer the remedy is best left aside until its character has been determined. A defensible answer can be provided to such questions over time, but only if the full scope of human needs and capacities, as best they can be articulated, is used as a point of departure or reference.

What kind of discipline should economics be and why? To begin, if the discipline must be defensible, one possibility can be ruled out immediately: it cannot become (or remain?) a mere spectator sport, an activity whose products are useful mainly for the professional advancement of economists. If the discipline must be justified, it will have to demonstrate pragmatic value in the conduct of human affairs — fulfill some part of the human need for knowledge. In effect, a defensible discipline is created by asking first what kinds of questions need to be answered and what human concerns have to be dealt with, selecting a set of them (on normative grounds) and asking the methodological question: what kinds of answers should be accepted. The separation of human affairs into different fields of inquiry will be imperfect, even within the so-called “hard” sciences. But events do tend to cluster; some are more strongly linked than others, and that provides a basis for dividing the labor. Ultimately, judgments of significance lie with the individual scholar (who must justify his or her actions or choices), for capacity carries responsibility, and the decision to inquire, to use limited resources (time and capacity) is already an attribution of significance.

Two quick implications. First, although the traditional distinction between “pure” and “applied” science is untenable and can simply be ignored, the difference between the study of inanimate or unchanging systems and the study of systems with some capacity to learn and change is fundamental and must be respected. In particular, disciplines that are committed to the study of entities able to learn and change behavior must find ways to differentiate between what is a truly necessary or unavoidable relation and what is merely a generalized summation of previous history or experience — as action-linked fields must distinguish between relations that are causal and those that are only statistical. Second, normative knowledge will play a major role in any discipline that is dedicated to producing knowledge useful for directing human actions — policymaking. Normative knowledge provides the integrating mechanism that links empirical knowledge to the human purposes such knowledge must serve. In practical terms, if knowledge is to be used, then the user (and also the creator) must be able to cure the disease without killing the patient. The test of success, in this context, is whether the practitioners in the field are prepared to accept the same legal status as physicians — and open themselves to suit for malpractice if they cannot justify the advice they provide.