Book Notes


An anthology modeled on Feigl and Brodbeck’s Readings in the Philosophy of Science (1953), the book contains forty-one articles or excerpts from books that are classics in the philosophy of science. Entries range from Moritz Schlick’s “Positivism and Realism” to Elizabeth Fox-Keller’s “Feminism and Science”. The essays are arranged into sections covering “Confirmation, Semantics, and the Interpretation of Scientific Theories”, “Causation and Explanation”, “The Philosophy of Physics”, “The Philosophy of Biology”, “The Philosophy of Psychology”, and “The Philosophy of Social Science”. For a compact introduction to the scope and range of the modern philosophy of science this anthology is without peer.

Call for Papers

The Fifth Annual International Conference of The Society for the Advancement of Socio-Economics (SASE) will take place in New York City, March 26-28, 1993. The theme of the conference is “Incentives and Values as Foundations of Social Order”.

John Kenneth Galbraith (Harvard Univ.) and Robert Heilbroner (New School for Social Research) are among the “Featured Speakers.”

Specific topics will include: Markets and Democracy in Eastern Europe and Latin America; War and Conversion: Health Care; Ethics; Decision Making; Endogenous Growth; The Environment; Risk Taking; Micro and Macro Socio-Economics; Gender Issues in the Workplace.

SASE is a group of academic scholars, policy makers, and business people devoted to the development of new theoretical and methodological frameworks which explain economic and more general choice behavior. Premised upon the belief that economic behavior is not an isolated, abstract phenomenon, socio-economics draws upon the disciplines of psychology, sociology, political science, philosophy and history in an attempt to recognize the complexity of human decision-making processes, and to locate economic behavior within a philosophical, historical, institutional and ethical context.

Those interested in presenting a paper, organizing a session, or learning more about SASE should write to 714H Gelman Library, 2130 H St. NW, Washington, DC 20052. Tele: (202) 994-8167. Fax: (202) 994-1639.
Reports from Area Correspondents

In Australia

It was indeed a moment of considerable surprise to me when I received the news that the 21st Conference of Economists, organized by the Economic Society of Australia at The University of Melbourne in July, 1992, would include a Section on Philosophy and Methodology in Economics. All credit is due to the Organizing Committee for having the intellectual fortitude to place such a Section on the Program of what is usually a rather orthodox and stock-laced annual affair.

As things turned out, the Methodology sessions were very well attended. We were treated to some excellent papers and we all enjoyed the lively discussions which followed their presentations. In all, eleven papers were presented across five sessions. At times it was evident from the tenor of the questions that some of our methodologically less aware and/or enlightened colleagues had strayed in to our midst, so it was not all 'preaching to the converted'.

In William Coleman’s (University of Tasmania) paper, 'Irrationalist, instrumentalist and uniformitarian: some tendencies in enlightenment economics', he sets out the methodological positions of Hume, Condillac and Adam Smith and defends the thesis that the unifying elements in the work of all three was what he calls their 'anti-rationalist bias' and its instrumentalist consequences for their economic theories. Two contrasts thus emerge. One is between these writers and the rationalist enlightenment thinkers, of whom Taine was singled out for attention. The other contrast creates a void between the three and their rationalist successors in classical political economy and beyond.

The subject of Peter Earl’s paper (Lincoln University, New Zealand), entitled 'Cognitive development of students and strategies for bringing indeterminacy into the economics classroom', was the provocative one of how to bring students to an awareness of heterodox themes and theses in economics. The work of the psychologist W.G. Perry, Jr is shown to be pertinent to the task through its insights into the progressive nature of the cognitive capacity of students to move from absorbing absolutes, through dualisms, and ultimately to relativisms in doctrine. Only at this last stage, to be reached by appropriately planned teaching strategies, is it feasible to include ideas of the indeterminacy of economic outcomes into lectures.

Norton Jacobi (University of Newcastle) presented his theme of the relevance of the metaphilosophy of 'modern realism' for the reformulation of economic methodology in a paper entitled 'Economic science: from the perspective of modern realism'. His argument is that 'modern realism' provides economics with a sound status as a science, based upon a more liberal view of epistemic validity, but with the challenge that economics must evolve in a particular way for this status to be realized in practice. By this means of methodological revision, the claim is made that economic science can be brought more effectively to confront real-world problems.

Evan Jones (University of Sydney) provided his audience with some controversial reminiscences of his own exposure to an economics education dominated by a prioristic methodologies in his paper 'The long tyranny of apriorism in economic thought'. He elicited evidence of the general dominance of economic modelling over the whole of its orthodox evolution by the severance of the links between experience and reason. Economic reasoning has argued from a priori assumptions about human conduct, independently of the self-evident and yet significant complexities that are thereby evaded. This has facilitated an ideologically convenient narrowing of the understanding of capitalist economics, which probably serves to explain the longevity of the methodology in our discipline.

In my own paper, 'Ontology, realism and economic theory', I posited the idea that the currently dominant approach to economic methodology has the cart before the horse, as it were. In particular, it forces the ontological nature of real-world economic phenomena to be represented in a form that is dictated by the demands of methodological and epistemological preconceptions drawn from the natural and physical sciences. I argue that the inverse of this 'physics envy' approach is the valid one if economic theory is to be founded upon a metaphilosophy of realism. It enables us to give the ontological foundations of the real phenomena, with their roots in the character and conduct of human agents, primacy in the process of discovering a methodology that is consistent with demands of sustaining an essentially
realistic representation of these foundations.

The ubiquitous J.M. Keynes was the subject of Rod O'Donnell's (Macquarie University) paper 'New light on Keynes' views of mathematical economics and econometrics'. His argument is that there is ever-increasing evidence that what has been the conventional view about Keynes' attitudes to the use of mathematics in economics is mistaken. Drawing on some as yet unpublished material, O'Donnell reinforces the notion that rather than simply being antagonistic to mathematical reasoning, Keynes showed a sophisticated and intelligent appreciation of the notion that provided the use of the techniques is driven by and consistent with the demands of economic problems per se, they could be usefully deployed.

Paul Oslington (University of Sydney) provided two papers on the origin and relevance of interpretation as an approach to theory formation in economics. In one, 'Max Weber and the history of economic thought', he takes the position that what limited literature there is in which Weber is linked into the development of economic thought, underestimates the potential of his contributions. The probable reasons for this are posed as the place of Weber in the Methodenstreit and the diversion of his ideas into their sociological guise. Oslington's other paper, 'Hermeneutics and economics', reflects negatively upon the endeavors to integrate philosophical hermeneutics, especially the work of Heidegger and Gadamer, into economics. He suggests that the message of these failures is that establishing the relevance of philosophical methodologies for reforming economics needs to be approached with a measure of critical caution.

Kim Sawyer (Royal Melbourne Institute of Technology) was also instrumental in preparing two papers for presentation. In his individual paper, 'The logic of economic inference', he considers the nature of inferential argument in economics as a combination of classical statistical inference, subjective probabilistic inference and theoretical insights about the issue in focus. He then explores several matters raised by the use of inferential reasoning in the light of these contributing factors. These include the quality of an inference function and the complementarity of its arguments, types of economic inference involved in various aspects of economic inquiry, and the diffusion and intertemporal comparisons and supersession of inferential techniques. Sawyer also presented a paper prepared jointly with Clive Beed (University of Melbourne) and H. Sankey (University of Wales) entitled 'Underdetermination in economics: the Duhem-Quine thesis'. Quine put Duhem's thesis, that any test of an hypothesis would inevitably invoke a set of auxiliary hypotheses to cloud the assessment, into an holistic form with the assertion that theories can only be tested as recognized sets, including the auxiliary hypotheses about assumptions and rules of inference. In this paper, the authors examine the implications of this latter thesis for testing certain well-known economic theories, including the output-inflation tradeoff argument and the neutrality or policy ineffectiveness argument. Their conclusion is that a recognition of the D-Q thesis should give us more formal grounds for being wary of claims to any unqualified empirical confirmation of economic theories.

Michael White (Monash University) continued his iconoclastic unravelling of the Jevons saga in the evolution of economic theory in his paper 'Bridging the natural and the social: science and character in Jevons' political economy'. This time, White shows how the apparent purity of marginalist individualism was not upheld by Jevons in his representation of human agents. Jevons was actually prepared to depict them as possessing economically relevant 'characters', which he ascribed to class and even to racial origins, in a quite non-neoclassical manner when he thought the application of his analyses to particular problems warranted it.

On behalf of those who presented papers and attended the sessions on methodology, let me conclude by thanking Robert Dixon and Clive Beed, in particular, for making it all possible.

Allen Oakley
The University of Newcastle

In Germany

A conference on "Methodology of Economics and Economists' Activities" took place in Regensburg, a small village in Bavaria near Munich in Germany, 24-26 April, 1992. The eleven papers presented were:
W. Otsh (Linz, Austria)
Is there a Fundamental Crisis in Neoclassical Theory?
W. Buchholz (Regensburg, Germany)
The Matematization of Economics — the Questionability of a Debate
F. Haslinger (Hannover, Germany)
Economics between Rhetorics and Falsificationism
J. Birner (Maastricht, the Netherlands)
Testing Economic Theories Empirically: The Contribution of Econometrics
In U.K.

A conference is to be held on 12-13 March 1993 at the Queen’s Hotel in Leeds on the topic Keynes, Knowledge and Uncertainty. The conference is organised by Sheila Dow and John Hillard, and sponsored by the Post Keynesian Study Group and the University of Leeds. Speakers will include Jack Amariglio and David Ruccio, Anna Carabelli, Victoria Chick, Peter Earl, Mary Farmer, Athol Fitzgibbons, Silvio Funtowicz and Jerome Ravetz, Bill Gerrard, Brian Loasby, Roy Rotheim and Jochen Runde. For further details, please contact John Hillard, School of Business and Economic Studies, 12 Blenheim Terrace, University of Leeds, Leeds LS2 9JT, United Kingdom (fax # 44 532 336240).

B.J. Loasby
University of Stirling

In U.S.A.

There were three sessions devoted entirely to methodology at the Western Economic Association meetings in San Francisco, July 9-13. The following papers were presented:

D. Wade Hands, “Virtue and Vice in the Popperian Approach to Methodology.”

Philip Mirowski, “What Could Replication Mean in Econometrics?”


Robert Basman, “Methodological Issues that Econometric Criticisms Ignore.”

Nancy Wulwick, “Mapping of the Supply Curve on the Phillips Curve.”


Robert Renshaw, “Economics as Metaphor.”

Kenna Taylor, “Metatheory and the Longevity of Mainstream Economics.”

Thomas Mayer
University of California, Davis

In Greece

Professor Emeritus Dr. Lazaros Houmanidis, our correspondent in Greece, reported the publications of the following articles which will be of interest to our readers:


Franz Haslinger
Universität Hannover
International Network for Economic Method

Minutes of General Meeting
held on Thursday, 3rd December, 1992 at 6:00p.m.
in Room 603, Hung On Mansion, 177-181 Jaffe Road,
Wanchai, Hong Kong.

Present: Mr. Henry K.H. Woo (in the Chair)
Dr. Victor Mok
Mr. Alan Wong
Mr. Kui-wai Li
Mr. Carson Chan (Secretary)

Apology: Daniel R. Fusfeld

Minutes

1. In the absence of Daniel Fusfeld, Henry K.H. Woo took the chair to open the meeting.

2. Mr. Carson Chan reported the latest financial position of the Network.

3. A ballot was held to elect the Executive Committee of the Network for the year 1993-1995. The results of the ballots were as follows:

<table>
<thead>
<tr>
<th>For the proposed election team</th>
<th>Votes from the floor</th>
<th>Votes from Proxy</th>
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<tbody>
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<td></td>
<td>5</td>
<td>68</td>
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4. The new Executive Committee of the Network for the year 1993-1995 will consist of:

   Chairman                        Thomas Mayer
   Executive Director              Henry K.H. Woo
   Secretary/Treasurer             Carson Chan
   Committee Members               Victor Mok
                                    Alan Wong
                                    Kui-wai Li

5. Henry Woo reported that the Executive Committee will be considering proposals made by publishers to publish, distribute and promote the circulate of Methodus.

6. There being no further business, the meeting was adjourned at 6:30p.m.

Confirmed by Chairman of Meeting
Papers Received


— “Marshall’s Demand Theory: A Suggested Interpretation”, Economics Department, University of Bergamo.

— (editor). “History of Economic Thought: How and Why?”, Economics Department, University of Bergamo, with the following articles:
  “Why and How Should We Study History of Economic Thought” by Roger E. Backhouse.
  “History of Economic Thought as A Problem” by Riccardo Bellofiore.
  “The Present as History in Economic Analysis” by Pier Luigi Porta.
  “Toward a Historical Approach to Appraisal in Economics”, by Ernesto Screpanti.

Omission

We apologize for having omitted the institutional affiliations of Richard A. Levins and Dona D. Warren, authors of “Surprising Results” in *Methodus*, Vol. 4, No. 1, June 1992. They are with the Department of Agricultural and Applied Economics and the Department of Philosophy, respectively, at the University of Minnesota. The paper was presented at a joint AEA-INEM session at the American Economic Association meetings in New Orleans, January 3, 1992.
Letter to the Editor

Dear Dr. Mok,

The article “Surprising Results” by Levins and Warren in the recent issue of Methodus is, in at least one respect, disappointing. The disappointment enters in the conclusion of the paper which the authors begin by saying economists should “... use mathematics when numbers are involved and leave the rest [to?] natural language” (p.63). They then seem to claim that the “... solving of assumed equations filled with unmeasurable terms ...” is not possible (p.64). The general suggestion is that rigorous, mathematical analysis can be accomplished only when (meaningful) numerical measurements are available, and that in the absence of that kind of quantification, such analysis cannot legitimately be conducted.

This simply is not so. Indeed, it has been conclusively demonstrated that the mathematical models that economists use to understand the quantified world (such as the standard model — for example, the simple Keynesian multiplier model — in which an equilibrium exists and time paths converge to it) carry over identically, except for the fact of measurement, to a world in which none of the variables can be quantified. * That is, in the absence of quantified variables, one can still define and solve systems of simultaneous functional relations and simultaneous periodic equations, and express the solutions as dependent on nonquantified parameter values. Furthermore, sufficient conditions can be given that ensure the existence of such solutions and, in the case of periodic equations, the existence of convergent time paths. The latter, of course, implies, in part, that it is possible to define the notion of “closeness” of variable values in a nonquantified setting.

It should also be pointed out that economists have often attempted to enrich their insights by including, sometimes analytically and sometimes with variables measured by proxies, nonquantified elements in their analyses. Examples include discussions of economic power, the quality of life, and certain resistances to economic development. It is clear, however, that even though mathematical investigations involving the nonquantifiable have not always met the highest standards, our discipline would still be all the poorer if these and other facets of what E.R. Weintraub referred to as “unmeasurable unmentionables” ** were exorcised from its mathematical content.

Sincerely,

Donald W. Katzner
Professor of Economics
University of Massachusetts at Amherst


International Network for Economic Method

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Dr. William Coleman
University of Tasmania

Mr. Dhammika Dharmapala
University of Western Australia

Dr. Evan Jones
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A selection of recent articles appearing in the ASEAN Economic Bulletin include:

- Towards Regional Entities in the Asia-Pacific: Role of Japanese Foreign Investment in Service Industries by Rolf J. Langhammer (Vol. 7, no. 3)
- Using Economic Methodology to Assess Competing Models of Economic Policy-Making in Indonesia by Wing Thye Woo (Vol. 7, no. 3)
- Trade Policy Management to Enhance Market Access to Developed Countries' Markets: A Thai Perspective by Suthiphan Chiravatat (Vol. 8, no. 1)
- Does APEC Make Sense? by Helen Hughes (Vol. 8, no. 2)
- ASEAN, Indo-China and Myanmar: Towards Economic Co-operation? by Mya Than (Vol. 8, no. 2)
- ASEAN-Pacific Trade Relations by Mohamed Ariff and Tan Eu Chye (Vol. 8, no. 3)
- A New Look at Intra-ASEAN Economic Co-operation by Mari Pangestu, Hadi Soesastro and Mubarqi Ahmad (Vol. 8, no. 3)
- The Dynamics of Population Ageing into the Twenty-First Century: ASEAN and Selected Countries of Pacific Asia by Warwick Neville (Vol. 9, no. 1)

Special focus issues on:

- The Asia-Pacific Gas Market: Implications for the ASEAN Gas Industry
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International Network for Economic Method

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