clearly separated from genuine measurements. There have been questions as to whether the international organizations have any real interest in improving data collection. Skeptics have argued that the World Bank (or at least its loan staff) is interested in the *quantity* of loans, not ultimately in their *quality,* and that without an interest in the latter, there is little chance that the necessary resources will be committed to the improvement of the data either on its own account, or by helping to improve data collection by its member countries. In defense, it must be remembered that international organizations are responsible to their members, and in many cases are limited in the extent to which they can correct, question, or criticize the data that are provided by the member countries. Unless policy makers can be persuaded that the quality of their decisions are being compromised by poor data, they are unlikely to find the resources to improve matters.

2. Econometric tools for development

analysis *2.1. Econometric analysis of survey*

data

In this second part of the review, I discuss a series of econometric techniques that are particularly appropriate for or are widely used in the analysis of development questions. In this first of three sections, I shall be concerned mostly with techniques used in the analysis of survey data, although a good deal of the material applies more generally. Subsequent sections deal with time-series and non-parametric issues respectively. My focus is on developments in econometric practice over the last ten or fifteen years, and how they relate to practice in published work in economic development. In particular, I attempt to identify a number of topics where best practice is somewhat ahead of what is readily available in the textbooks. One topic that will occur repeatedly is *robustness.* Inferences that rest on arbitrary sometimes even incredible — assumptions are hard to take seriously, and there has been a major effort in econometrics — as in statistics more generally — to find ways of generating conclusions that are both credible and convincing and that are not the more or less immediate consequence of arbitrary supporting assumptions.

An important role of econometrics is to substitute for experimentation, and much of the econometric literature on simultaneity, heterogeneity, selectivity, omitted variables, and measurement error can be thought of as finding procedures that can bring the non-experimental results closer to the experimental ideal. Many of these procedures rest on strong parametric assumptions, some of them necessarily so, but others do not, and in some cases it is possible to obtain results with quite unobjectionable assumptions. When this is