

Methodus

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Bulletin of the International Network for Economic Method

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The Origin of the International Network for Economic Method

The International Network for Economic Method was an idea whose time had come. It grew out of the new *methodenstreit* that has been raging among economists over the last fifteen to twenty years, and gained momentum out of the fractionating of economics into numerous competing schools of thought. There is clearly a profound unease among many economists about the conceptual foundations and method of contemporary mainstream economics as it is taught and practised in the leading universities, particularly in the United States and Britain.

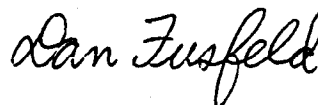
The actual birth of the Network was triggered by a meeting between Henry Woo and myself in Hong Kong in October 1988. Both of us have been critics of the mainstream method. We agreed that there was a need to bring together economists of all persuasions and schools to discuss the various methodological and conceptual problems afflicting a divided profession, and to do it on a worldwide basis.

To that end, Mr. Woo offered the facilities of the Hong Kong Institute of Economic Science as the secretariat and I agreed to act as the Network's first presiding officer. Together we developed a list of persons known to be interested in economic method, to be asked to be founding members.

The response was far greater than expected, with over eighty persons from over a dozen countries responding affirmatively. There was almost unanimous agreement on the need for a periodic bulletin to keep members acquainted with methodological developments worldwide and to provide a forum for presentation of views and debate. Dr. Victor Mok

of the Chinese University of Hong Kong agreed to edit the bulletin, and an editorial committee was formed.

By midsummer of 1989 the Network was a going concern. Steps were under way to register it as an organization under the statutes of Hong Kong, with a constitution and by-laws (to be approved by the membership). A group of area correspondents was organized. And discussions began about the possibility of a conference or meeting of the Network at some convenient central point. Now that the Network is established, we can proceed to discussion of methodological problems, out of which may come a greater awareness of such issues among economists. Agreement is probably not possible, but a more scientifically valid and satisfactory approach may result.



Chairman
International Network for
Economic Method

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From the Editor

Upon the founding of the International Network for Economic Method, it was decided that a regular newsletter be published for exchange of views and information. It was also envisaged that, unlike professional journals, this newsletter should be informal and diverse in nature. This is certainly something new among professional economists.

We started to invite contributions from our founding members and area correspondents. Admittedly, we had first only a vague idea of what we would be getting. But the response was encouraging. We received some long papers and some short papers, and some reports on relevant activities too. Some members have undertaken to write columns, book reviews, etc. for us in the future. Some sent in their publications and working papers. We believe that we have a right to start and feel that it would be more appropriate to name this publication a bulletin.

In this issue, papers can be classified into three groups. The first group deals with economic methodology in general. While Michael has asked the question 'Where to Begin' and Bookchin notes that all methods begin with thinking and go on to some form of testing, Woo comes forward with an assertive position. According to him, method matters for four reasons and there is a need for methodological holism. This paper should help set the stage for future discussion.

Papers in the second group point to certain concrete problems, and interestingly they all relate to macro-economic policies. The long paper by Samuels and Burke investigate how a statement of causality may come to be interpreted as a statement of moral responsibility, and Mayer's paper asks why do we get diverse results: monetary policy variations with econometric models are taken seriously. The issue is the intermingling of positive and normative aspects of macro-economic policy analysis. It is also implied in Steeden's paper using international aid as an example.

The third group consists of two contributions — one by Henderson on John Stuart Mackenzie and the other by Alan Wong on the book *The Consequences of Economic Relations* edited by Klammer, McCloskey and Solow. They should be interesting to students of economic thought and methodology.

From our network of regional correspondents, we have reports and remarks on activities from Australasia, Sweden, Finland, the United States and the Netherlands. We have also received some publications and papers from our members. It is hoped that the Secretariat will build up a collection of books and other materials on economic methodology. Members are invited to send in their relevant reprints, conference papers, working papers, manuscripts, etc. for our collection. These we shall make known and help circulate so that they can reach a wider audience.

So much for this first issue. We would like to take this opportunity to extend our thanks to the contributors and others who have helped make this possible.

Looking ahead, we plan to make this bulletin a half-yearly publication. There is much to be improved in our format. Arjo Klammer has kindly agreed to do some interviews for us in the future, and we hope that in time specific themes will be developed for the coming issues. Your contribution

Statement of Objectives

Methodology has become an important topic of discussion among economists of all persuasions in recent years. Papers, books and symposia dealing with methodological issues are now quite common. Indeed, studies in methodology can make useful contributions in any discipline. Properly conducted, discussions in methodology could well constitute an important part of the self-reflective activity essential to keeping the development of any scientific discipline in a balanced and healthy track.

As far as economics is concerned, sound and plausible methods could conceivably be evolved through continuing interactions between methodologists and practising economists. Through more systematic exchange and interaction, more practising economists might become method-conscious, and more methodologists will be aware of the plurality of methodological possibilities within the discipline.

The aim of the International Network for Economic Method is to bring together economists with diverse interests and attitudes towards method. One fundamental task is to provide a link and hopefully to close part of the gap between economists who attach greater importance to methodological issues and economists who believe that 'regular' research is the only fruitful route to progress in economic knowledge. People who are crucial to bridging the gap between these two 'camps' will be economists who acknowledge the likely contribution of methodological discussions to economic theorizing and practice. Indeed, short of a broad-based participation from economists, the chance of establishing genuine dialogue between entrenched perspectives will be much diminished.

At this stage, the Network will publish a regular bulletin for exchange of views on methodology in an informal way as well as for exchange of information about publications, meetings, etc. that would be of relevance to economic methodologists and to economists concerned about either general methodological problems or the specific methods they use. The Network will also be exploring the possibility of an annual meeting and conferences. Your advice and your support are most welcome.

Our papers, discussions, comments, book reviews, etc. are welcome so that we together can make this bulletin a unique forum for economic methodology which we can be proud of.

Finally, if you have any suggestions, please write to your Letter to the Editor.

Peter Maki

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