

Title: Hausman on Methodology: Reclaiming the Empirical

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Abstract

The central argument of this paper is that Hausman's methodology, which represents a powerful defence of neoclassical economics, is seriously defective in that it overly restricts the impact of the empirical and hinders economics in the construction of theories which are descriptively adequate. The defectiveness arises from Hausman's retention of what he considers to be the central 'blessing' of equilibrium theory, while at the same time he qualifies the 'curse' of conventional neoclassical theorising. In the course of this paper we critically examine the implications of Hausman's articulation of the 'blessings' and 'curse' of neoclassical economic theory. In the paper we examine a number of reactions by economists, including Kaldor, Lawson, Hahn and Kuenne, who from different perspectives provide different analytical positions to Hausman's analysis. In this paper we will develop an alternative methodological position based on the work of van Fraassen, which will be elaborated within the larger framework of causal holism.