



Symposium Introduction

Introduction to the Symposium on Ethics

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The three papers in this symposium were originally presented at the 2003 Summer Institute for the Preservation of the History of Economics. Two were subsequently revised and presented at the Joint Statistical Meetings in San Francisco. Those facts are perhaps sufficient to suggest a certain eclectic flavor to the collection. Notwithstanding this, the papers have a common purpose: our original goal was to explore the nature of ethics and ethical constraints within economics. For Levy and Peart, these questions arose in a historical context. Our previous work on eugenics [Peart and Levy 2005] served to convince us that, historically, economists and social commentators who made policy recommendations were insufficiently constrained by ethical considerations. We came to realize that the lack of such constraints — and of ethical considerations more generally — made it easier for social scientists to treat the “unfit” and “infirm” as human cattle.

We also came to realize that an important check on such policy recommendations follows from the acceptance of a form of what we have called “analytical egalitarianism” — the presumption that we are equally competent. If we are equally competent, or must treat people *as if* they are, then it follows that policy makers, economists, and other experts on social matters are equally able to be ethical *and* to be unethical. We are *all* tempted to the unethical, by whatever tempts any among us. The trick is to recognize this basic fact and then, having done so, to put into place constraints that serve to attenuate the temptations that experts, those whose advice is sought, face.

So the papers that follow are united by a common theme, namely that those who study human choice are no different from the people whose choices they study. If incentives matter for consumers and producers, they also matter for economists. If competitive markets fail to produce an efficient level of output, economists often recommend a change in incentives facing firms. Rarely, however, do we consider how or whether economists’ research may produce an efficient output. This is the hard question we tackle below.

While we do not hold that “efficient” is (quite) the same as “ethical,” we see enough overlap to at least begin to tackle the ethics problems using the machinery associated with efficiency. Thus, Levy and Peart develop the statistical equivalent of a prisoner’s dilemma in the economic account of expert witnesses. Perhaps counter-intuitively, the motivating mechanism is an 18th- and 19th-century device known as sympathy or the desire for approbation. In our account sympathy is truncated — partial — since it consists of the statisticians’ sympathy for the client’s desired outcome. In keeping with our professed analytical egalitarianism, we recommend a change in the incentives facing expert witnesses.

Secondly, Martin Zelder argues that with plausible parametric assumptions inefficient outcomes are highly likely in the game of econometric “con.” He



recommends reflection upon the optimal penalty to realign incentives. By contrast, Dan Houser's note offers evidence of how ethical constraints have been self-imposed by the community of researchers in experimental economics. Perhaps because experimental economics was initially viewed with some skepticism by mainstream economists, experimentalists developed informal institutions to police themselves.

One development has gathered momentum since the papers were first presented, the model uncertainty literature [Brock et al. 2007]. Instead of focusing on a particular paper, as the replication studies [Dewald et al. 1986] did in the past, the model robustness literature examines a cluster of papers for robustness. This offers a promising check on the ethics of investigation. If the expectation is that *any* paper containing a result in a controversial literature will be subjected to model uncertainty diagnosis, the culture of replication in the laboratory described by Houser might come into econometric practice.

Philosophers are also now examining the consequences of "epistemic asymmetry," what economists might refer to as preferences for particular scientific outcomes. Alan Buchanan makes the plausible case that the consequences of the eugenic era followed from systematic false beliefs rather than from some unexplained shift in moral attitudes. He proposes a "social moral epistemology" to analyze alternative institutional arrangements for the practice of science. With eugenics as a case in point, he emphasizes the dangers that followed from unjustified "epistemic deference to individuals who were socially identified as reliable sources of true beliefs" [Buchanan 2007, p. 27] and focuses on how we might detect and perhaps correct sources of unreliable beliefs from traditional sources [Buchanan 2002, p. 149]. The papers below focus on ways to restrain the pronouncements of such individuals in the first place: by changing incentives; competition among experts and their pronouncements; and instituting informal codes of ethics governing a community of researchers.

References

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