The hegemony of economic positivists in the profession is not yet under serious threat; but cracks have begun to appear in the superstructure of their empire. Their theology of method has come under withering attack with increasing frequency in recent times. Among the most persuasive were Hutchison (The Politics and Philosophy of Economics, Blackwell, 1981) Donald McCloskey in what is fast becoming a seminal article in the Journal of Economic Literature (March 1983), Richard Blandy in a recent article in the Australian Economic Record (December 1985) and most recently in a stimulating issue of World Development (February 1986) devoted entirely to the question of methodology in development economics.

The World Development Compendium surveys the methodologies used by the leading development theorists, in a marvellously even-handed fashion. The differences in the way they argue and in the use of evidence are as enlightening as the wealth of insight which they derive from their investigations. In discussing the contributions of luminaries such as Arthur Lewis, Andre Gunder Frank, Raul Prebisch, Marxists and others, the contributors have been able to demonstrate how many different forms of reasoning have equally valid claims on our attention. At the same time, authors are not shy to point out where they find methodological weaknesses.

The real value of the collection lies in the way it exposes the reader to the great wealth of methodological approaches which can legitimately be used in economic analysis. The presumption, so prevalent in economics, that formal testable hypotheses are in some sense logically superior is no where to be found. That positivist approach has no greater claim than alternative realist, conventionalist or holist approaches. The positivist presents neat formal hypotheses and tries to reduce them to corresponding statistical entities which can be tested with probablistic theory. The realist, in contrast, grounds his explanation very much in how things take place in the real world. He wants to explain not only the cause of a particular outcome but the mechanism by which it eventuated. Holism is an approach which insists that reality cannot be adequately understood if it is rigidly segmented, even though our limited mental capabilities do not permit us to treat all of reality at once. We must be conscious that whatever aspect we are currently analysising is part of a whole and that it may usefully be described only in terms of its relationship to that whole. Conventionalism, as far as one can gather, is an even more sceptical form of argumentation. A conventionalist would presumably argue that there is no way of dispassionately describing what is real in the world. All theory is convention - that is, a set of suppositions and rules about dealing with them which are mutually agreed among the protagonists to the debate. In the philosophy of knowledge, anyone of these approaches has an equal claim.

Moreover, whatever the approach the analyst takes, he still has other choices. He may pursue his argument through structural explanations, through functional explanations or through intentional explanations. Structuralists argue that they are certain national institutional, political or economic arrangements (structures) which determine the way in which the system reacts to a given set of stimuli. Functionalists may be more concerned about the ways in which the stimuli arise and the processes by which they have their effects. The intentionalist presumably grounds his reasoning in people's motives. There are other ways of proceeding, such as the use of the dialectic and deliberate attempts by the observer to participate so as to enhance his understanding of the phenomenon he wishes to describe.

The volume does not attempt to bring these many threads of methodological processes together, but one gains enlightenment from the description of the processes followed by the several authors whose works are analysed. For example, Denis Goulet argues that there may be three different kinds of rationality guiding decision makers. He calls them technical, political and ethical rationalities. It is not difficult to think of practical examples. Joseph Stiglitz

deals with the question of rationalities of agents in less developed countries. His approach is closest to the current convention and he argues that agents in less developed countries are rational, given their imperfect information and the incomplete nature of markets. His criteria for evaluating competing theories are the conventional positivist ones. He cites internal criteria of consistency, simplicity and completeness and external criteria of consistency of observation and prediction.

In discussing Arthur Lewis' methodology, Jon Wisman praises Lewis' eclectic empirical procedures and admires his unconventional approach. He sees it as a combination of classical literary empirisism together with a distillation of modern statistical techniques. Lewis is concerned with human behaviour and the realism of his assumptions and he uses a broad scope. Wisman argues that the Keynesian revolution dethroned the natural law view of economic processes but that the economic profession was not able to consolidate the revolution. He thinks that economists might either have followed Lewis into a policy oriented pragmatism or have devised a new theoretical base which viewed the world in terms of its interactions rather than in terms of natural law. However, the profession instead adopted a pernicious positivism which eventually proved unworkable.

Wilber and Francis, in discussing Hirschman's contributions also stressed his eclecticism. Hirschman argues that all developments must be seen in the context of changing human societies and he is an exponent of the dialectic method. He is also an example of the observer as participant.

Kenneth Jameson discusses Raul Prebisch under structuralists. They study systems as a whole and their interrelated elements, trying to identify 'deep' structures. By 'deep' structures he seems to mean relationships which have the power to explain pervasively. He argues that the structuralists have done a good job in explaining international economic relations but have proved unable to find deep structures within individual nations. After a hiatus in the late 70s and the early 80s, Jameson now sees a resurgence in structuralist thinking allied with mathematical models which have given it greater legitimacy. Structuralist explanations are now proving relevant for industrial countries as well as less developed countries.

Eugene Dykema characterises Gunnar Myrdal's approach as 'no view without a viewpoint'. 'Viewpoints are theory laden, that is to say, they owe fundamental elements to theories that precede them in the minds of their creator' (page 149). Dykema sees Myrdal caught in the dilemma of choice of values in discussing development processes. Myrdal wants to argue

for relying on the values of indigenous peoples but he finds these are often dangerously unenlightened and out of step of with his liberal cast of mind. In the end he argues for decent modern viewpoints in the liberal tradition, though he does not call them that. Dykema critises this rather imperial approach and suggests that development should respect indigenous values. He quotes Denis Goulet that indigenous values are 'rational in their context and possess a latent dynamism that can be awakened without destruction of core values'.

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