Professional Ethics for Economists: A Reflection on DeMartino's Oath

by

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Economists and the discipline of economics occupy positions of immense institutional and intellectual authority in the world today. Decisions made based on the advice and expertise of economists influence the lives of millions of people. Economic ideas are leaned upon to shape government and corporate agendas the world over. But this influence on the world also carries with it the possibility that such ideas and actors can be the cause of significant harm. Despite these powerful positions that economists occupy and the possibility of being responsible for harming others, there has heretofore been very little serious or sustained discussion as to the potential ethical responsibilities that they might have as a profession.

Over the last few years, several economists have taken note of this absence within the field and attempted to initiate a discourse about the types of professional ethical obligations that they might share as a group. One of the leading voices in this nascent discourse has been George DeMartino and his 2011 book *The Economist’s Oath* – which lays down many of the core assumptions and conceptual apparatuses that have guided the conversation thus far. In his book, DeMartino offers an overview of how he perceives the profession, the problems facing it, and he argues that a promising way to proceed would be to model Professional Ethics for Economists on the practices found in the medical profession.

In this thesis, I critically examine the argument made by DeMartino in *The Economist’s Oath* and argue for some potential alternatives as to how the overall project might proceed. In Chapter 1, I lay out what I take to be the core of DeMartino’s position and identify a number of points upon which the discourse might be expanded. In Chapter 2, I offer one such expansion of the discourse on the specific topic of economic history and add additional details to some of the key historical events discussed by DeMartino. I argue that this additional context regarding the history of economics alters how they many central assumptions of DiMartino's enterprise are understood. In this chapter, I also introduce the recent development within the AEA, wherein they deviated from the historical trend of avoiding discussion of ethical topics and recently introduced a code of professional conduct for its members. I will discuss the ways that this new code does and does not address the concerns that DeMartino raises. In Chapter 3, I focus on one of the major themes of DeMartino’s book, his reliance on an analogy between economics and medicine. I argue that this analogy in DeMartino’s book – the comparison between the economic and medical professions – has fundamental limitations and that there are other established professional ethics literatures to which more fruitful comparisons can be made. In Chapter 4, I offer two such alternatives – accounting and engineering. The first alternative that I propose is accounting ethics and in particular its use of the concept of Generally Accepted Accounting Principles. The second alternative explored here is engineering and the emphasis that that profession places on the principle of humility. I conclude, in Chapter 5, by applying some of these possible alternative frameworks to a selection of recent real-life examples of behaviour by economists to which such professional ethics ideas may have been usefully applied.
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**Introduction:**

Unlike most other professions, the economic profession has developed over the last one hundred years without a corresponding body of professional ethics literature. Economists do not receive formal training in the ethical responsibilities attached to their duties nor are they prepared for the types of difficult ethical situations that they might face as economists. If an economist requires guidance on these topics, there are very few organized or commonly recognized resources to which they can turn for assistance. And until very recently the governing bodies of economics – such as the American Economic Association – have not attempted to enforce any type of restrictions on the behaviour of its members.

Some economists – most prominently George DeMartino – have argued that this state of affairs in their profession is unacceptable and they have attempted to initiate a discourse on the topic of Professional Ethics of Economics (PEE) and what such a concept might entail. This thesis will attempt to further develop and clarify some of the potential directions that PEE could move as well as critically analyze the existing form that the discourse has taken. Using DeMartino’s work as a launch point, in Chapter 1 I will summarize the way that DeMartino has conceptualized the project heretofore and identify what I see to be some areas of the analysis that may require further work – such as the omission of some key historical details and the certain assumptions such as the field of economics already possessing professional status.

One such area in which I find DeMartino’s analysis to be in need of further development is in his use of historical examples, particularly with regard to how he characterizes the American economic intellectual landscape at the turn of the century. In Chapter 2 I offer some additional perspective as to the nature and context of three important historical economic thinkers: Richard Ely, Alfred Marshall, and Lionel Robbins. Richard Ely played a pivotal role in the shaping of the American Economic
Association (AEA) and at one point was forced to leave the organization, in part, because of his religious views. DeMartino argues that this parting of ways between Ely and the AEA represents the discipline rejecting the role of non-scientific values in the field. However, I show that it is important to add that Ely would later return to the organization, continue to be influential for years after the event, and was himself a result of the widespread influence of religion on early American Economic thinking. Following the supposed rejection of Ely, DeMartino argues that the AEA turned to and embraced the marginalism of Alfred Marshal and that this marginalist methodology was itself value-free. While DeMartino is right that marginalist thought was in the ascendancy during the period being discussed, I would add that it was not yet the leading school of thought and there is considerable controversy as to just how value-free the marginalist approach is, especially that of Alfred Marshal. And on the topic of the supposed value-free nature of economics, perhaps the most influential figure in that debate is Lionel Robbins, who does not feature in DeMartino’s account at all. Robbins also came up with the definition of economics that would go on to be the most commonly used conception of the field and influence many of the important topics (such as disciplinary boundaries) that come up throughout both DeMartino’s work and this thesis. By elaborating on the historical context in which these ideas too root, I hope to open the possibility of alternative interpretations and understandings of the topics at hand. I argue that having a clear firm grasp on these types of figures and the influence they had on the shaping of the economic landscape is essential for the future success of PEE.

Chapter 2 also introduces the recently adopted AEA Code of Professional Conduct and discusses some of the context that brought about this seeming change of course from the historical one described by both myself and DeMartino. This code – as well as the similar one adopted by the Canadian Economic Association shortly thereafter – are intriguing developments but I will argue that in their current form, they are ultimately insufficient to the broader task of ethical reform due to their
focus being largely inward facing.

Next, Chapter 3 will examine the analogy that lies at the heart of much of DeMartino’s work. DeMartino believes that medical ethics offer an exemplar of the types of professional ethical practice and thinking that other professions might fruitfully learn and borrow from. Although there is some merit to a comparison between medicine and economics and certain aspects of medical ethical thinking can be fruitfully applied to thinking about economic topics, there are also significant dissimilarities that raise doubts as to the usefulness of a comparison between the two.

Chapter 4 will explore two possible alternative sources that PEE might draw useful examples and practices from: accounting and engineering. There are several reasons that accounting makes for an intriguing choice of analog. First, it shares some overlap with economics in terms of subject matter with regard to topics such as business and finance. And second, it contains specific conceptual tools such as GAAP (Generally Accepted Accounting Principles) that could fruitfully address some of the specific problems found in economics. Likewise, engineering provides a useful example of professional ethics for the way it approaches large-scale projects with an abundance of care based on a commitment to the public good manifesting in epistemic humility and institutional safeguards to prevent overreach and establish accountability. Accounting and engineering both display many of the markers of healthy ethical discourse that DeMartino aspires to see in economics (such as journals, conferences, and teaching positions) and might also offer a few strategic lessons as to how economics might pursue the development of its own ethical discourse based on how such practices unfolded in the historical development of these alternative professions.

Finally, Chapter 5 will apply some of the various insights and methods of the previous chapters to a real-world example to see how different methodologies of PEE might conceptualize the situations. At this point, we have been introduced to DeMartino’s view of the issue which was based on a medical
analogy, taken a closer look at that medical analogy to evaluate lessons DeMartino drew as well as draw a few alternative lessons from that original analogy, and looked at two possible alternatives to medicine (accounting and engineering) upon which to possibly model PEE. This chapter will introduce a few recent examples of how economists responded to the recent pandemic and consider how the various insights explored in the first four chapters might inform or interpret that behaviour.

DeMartino’s main point – that economists need to rectify their previous neglect of ethics by establishing a field of study like PEE – is taken as given, and the hope here is to advance and expand the discussion as to what that PEE might look like. This project starts out with a critical engagement with DeMartino and then attempts to expand and explore some fundamental questions about PEE beyond those constraints. PEE is still a new field of study, what the following chapters attempt to do is argue for a number of starting premises and questions that I think would be important considerations and points to focus to be included from the outset. I propose an alternative overarching conception of the project than the one put forward by DeMartino, relying on comparisons to accounting and engineering instead of medicine. I demonstrate the importance of economic history for how we conceptualize central issues such as the role of values and the definition of economics itself. This historic framing extends beyond academic trivia and influences what we understand the scope of PEE to be and what type of guiding principals might be appropriate. Some of the strengths of this alternative framework are then demonstrated by using them to analyze some recent historical events. I do not offer a full account of what PEE will look like – such a task would be enormous and presumptuous of me to attempt alone – but rather I offer a set of principles from which to begin and a set of questions that will be important to wrestle with as PEE develops in the coming years.
Chapter 1: DeMartino’s Conception of PEE

Economists have played a prominent role in the political and intellectual landscape of the last century. Despite this prominence, very little has been said about the possible ethical duties and responsibilities that economists might have with regard to the multitudes that are impacted by their ideas and decisions. Over the last few years – particularly since the Global Financial Crisis of 2008 – there has been an increased interest from both economists and society-at-large to initiate a conversation as to whether or not economists are acting appropriately in the execution of their professional duties. In this chapter, I introduce the central figure of contemporary discourse regarding professional ethics for economists: George DeMartino. In particular, I will be focusing on his 2011 book *The Economists Oath* which has laid out many of the concepts which frame the current understanding of the topic. I offer a brief summary of DeMartino’s argument – as found in both his major work and some of his supporting papers – and attempt to illustrate a few places in which I believe there is a need for clarification and expansion (such as the definition of a profession and whether or not current practices should be open to revision) in order to set the overall project DeMartino is proposing on the right path moving forward. Some of these topics will be discussed and left within this overview of DeMartino’s book, others will be introduced for more complete discussion in subsequent chapters.

1.1 – Common Purpose

Economists – as a distinct group of professionals – face a particular set of ethical questions and scenarios. It might, therefore, be expected that there exists a corresponding body of literature that considers those issues and can offer guidance to individuals seeking to do the right thing. But at present no such literature exists. Or, at least not in any kind of organized or systematic form.

In 2005, George DeMartino took note of this absence and would go on to claim that “no other
important discipline has been so cavalier in its treatment of the matter” (DeMartino 2011, p. 58). He began arguing that economics as a discipline was being reckless by not preparing its students and practitioners to deal with the difficult situations they would inevitably face and “...that the absence of a professional ethics has induced vast and avoidable harm over the past several decades” (DeMartino 2005, p. 89). He proposed that the first step in rectifying this situation was the establishment of a new field of study: Professional Ethics for Economists, abbreviated hereafter as PEE. Since that initial formulation of the argument, DeMartino has gone on to publish multiple papers (2009, 2009, 2011, 2013, 2016, 2018) and a book (2011) in which he has attempted to lay out, clarify, and refine what such a project might consist of.

One of the common themes that motivates both DeMartino’s project and the current project, is concern regarding the harm that economics does and might do. But this concern blurs together several distinct concerns that are worth briefly addressing individually. In the quote from DeMartino above and throughout his work, the primary concern is with the harms that he asserts have been caused by the actions of economists – primarily through the unforeseen consequences of their actions or flaws in their methodology. One of the most dramatic and recent examples of this type of harm was the Global Financial Crisis of 2008 which DeMartino cites explicitly as one of the events that sparked his interest in this topic. Although it is difficult and nuanced to try to determine exactly what role economists played in causing the financial crisis, it seems clear to DeMartino and most other observers that economists did play some role in the events that led to the crisis. There are many other similar cases of economic agents and ideas influencing financial markets and there being subsequent calamity such as – events such as the collapse of Long-Term Capital Management (Lowenstein 2008) or the economic restructuring of Chile (Edwards 2023) to name just a few others. In these types of cases, the harm becomes clear as people lose jobs, money, homes, and the like. These types of harms are the most
common and are the primary focus of both DeMartino’s work and my own. However, there are at least two more type of harm that are worth mentioning: harms that occur as a result of trade-offs and potential harms.

It is well known in economics that interventions often entail trade-offs. An intervention that benefits one group will often harm another. Rent controls benefit renters, but harm landlords. Trade tariffs benefit domestic industries, but harm foreign competitors. And so on. Many economists adhere to some form of consequentialist reasoning in that, if the size of the benefit is greater than the size of the harm, an intervention is justified. Or, if the benefits are greater than the harms, then we could work out some way to compensate the harmed and the over outcome would still leave everyone better off. My goal in drawing attention to these types of harms is not to challenge the underlying moral calculus that motivates such reasoning, but rather the more modest goal of drawing attention to the nature of such harms as harms. The larger calculus should not obviate the salience of these harms. They have moral significance and the type of robust conception of PEE that I am aiming towards here would take such harms into consideration in a sustained and serious manner. The second type of harm I am interested in is the harm that has not yet occurred. Even if we were to suppose that economists’ actions had caused no harms heretofore, it would still be prudent to have something resembling PEE that considered and anticipated harms that might occur in the future. Although the history of ethics has often been reactive in nature, there is no binding reason for it to be so. PEE has the potential to serve a forward looking role and hopefully mitigate the first two types of harm described above. All three forms of harm motivate my own interest in the need for PEE and although DeMartino’s focus in *The Economist’s Oath* is primarily with the first type, his later works show a more multifaceted conception of harm.

DeMartino's work had drawn enough attention that in 2016 he and Deirdre McCloskey were
asked to edit a collection of essays on the topic for Oxford University Press (DeMartino and McCloskey 2016). By way of introduction to that anthology, DeMartino and McCloskey adopted a metaphor to describe their project, a metaphor which I also find quite useful in conceptualizing the objectives of the discourse at this juncture. DeMartino and McCloskey describe PEE in the present moment as being similar to cartography or mapmaking. Those who investigate PEE are faced with a vast wilderness into which explorations must be made. Such cartographers must make careful notes and measurements of what they find in this wilderness and attempt to identify and lay down trail markers.

However, an anthology of work on PEE is somewhat unlike other similar collections. DeMartino and McCloskey note that most collections of the type that they were overseeing tend to be descriptive in nature and involve a curation of “...what is taken to be representative, the best, or otherwise most important work in the field...” (DeMartino and McCloskey 2016, p. 3). But that particular convention is difficult to follow in the case of PEE because the field is so new as to have no such agreed-upon exemplars. Quoting the Spanish poet Antonio Machado in their epigraph to the introduction, the editors declare “Caminante, no hay camino. Se hace el camino al andar (Searcher, there is no road. We make the road by walking)” (Ibid., p. 3). They conceive the project not as one of describing a terrain that has already been occupied and settled, but rather as laying down the first tracks into an uncharted territory with the hopes that further wanderers and developments will follow.

Each piece by DeMartino can, therefore, be interpreted as a speculative foray into this wilderness, and the questions to be asked are: does this direction look promising? Where have we found ourselves? Is this where we want to be going? And can we see any alternative routes? These are the questions that I will attempt to contribute to throughout this dissertation, beginning in this chapter with a prolonged consideration of DeMartino's longest and most sustained expedition to the frontier, his 2011 book The Economist's Oath.
1.2 – On DeMartino’s *Oath*

*The Economist’s Oath* attempts to plot several key features onto the map of PEE, but also to dissuade fellow travelers from certain routes that DeMartino does not think will be fruitful for the project to pursue. The book and the subsequent outposts in the wilderness are therefore partially defined by what they are not. For example, DeMartino takes the project of PEE to be an addition to existing economic practice which need not disrupt the ways the discipline is practiced or the existing conceptual frameworks therein. PEE is not an attempt to reform economics itself, but rather a new and self-contained territory which takes economics, as it currently exists, as a starting premise.

This setting aside of questions aimed at criticizing economics itself marks an important departure from several prominent figures who may have served as forerunners and/or inspirations to a project such as PEE. Many philosophers and economists have questioned the conceptual relationship between ethics and economics. For instance, Amartya Sen (1973 and 1977, see also Anderson 2001) attempted to show that some of the fundamental premises of mainstream economics, such as their heavy reliance on the concept of preferences, were flawed. Similarly, Jonathan Broome (1999) argued that preferences were an inadequate stand-in for value and that foundational economic concepts, such as utility, needed to be revisited and set upon more rigorous conceptual foundations. Another common line of critique has been that economics is inescapably value-laden and that assumptions to the contrary are misleading (Putnam 2012 and Reiss 2017). Other criticisms of standard economic practice have argued that the economic focus on empirical confirmation neglects the more important issue of methodology itself (Hausman 1989 and 2007). Many other types of critique of economics could be mentioned here, but what is important here is the ways in which they differ from DeMartino’s approach of not engaging in direct criticism of economics itself. Each of the approaches mentioned above necessitates and embraces a willingness to open up the inner workings of economics to criticism and
not take them for granted.

These are all very different lines of criticism, but what they share in common is a focus on the existing conceptual apparatus of economics itself and an openness to reforming those internal belief structures. They are foundational criticisms in the truest sense of the term. Such criticisms may or may not be a necessary component of a fully formed PEE (more on that below), but they constitute a very different approach to the problem than the one favoured by DeMartino. Rather than wading into the intractable weeds of theory, DeMartino chooses to bracket theory, lay it aside, and instead take as his point of departure the day-to-day activities of economists as we find them. What are the problems that actual economists encounter in the course of their duties and how could we better address those issues? Because his approach starts from such a markedly different place than the potential forerunners mentioned above, DeMartino does not want the project of PEE to be associated too closely with these previous more abstract discussions of ethics.

So, if we are not seeking the theoretical riches of these nearby areas on the map, what type of practical riches await PEE once the territory has been settled? What sort of questions are we seeking a map to? DeMartino conceives of PEE's direction as extremely broad-ranging, writing that:

Properly understood, professional ethics engages all matters pertaining to the identity, character, and behavior of the professionals; and to the institutions, rules, and norms that guide the profession as a whole. Professional ethics is not reducible to a list of commandments that oversimplify the ethical terrain that the professionals inhabit. It comprises instead a broad set of searching questions and probing explorations ranging over professional practice, teaching, rights, obligations, motivations, and commitments. Most of its insights are not translatable into professional do's and don'ts. (DeMartino 2011, p. 85)

This description encompasses quite a large number of topics, but there are two aspects in particular that I want to draw attention to at this juncture: the ambitious inclusivity espoused in the first half of the definition and the repeated disavowal of simplified lists.

As DeMartino has emphasized elsewhere (DeMartino 2013), the development of PEE is very
much in its infancy, so it is appropriate that no topics be prematurely abandoned. We cannot know what topics will emerge as pressing concerns, so everything is and should remain on the table. The second point – about PEE not being reducible to oversimplified commandments and most of its insights resisting translation into do's and don'ts – is a reference to a more extended point that DeMartino makes throughout this book and feels the need to repeat elsewhere (DeMartino and McCloskey 2018) because he considers it to be a source of great confusion about his conception of PEE. What he is proposing is not a code of conduct and must not be misconstrued as such. DeMartino very clearly asserts that:

Professional ethics is distinct from and must not be conflated with a code of conduct. Professional ethics involves intellectual and pedagogical practices and traditions, not a list of rules that can be tacked to a cubicle wall...Professional ethics must come first, codes may or may not properly follow (emphasis in the original) (DeMartino 2011, pp. 14-16).

I will return to this point shortly, (see Section 1.3.2 – Against the assumption of professional status) because I think that the representation of codes and their relationship to professional ethics that DeMartino puts forward here raises a number of historical and practical problems. But suffice for the time being to note the unambiguous barrier that DeMartino seeks to erect between these two spaces on the map.

What type of people does DeMartino envision engaging in this open intellectual debate about the state of the discipline? The easy answer to this question is that 'economists' are the ones who ought to be having these discussions. But such an easy answer quickly becomes insufficient when confronted with the natural follow-up question 'who counts as an economist?'. DeMartino shows some sensitivity to the tricky nature of this question and dedicates an entire chapter to piecing together a rough estimate of the population of economists from an assortment of sources. He points out the insufficiency of relying on data about how many students graduate with degrees in economics, both because not all such degree holders will go on to work as economists and because some individuals who do work as
economists come from alternative backgrounds (such as physics, law, or computer science). It is equally difficult to identify economists by their current employment because of the huge diversity of tasks to which economists direct themselves. The largest employer of economists is universities, followed by various levels of government, and then a whole host of miscellaneous groups (labour unions, think tanks, industry trade groups, etc.) in which the work done may or may not be readily recognizable as economic in nature. By DeMartino's estimate economists in the United States can be divided into two approximately equal groups, with about 15,000 economists working as academics and 15,000 engaged in non-academic pursuits (DeMartino 2011, pp. 19-34).

But even these rough groupings presented by DeMartino are difficult to maintain for a number of reasons. Two such difficulties, which DeMartino considers but believes can be dismissed, are the descriptive inadequacy of the academic/non-academic distinction and the problem of controlling membership. First, as with many other professions, there is a degree of transfer back and forth between the academic and non-academic portions of the profession. Many academics will leave to take positions outside the academy and many practicing economists will later return to the academy. And others will maintain positions in both domains at the same time. This porousness between the inside and outside of the academy and the existence of individuals who occupy both spaces simultaneously is by no means unique to economics. Many professors at medical schools and law schools are active or former practitioners of their trade. So, the categories of academic and non-academic are inadequate to the nuance of reality, but DeMartino never claimed his estimate to be any more than an approximation and even a rough estimation can be useful as a starting point regarding the nature of the profession. Such distinctions also become somewhat moot later in DeMartino's analysis because there are certain features that he believes unify the two groups. In particular, DeMartino places a priority on the intentions of both types of economists to see their ideas enacted and the desire to have an impact on the
world, saying that “Economists’ influence is not an unintended by-product of their work: **it is rather the whole point**” (DeMartino 2011, p. 106. My emphasis). This common commitment to influencing events is something that DeMartino takes to be an essential feature of the economists he is describing and addressing with his work.

Another problem with any attempt to count economists is that there exist no barriers to entry into the profession. Anyone can call themselves an economist. In this one respect, economics seems to be more like business than many other professions which monitor more closely who can identify as a member of that group. Regarding this similarity to business, DeMartino writes:

> There is no self-governance in this occupation. One needn't secure an MBA (or even attend college) to work successfully in many branches of business; nor is there any professional body that has sought the right to dictate who can and cannot enter the field. There is no licensing exam, or certification process for those seeking to enter the business world in most positions available there. Economics is like business and unlike medicine and law in this respect. The occupation does not self-govern in any way. It certainly does not attempt to control access to the trade. One can skim a first-year textbook (or not) and hang the shingle “Jane Smith, Economist” outside one's door. And if one can secure clients in need of economic analysis, one is a fully fledged economist... (DeMartino 2011, p. 75)

But, as DeMartino goes on to point out, the absence of these institutional structures – and the associated institutional supports – does not diminish the presence or difficulty of the real-life situations that economists find themselves facing. Economists – however we choose to define that group – find themselves facing difficult choices and at present, they do so with minimal external guidance. PEE can still serve a valuable function as a resource for the individual economist who is seeking to do the right thing in those difficult situations. The alternative, as we currently experience it is that “they must do so on their own, without any assistance at all from their profession” (DeMartino 2011, p. 48) And DeMartino argues that the benefits of such guidance can be gained regardless of whether or not more robust forms of self-governance is pursued. For DeMartino “(e)thical guidance requires no governance whatsoever; hence the refusal of economics to pursue self-governance has no bearing on its need for
professional ethics. The two matters are simply orthogonal to one another” (DeMartino 2011, p. 98)

There is a pragmatic element to DeMartino's pursuit of a version of PPE that does not involve tying its feasibility to any particular enforcement mechanism. His historical survey of the internal discussion within economics – especially the American Economic Association (AEA) – shows that economists are averse to any discussion of ethics and that that antipathy is most pronounced with regard to issues such as oversight, regulation, and barriers to entry. As mentioned above, DeMartino goes to great pains to frame his vision of PEE as an open-ended discourse and not what it is commonly mistaken for – that is, a rigid series of static codes and narrowly targeted rules. By emphasizing these differences, DeMartino hopes to assuage some of his fellow economists’ suspicions about what PEE is intended to be. As a group, economists might be unwilling to engage in a conversation about a process for certification, but they might be more willing to enter into abstract discussions about topics such as transparency in publication. If PEE is kept vague and non-binding, it has a greater chance of attracting interlocutors from the profession and establishing preliminary trading posts in the desired territory.

The last feature of DeMartino's vision of PEE that I want to draw attention to here is his use of analogy to other professions. In attempting to chart the initial thoroughfares and major landmarks of this new territory, economists need not reinvent everything for themselves. Other professions can serve as useful templates and inspiration for possible directions and shapes PEE might pursue. DeMartino probes this potential usefulness by making an analogy to several different professions throughout his various writings, but the one that he keeps coming back to is medicine.

As early as 2005, DeMartino wrote that “...economists can learn a good bit from the ethical thought that has emerged in other fields facing similar challenges. Two come to mind: medical and environmental practice” (DeMartino 2005, p. 89) and as recently as 2016 he introduces his remarks on the role of professional ethics in reducing harms by saying that “(t)he medical profession is exemplary
in this regard” (DeMartino 2016, 71). The title of his 2011 book takes its inspiration from medicine, with the economist’s oath functioning in the same way for economists as the Hippocratic Oath does for doctors. The book opens by asking us to imagine a commencement ceremony in the near future. At some point during that ceremony, all the recipients of PhDs in economics stand up together and recite an Oath giving voice to the shared values and commitments that have been instilled in them throughout their studies. The book concludes by offering a first attempt at what such an Oath might look like.

What DeMartino claims is important about the Oath is not so much the words themselves, but rather what they represent. The oath represents a commitment to engage with the ethical responsibilities that are connected to one’s profession and a capacity to do so. The particular details of the Oath itself are less important than this underlying sentiment. The Hippocratic Oath, for example, plays little to no role in the day-to-day activities and decisions of medical professionals and several of its specific mandates no longer receive popular assent (for instance, the prohibitions on abortion and euthanasia or the requirement to share money with your teacher when he is in need). Why, then, do we continue to make medical students learn and recite it? First, because it is a positive affirmation of the importance of ethics for medical practitioners, even if the context and nuance of actual dilemmas bear little resemblance to the contents of the Oath. The hope is that only those who take seriously the underlying spirit of the Oath will stand and say the words. But second, and more importantly, the Oath comes at the end of a long educational process during which the students will have been given a much more practical and representative introduction to the ethical topics for which the Oath is merely a stand-in. What is important is that students have wrestled with the underlying issues of harm and responsibility and have been given the necessary training to confront such issues when they arise in the real workplace. It is this training and familiarity that makes the words of the Oath intelligible and meaningful to those that speak it.
Another element that DeMartino borrows from medical ethics is their explicit discussion of the core principles upon which everything else rests. In bioethics, the concept of principlism has emerged as an extremely widespread framework from which to approach the ethical questions of the discipline. Adherents of principlism identify four key values – nonmaleficence, autonomy, beneficence, and justice – as the foundation of their analysis. Although these four principles find their most explicit articulation in the medical profession, DeMartino thinks that they form a common theme that can be found running throughout many other professions, commenting that “…these principles recur across the professions” (DeMartino 2011, p. 123). He also notes that these four principles are sometimes contested and supplemented with additional principles, but that his own analysis will focus specifically on nonmaleficence and autonomy because “(t)hese are the most well-established of professional ethical principles; moreover, they bear directly on economic practice” (DeMartino 2011, p. 124). DeMartino recognizes that a more robust study of professional ethics would need to engage with many more concepts than just these two – and he identifies a few others, such as 'dirty hands', 'corruption', and 'conflicts of interests', that seem like promising places to explore early on – but nonmaleficence and autonomy are nevertheless the two he chooses to prioritize and place at the centre of his conception of PEE.

So far in this chapter, I have attempted to give a rough outline of the terrain for which DeMartino has offered us a map. The problem before us is that for the last 100 years, the economics profession has eschewed any conversation about its responsibilities and the want of such discourse could potentially have contributed to harms in the world. DeMartino offers an initial exploration into what a new field of study in PEE might look like. I have identified 7 features that are prominent – if not central – components of his conception of that terrain. They are:

1. PEE is to be an addition to existing economics that leaves the underlying practices
unchanged

2. Economists form a coherent, if not precisely measurable, group of professionals

3. A rough approximation of the membership of that group – consisting of half academic and half non-academic economists – is sufficient to initiate the PEE discourse

4. The central aim of economics is to see their ideas influence events

5. Of the other existing professions, medicine does the best job of addressing its professional ethical obligations and PEE can use this as an exemplar

6. Of special note for PEE, is the articulation of the core principles of biomedical ethics (justice, autonomy, benevolence, and nonmaleficence) with autonomy and nonmaleficence being the most applicable to economics

7. PEE is distinct from and not reducible to codes of conduct

The target that DeMartino intends to hit with this proposal is one well worth aiming at, however, following these directions as they are laid out above will not lead to the desired result. In the following sections and chapters, I will demonstrate how each of these points proves to be problematic. Some of these features of DeMartino’s proposal are merely inadequately developed, but others are more deeply and fundamentally flawed. Because the analogy to medicine plays such a central role in DeMartino’s overall conceptualization of the project, items 5 and 6 require a more prolonged engagement and I will take those up in greater detail in Chapter 3 below. The rest will be taken up in turn in this chapter for brief consideration and the exploration of some possible criticisms. Although I will attempt to offer self-contained arguments against all seven of these features in the present chapter, some of the topics will be returned to in subsequent chapters for a more thorough analysis. In particular, items 1 and 4 will play an important role in Chapter 2.
1.3.1 – Against the Preservation of Current Theory

The first item from the summary of DeMartino’s position above that I want to consider and criticize is whether or not PEE can adequately achieve its objectives if it remains agnostic as to the underlying theoretical infrastructure to which economists are committed. I do not think that PEE can hope to be successful if it commits itself to a position of neutrality from the start. This is because in at least two respects it is the content of the economic ideas themselves that seem to be contributing to the problems under consideration. Two examples of this relationship between economic ideas and underlying ethical problems that I will explore in this section are (1) the role that economic ideas play in the education of the general population and (2) the ways in which economic ideas have contributed to past (and potentially future) stymieing of attempts to contemplate ethical topics within the discipline.

One reason that economic ideas themselves need to be an object of scrutiny for PEE is because of the ways in which they circulate outside of the academy as objects of public discourse. One of the major influences that economists have on the world is by way of their role as educators. Every year more than a million students in America alone take undergraduate economics courses (Siegfried 2000). Only a very small percentage of those million students will go on to be economists, but almost all of them will go on to be voters. It is by way of these courses and the associated textbooks that economics has one of its most important impacts on the world. So great is this influence that Paul Samuelson famously claimed that “I don't care who writes a nation's laws – or crafts its advanced treatise – if I can write its economics textbooks” (Samuelson 1990, p. 3). Similar views have been repeated by both acolytes (Mankiw 2019) and critics (Earle et al 2017) of Samuelson alike because both groups agree with his central claim regarding the influence that such ideas can have. Given this tremendous influence, it seems relevant to ask questions about these ideas that are being disseminated.

Although there is a larger degree of pluralism in the topics and approaches of more advanced
academic economic research, first-year textbooks are largely uniform in their presentation of the subject matter discussed. Most such books present the laws of supply and demand, the methodology of as-if modelling, and the prioritization of efficiency all as though they were part of a settled consensus. The widespread influence that the spreading of this particular textbook view of the world has had serves to, at least partially, affirm Samuelson’s grand claim about the enormous influence that economic ideas can have on the world. Many of the ideas contained in first-year economics textbooks have proliferated and risen to the status of common knowledge. For example, in the early twentieth century, there was considerable political debate regarding the merit of trade tariffs, while economists were unified in their condemnation of such barriers. Today – after fifty years of advocating the merits of laissez-faire – there is near-universal agreement across the political spectrum as to the undesirability of tariffs for reasons that echo closely the ones put forward by economists in their textbooks.

If we accept this subtle and wide-reaching influence that economic textbooks have the potential to exert, economists might still argue that such proliferation is merely the triumph of good theory supported by data, and certainly no reason for moral consternation. An economist might point to similar widespread acceptance in the physical science and note that the theories of evolution by natural selection and gravity enjoy similar levels of popular agreement; not because of any nefarious agenda, but simply because of the explanatory power of the theories themselves. But there are reasons to be skeptical of this analogy. Although many economists have attempted to model economics in the image of the physical sciences (Mirowski 1991), economics is not a physical science, it is a social science.

Being a social science does not necessarily preclude economics from making important and empirically well-founded claims, but it does necessitate taking into account many additional issues. For example, unlike a discipline like physics, a social science frequently needs to take into account concepts such as performativity: the idea that people – the subject matter of social sciences – can
interact with the theories put forward about them and alter their behaviour in ways that potentially interfere with the original theory (MacKenzie 2006 and 2008). One example of this worrying potential that economics has to influence its subjects has been documented with regard to the views expressed by undergraduate students about human nature before and after studying economics. Surveys found that, after taking an economics course, students expressed views about human nature that conformed to the assumptions made about human nature in many economic models – that we are selfish, rational, profit maximizers – to a larger extent than they did before taking the course. Such views came at the expense of alternative moral assumptions about human nature such as altruism and incontinence (Frank et al 1993 and Frank et al 1996). In this instance, economics is not passively describing the world, it is taking an active role in shaping it. If studying contemporary economic theory has the potential to alter our views about something as fundamental as human nature, it seems legitimate to ask normative questions about the content of those theories.

As mentioned above, despite the hegemonic front presented in many textbooks, there is also a large amount of pluralism within economics and many of the harshest critics of the vision of economics outlined above are themselves, economists. For instance, behavioural economics explicitly rejects (Thaler 1994 and Ariely 2008) the premise that humans are rational actors and several of the most prominent figures in contemporary economics – such as Richard Thaler and Dan Ariely, both recipients of the Sveriges Riksbank Prize in Economic Science in Memory of Alfred Nobel – are behavioural economists. But the presence of such diversity of views at higher levels of economics has not interfered with the presentation of a unified set of core ideas at the introductory level nor the widespread adherence of many practicing economists to that core set of ideas. In so far as any unifying features of economics can be discerned from among the heterogeneous community of economists, they are related to this core of introductory topics. For example, economists are often characterized by a tendency
towards market-based solutions to problems. DeMartino himself, in response to this problem of attaching a single unified position to a heterogeneous group such as economists, claims that “...the center of gravity in economics since the 1980s has weighed heavily towards the substitution of market mediation for government direction of economic affairs.” (DeMartino 2011, p.10). DeMartino's generalization captures many of the most important and troublesome features of contemporary economics, and throughout the rest of this dissertation any reference I make to 'economics' can be taken to be referring to these generalizations about the common core of economics as it has been practiced since – at least – the 1980s and as it is presented in first-year textbooks. Within that bundle of commitments is the belief in the superiority of free markets over alternative forms of coordination.

There is strong evidence that markets have contributed many important benefits to society. As many economists would argue, they have brought unparalleled growth and innovation to the modern world and raised standards of living for even the poorest among us (See for example McCloskey 2006 and McCloskey 2020). But this does not mean that all economists agree that markets are an appropriate mechanism for answering every problem, nor even that markets have effectively resolved all of the problems that they have been applied to. Many criticisms of the mainstream's widespread faith in markets have emerged over the last few decades during which market ideology has been ascendant. Three of the most common criticisms are succinctly summarized by Binyamin Applebaum, who writes that the benefits of markets have “...come at the expense of economic equality, of the health of liberal democracy, and of future generations” (Appelbaum 2019, p. 6). Heretofore, markets have not appeared capable of offering solutions to these types of problems. The current project does not attempt to adjudicate between the strengths and weaknesses of using markets to resolve problems, but merely to point out that there has been a strong tendency within economic analysis to favour that particular type of analysis and remedy, regardless of the type of problem or the presence potential alternative
frameworks. If market thinking occupies an outsized portion of the economist’s toolbox and such tools are inappropriate for some ethical problems, it is important that alternative conceptual tools also be developed.

This is related to another reason why the theories of economics need to be part of the subject matter of PEE. The existing theories have led to the current situation, in which there is not only a preference toward market solutions, but also a trend away from discussions of ethics. As DeMartino himself goes to great lengths to demonstrate, not only has the topic of ethics been neglected, it has at times been actively avoided. DeMartino writes that “(n)ot once over that past century has there been a serious conversation at the highest levels within the mainstream of the U.S. Economics profession about its obligation to pursue professional ethics.” (DeMartino 2011, p. 12) In particular, the AEA fielded and rebuffed multiple requests – from both its own membership and curious outsiders – as to whether or not something like a code did exist or if perhaps it should. One representative response from the AEA executive to such a request was that “the AEA needed no special code of ethics because the cannons of correct professional practice were too obvious to require specification” (Coats 1985 p. 1710-11 as cited by DeMartino 2011, p 64.).

This documentation that DeMartino offers to demonstrate economists’ reluctance to even discuss ethics makes his closing remarks on the subject somewhat difficult to understand. At the end of his chapter on the historical perspective, DeMartino writes:

...virtually all other professions that matured during the same era adopted at least a code of conduct, and some adopted a full-blown body of professional ethics. Other forces must have contributed to what is now a century-long antipathy of the profession to professional economic ethics. A fuller account must advance other arguments about the nature of economics and the way that economists understand the world around them. It is noteworthy in this regard that Britain's Royal Economic Society displayed similar reluctance in its formative years (and since) to take up the matter of professional ethics. It is also noteworthy that today, most professional economic organizations around the world do not advocate professional ethics. It suggests that there might be something inherent in the
In that next chapter, DeMartino extracts what he sees as the two main arguments from economists against ethics (exceptionalism and skepticism) and goes on to offer counterarguments. But he does so on the economists’ own terms, accepting that the core ideas themselves are sound and that it is only in the execution and application of them that economists have erred.

This approach concedes too much from the outset. Why must there be another force contributing to this antipathy? Based on what DeMartino has highlighted above as to how hostile economic thinking is to ethics, one might reasonably conclude that the weight of evidence seems to do more than merely 'suggest' that there is something endogenous to economics that is causing the pattern DeMartino is pointing to. It seems that the reasoning that motivates this lack of attention is an essential part of economic thinking itself. For over one hundred years and across national boundaries, while every other profession was engaging in debates about their ethical responsibilities, economists demurred. The common factor is economics itself. Or at least, economics as it is currently practiced. If this is the case, then PEE cannot remain silent on this issue. It seems to be the case that economic theory is producing a population of economists who are disinclined to engage with ethical issues. This would pose a substantial obstacle to any form of PEE. In Chapter 2, I will return to this issue and explore some of the more specific features of this contemporary landscape, but for now, it should suffice to flag this as an issue worthy of further consideration within the context of PEE.

This is why PEE should not be silent with regard to the inner workings of economic theory. First, these theories have a tremendous influence in shaping the public discourse; have demonstrated a clear preference towards markets, and an inability to take into account other considerations. Second, they have structured the worldview of economists such that they are largely unwilling to participate in
dialogues such as the one DeMartino wants to initiate around PEE. Let us now return to the seven features of DeMartino's map of PEE that I laid out above.

1.3.2 – Against the Assumption of Professional Status.

The second assumption that DeMartino makes is that economists are professionals. There are two problems with this assumption, one grounded in history, the other in the meaning of the word itself.

First is the historical point. As DeMartino makes note of without seemingly recognizing its significance, “(o)ccupations that come to view themselves as professionals tend to adopt codes of conduct early in the course of their evolution” (DeMartino 2011, p. 55). To describe the frequency of this relationship as merely a 'tendency' severely underestimates how tight the relationship between professionalization and codes has been in every other profession. It is not just major influential professions such as medicine and law that have fallen into this pattern DeMartino describes. He cites Edgar Heermance's 1924 book *Codes of Ethics: A Handbook*, in which Heermance collects over 150 codes of conduct from every profession that would respond to his request for one. Heermance's book shows just how widespread this tendency is and “reveals the extent to which even those occupations with little association with professionalism per se thought it right, necessary, or merely expedient to embrace the contemporary emphasis on public service rather than mere self-interest” (DeMartino 2011, p. 57). The tendency appears to be extremely widespread.

The strength of this historical tendency raises a number of questions for DeMartino's account. First, recall how DeMartino conceives of the relationship between codes and PEE. He argues that “(p)rofessional ethics must come first, codes may or may not properly follow” (DeMartino 2011, pp. 16). That simply is not how events have unfolded in any other case. Codes have come first, professional ethics may or may not follow. I will return to the relationship between codes and PEE in
more detail shortly (Section 1.3.5, page 31).

Second, it is possible that economics is anomalous and that they were able to go through the process of professionalization without considering their obligations to public service. This is clearly the route that DeMartino wishes to pursue, writing as he does that

(i)n the economist's view, a professional, like a non-professional, performs a service for a fee, full stop...ethicists urge us to recognize that the professional position we occupy require considerations that economic concepts do not adequately illuminate. What makes for good professional conduct is not reducible to what sells (DeMartino 2011, p. 105).

There are a number of noteworthy features found in this quote. It offers a new much more permissive definition of what it means to be a professional (performing a service for a fee), minimizes the difference between professionals and non-professionals (they both perform services for fees), it repeats the assumption that economics is a profession (“...the professional position we occupy...”), and moves the goalposts so that the question is no longer 'are economists professionals?', but rather 'are economists good professionals?'. But even more important is what this statement does not do. It does not offer an explanation as to why economics is the exception and was able to become a profession without going through the same confrontation with its responsibilities that every other profession had to. If one thinks, as DeMartino appears to, that economics is an exception to the rule, an account needs to be offered as to why.

An alternative explanation as to why economics did not follow the same route that had been laid out by virtually every other profession, is that they are not actually a profession. This brings us to the problem of how one defines a profession. Although some scholars have expressed skepticism as to whether a definition of the concept of a profession is even possible (see Pouryousefi 2013 and 2014), there are a variety of theoretical attempts available – one of which DeMartino relies upon and two more that I will introduce to illustrate where I think DeMartino’s reasoning misses the mark.
DeMartino chooses to make use of Daniel Wueste's definition of professionalism which identifies 5 characteristics of professionalism, those being:

(1)...centrality of abstract knowledge in the performance of occupational tasks. (2)...social significance of the tasks the professional performs – professional activity promotes basic social values. (3) Professionals claim to be better situated/qualified than others to pronounce and act on certain matters. This claim reaches beyond the interests and affairs of the clients. Experts believe that they should define various aspects of society, life, and nature... (4)...professionals claim to be and have recognized as being governed (in their professional conduct) by role-specific norms rather than the norms that govern human conduct generally... (5)...most professionals work in bureaucratic institutions. (Wueste 1994, as cited in DeMartino 2011, p. 103)

DeMartino goes on to state that “(a)gainst this set of criteria, economics certainly warrants the status of a profession” (DeMartino 2011, p. 104). There are potential objections that can be raised to Wueste's list of characteristics on its own merits, but if we provisionally accept it as a functional definition of what it means to be a professional, it is still far from 'certain' that economics would qualify as a profession.

Addressing each of Wueste’s criteria as they might pertain to economists in turn, we can note several points of incongruity between the map and the landscape it is meant to describe. (1) Abstract knowledge is admittedly central to the work of many economists, but as discussed above it is not necessary. Anyone can hang a shingle outside declaring themselves to be an economist and if they are able to secure clients, then they are an economist. (2) Much of the work economists do would be considered socially significant, but it is much less clear what types of 'basic social values' they are promoting. (3) Economists do indeed claim to be better qualified than others to make pronouncements and therefore successfully fulfill this criterion, although it is less clear that we should be comfortable with their belief that they should define various aspects of life and nature. (4) Part of the impetus for PEE is that economists have failed to articulate their role-specific norms, so it would therefore be

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1 See the quotation on page 7 above regarding the similarity between economics and business.
impossible for them to be bound by them and therefore impossible for them to satisfy this criterion. (5) This criterion seems odd in comparison to the others but is perhaps trivially true. Many economists do work in highly bureaucratic environments. Whether this constitutes 'most' is unclear, but even allowing that it does, that brings the tally to 2/5 criteria that economists meet, 1/5 that they clearly fail, and another 2/5 that they likely fail. This evaluation is based upon the definition of being a professional that DeMartino chose to put forward himself, the case for economics weakens even further if we look at other attempts at definition.

Consider the case of accounting laid out by Duska and Duska. When the discipline of accounting was trying to gain the status of a profession in the mid-twentieth century, they commissioned a report which identified seven characteristics of a profession:

1. A specialized body of knowledge
2. A recognized formal education process for acquiring the requisite knowledge
3. A standard of professional qualifications governing admission to the profession
4. A standard of conduct governing the relationship of the practitioner with clients, colleagues, and the public.
5. Recognition of status
6. An acceptance of social responsibility inherent in an occupation endowed with the public interest
7. An organization devoted to the advancement of the social obligations of the group. (Duska and Duska 2003, p. 65).

On these criteria, it seems even less certain that economics constitutes a profession. Economists do possess some specialized body of knowledge (characteristic 1), but as discussed above, there is no requirement that they go through any particular educational process to gain that knowledge (characteristic 2). They have explicitly demurred from controlling entrance into the field (characteristic 3), although the AEA has recently adopted a code of professional conduct (characteristic 4). Although there is a great deal of informal recognition of the status of economics – their increased occupation of

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2 This move by the AEA happened near the beginning of this project, having been ratified by the executive committee and brought into effect 2018. This is a step in the right direction and should be applauded, however I do not think that it changes the basic nature of my argument here. That code itself is quite minimal and I will be discussing it in more detail in the next chapter.
permanent bureaucratic posts within governments (Applebaum 2019) and their higher professorial salaries compared to colleagues in other disciplines (Chronicle of Higher Education 2011)\(^3\) – they lack the more formal recognition that is inscribed in law that structures disciplines such as medicine, but also defines who is qualified to conduct work such as is the case with archaeologists and cultural resource management (Wylie 2002), so it is difficult to assess whether economists embody characteristic 5.

But it is on the last two characteristics that I wish to focus – that is, on an acceptance of the profession’s responsibility for the public interest and an organization to further these social goals.

One of the important things to note about how these other scholars have framed the issue of professionalism is that it places the responsibility on the group not the individual. Individual economists may well have a robust and well-intentioned care for the public interest. Indeed, as will come up a few times throughout this project, insofar as there is a widely held ethical stance in economics it tends to be a utilitarian one and some versions of utilitarianism place immense importance on the public interest. So on an individual basis some economists can and do think about the public interest. But part of what is required in both the Wueste quote cited by DeMartino and the Duska and Duska quote above, is the importance that is placed on such commitments being made at the group level. Wueste’s point (4) bases the very claim to professionalism as being rooted in the role-specific norms of the profession, not the individual merits of the individual. And Duska and Duska are even more explicit in point (7), stating the need for such social obligations to be pursued by a dedicated organization. Individual virtue does not and cannot make the whole edifice professional.

Although the AEA has the potential to serve this type of role in economics and has started taking incremental steps in that direction, it does not as yet recognize any type of obligation to the

\(^3\) These forms of informally elevated status will come up again in Chapters 4 and 5 as they pertain to the comparative status of various disciplines.
public interest. I draw attention to these last two characteristics not just because they are absent in the case of economics, but because they are a consistent feature across almost all conceptions of what it means to be a profession. I have already mentioned above the historical prevalence of this common feature as found in the work of Edgar Heermance and cited by DeMartino (DeMartino 2011, p.58), but more recently Alan Tapper and Stephan Millett conducted a survey of contemporary views on what constitutes a profession. They found that across all such definitions they could find “...an ethical element is so prevalent as to suggest that it is a necessary element of what it is to be a profession” (Tapper and Millett 2015, emphasis in the original). It is not just an idiosyncrasy of the history of economics that they managed to become a profession without embracing such sentiments, rather, the absence of something like PEE actively disqualifies economics from being considered a profession.

The distinction made in this section is potentially of minimal impact with regard to DeMartino's central objective of establishing PEE. Whether economics is currently a profession and heretofore neglected its responsibilities or if it is not yet a profession and establishing PEE would constitute a step towards securing that designation, the recommendation to pursue PEE is the same. Precluding economics from the status of a profession does however slightly shift the nature of the motivation for pursuing PEE. It is not the case that economics should foster PEE because it is a profession, but rather because they want to be viewed as a profession that they need to pursue PEE. It is descriptively inaccurate to assume that economics is already a profession, but for present purposes, it does not make a lot of prescriptive difference. It is a semantic difference, but one that is nevertheless worth keeping in mind as we move on to discussing topics such as regulation and licensing in latter chapters.

1.3.3 – Against Open Borders

Moving on to the next item from the list of seven, DeMartino estimates that the economics
profession in the United States is roughly divided into one-half academic economists and one-half applied economists of various types working outside of the academy. He acknowledges the provisional nature of these estimates but thinks that they are sufficient to get a general sense of the tasks that economics engages in and proceed with his analysis. However, this question of membership in the community is much more important than just establishing a point of common departure. Rather, it constitutes one of the core issues the PEE itself must address.

Looking back to the characteristics of a profession laid out by Duska and Duska discussed above, characteristic two states that professions must have some established qualification by which admission into the profession is granted. In other professions, these qualifications have taken many different forms, but usually involve some form of licensing exam. But why have these professions found such exams and licenses to be necessary? A large part of the reasoning for such requirements is wrapped up in the assumptions of characteristic one: that professionals have unique access to some kind of specialized knowledge. This claim implies that there are certain topics about which only the relevant type of professional should be consulted. It would be unwise to allow unqualified individuals to offer advice on such topics, therefore we need some way to identify the relevant professional. We can explore what this means by way of two examples: medicine and archaeology.

When medical professionals first attempted to form a professional organization to represent their interests, there was considerable rancor as to what types of occupations would be permitted to be included in the newly formed organization. Would it be restricted to doctors who graduated from university programs, or would surgeons – who had traditionally been trained through a more hands-on apprentice-style of training – also be admitted? What of dentists, pharmacists, and practitioners of traditional or folk medicine? Several societies were founded and quickly dissolved, largely because of disagreements over these types of questions (Berman 2006). The idea that professionals have access to
some kind of specialized knowledge and that this knowledge helps establish the basis for their elevated status has a necessary correlate that others do not possess this knowledge and are therefore unworthy to share in the designation of being a professional. Allowing impostors and charlatans to present themselves as professionals is a risk to the status of the whole group. In response to this threat to their prestige, medical associations spend a great deal of time policing the boundaries of their community: administering exams, evaluating competency, and expelling members who do not meet the standards laid out by the community. Such work is seen as vital to the continued credibility of the profession.

In addition to these internal concerns regarding the need to safeguard the reputation of the profession, there are also external considerations about the implied competency of professionals. Are there tasks that only specific professionals should be allowed to perform? In the case of medicine, there is a social interest in making sure that only persons with the requisite knowledge to perform medical procedures are permitted to do so. But the same pattern has been found to repeat itself in other professions such as archaeology. In the early 20th century various levels of government began to take an active interest in preserving their respective archaeological records. This prioritization vastly increased the demand for services in the industry of Cultural Resource Management (CRM). This in turn gave rise to a need to identify which individuals would and would not be considered qualified to provide these CRM services. Although there is some overlap between the skills, training, and values that archaeologists possess and those found in other disciplines; in many jurisdictions, the responsibility of CRM is explicitly delegated to archaeologists (Wylie 2002).

This enshrined preference for archaeologists over other possible providers of CRM services

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4 On an individual basis, people appear more likely to entrust their health to unorthodox practitioners. There are thriving businesses in homeopathy, crystal healing, and the like. There are possible arguments from liberty (that they should be allowed to make such choices regarding their own health for themselves) and economic efficiency (that the market will only allow medical practitioners who provide value to their clients to survive competition) that this lack of discernment is acceptable. However, when it comes to more collective decisions such as insurance policies and qualification for certain legal statuses, such arguments are frequently set aside in favour of defining qualified professionals in the way described above.
reflects two overlapping interests. On the one hand, the public has deemed that only archaeologists possess the necessary capacity to adequately perform the desired tasks. This reflects an assessment of both their specific talents, but also the institutional commitment of archaeological societies and educators to instill and enforce in its members certain values such as the intrinsic value of the archaeological record. On the other hand, archaeologists and archaeological societies lobbied to have governments specify that archaeologists alone possess the specific skills necessary to perform CRM duties. There are many possible interpretations as to why archaeologists argued for this position. The discipline has a long history of needing to ward off looters and other would-be profiteers, so perhaps archaeologists are selflessly acting to protect and preserve the archaeological record. More cynically, perhaps they just wished to secure a monopoly on the market for such services. Perhaps it is a straightforward matter of technical proficiency, and no other group could perform the required tasks. Or perhaps it is some combination of these and other considerations.

Whatever the true reason, all of these possible explanations are worth considering because many of them have close parallels in the case of economics. Do there exist any economic tasks that are deemed so socially valuable – similar to CRM – that only certain specialists can be entrusted to perform them? Is it the general public or the specialists themselves who think that only certain individuals are qualified to address these especially valuable tasks?

Consider, for example, the case of central banking. Does the public deem central banking to be a particularly valuable social function? It is difficult to answer this question for a number of reasons, but one which I would like to focus on here is the lack of certainty about what it is that banks do. In the case of CRM, it is clear what it is that the public values and wants to have done; they want their cultural resources to be managed. This goal is desirable as an end in itself and experts are brought in to advise how best to go about achieving that objective. The socially desirable end of central banking is
less clear; what are the valued services that such banks provide? As Dietsch et al. argue in their recent book on the role of central banking, the mission of these institutions has dramatically changed over the years, with the original conception of the public good being war financing and the current focus being myopically centred on steady inflation-free growth (Dietsch et al. 2018). Is keeping inflation under control something that the public actually cares strongly about? It is not clear that inflation control is something that is widely prioritized by the public, but even if we assume for the moment that it is a genuinely held end, questions remain about the other relational networks at play.

With regards to the public, in the case of CRM, the public judged archaeologists to be uniquely situated to perform the desired tasks because they possessed two particular qualifications. First, they possessed a unique set of skills and technical knowledge that qualified them to do the work. And second, that the community had actively promoted the cultivation of appropriate values in its students and members. Neither of these two features seems to be present in the case of economists and central banking. Although the Federal Reserve has been chaired by four consecutive economists spanning nearly forty years – with Paul Volcker taking the position in 1979, Alan Greenspan and Ben Bernanke following him, and Janet Yellen serving until 2018 – that position is now held by Jerome Powell who is trained as a lawyer. Prior to Volcker, chairmen of the Federal Reserve bank came primarily from business and legal backgrounds (Appelbaum 2019). That is to say, economists do not appear to possess a unique set of skills that qualify them exclusively to execute central banking functions. Or at least, it has not heretofore been deemed appropriate to make that a requirement of that particular role.

Part of the reason for this difference between the treatment of archaeological expertise and economic expertise might be attributable to the second feature discussed above, that archaeology had

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5 The Federal Reserve is central bank of the United States.
6 Canada has a similar history, with a majority of our recent Governors of the Central Bank having received conventional economic training, but there are similar anomalies such as Robin Leigh-Pemberton, who served as Governor from 1983-1993 and was trained as a lawyer, not an economist.
and has a rigorous ongoing conversation about the responsibilities and duties of its members. They are clear and transparent about the values that they hold as a community. This ability to facilitate a discussion about the values of the discipline is precisely the type of role that PEE has the potential to fill. The designation of being a professional means more than simply having access to a specialized body of knowledge. It also conveys social status and makes an implicit comparative judgment with regard to neighbouring occupations. To be a professional is to be more qualified – perhaps even uniquely qualified – to perform certain socially valuable tasks. To be viewed as qualified by the public means having the requisite knowledge, but also the trust of that community which can give validity to the claim of professional status. For other professions, the articulation of core values and the cultivation of a mindful culture were integral early steps in establishing their worthiness of being considered a profession. The absence of similar steps in the development of economics indicates that it cannot yet properly lay claim to the status of a profession.

But whether or not we consider economics as currently constituted to be a profession the overall objectives of PEE should remain unchanged, all that is required is a small reworking of the argument. The argument as DeMartino currently presents it is that (1) economics is a profession, (2) almost every other profession thinks seriously about its ethical responsibilities (3) therefore economics should think seriously about its ethical responsibilities. What I would propose is that the more appropriate formation is that (1) economics aspires to be (thought of as) a profession, (2) the history of other professions heretofore indicates that a necessary first step in achieving the designation of 'profession' requires a serious engagement with the field's ethical responsibility, (3) therefore economics should engage seriously with its ethical responsibilities. Regardless of if we consider PEE to be an incidental feature or a precondition of professional status, the conclusion is the same, economists should pursue PEE. One benefit of not viewing economics as already having professional status is that
it helps explain some of the differences between economics and other more established professions. Why is it that doctors and archaeologists are granted exclusive dominion over their respective domains, while economists are not? Because those are established professions that as part of the process of establishing their identity consciously set up claims to authority in those domains in a way that economics has yet to do in a formal way.

The difference between economics and other established professions lies, at least in part, in the absence of clear communication with regard to the values of the community. This absence applies both between economists and between economists and the public. There are many important questions that relate to the professional status of a discipline about which there should be internal debate and about which the public has a vested interest in knowing the answers to. To use one example that has already come up and will be a point of reference at several points throughout this thesis, consider one of the tasks to which economists apply their training: central banking. Do central bankers focus myopically and unduly on inflation-free growth? Or do they interpret that goal to be a genuine reflection of the will of the public? What values do they rely on in terms of the distribution of harms and acceptability of risk? These are important questions for the discipline to be clear about if they are to ask the public to elevate their expertise on such matters to the level of professional. And these are the types of questions that PEE could contribute towards articulating and building public understanding of such that there could be an informed decision made about whether or not to grant economists exclusive jurisdiction over these types of tasks.

Although my examples here have focused primarily on the role of economists as central bankers, similar considerations could be made in any of the various settings where economists ply their trade, although the outcomes of these conversations may vary by case. And this is consistent with some of the case studies that DeMartino points to as potential models for PEE to follow, such as forensic
economics. Forensic economists are economists who apply models and theories to legal disputes and give courtroom testimony based on that analysis. Forensic economists, as a particular sub-group of economists, came together to articulate a common code of practice to guide their behaviour in the enactment of their roles. Here we see many of the common features that define other professions, such as specifically defined tasks, commonly accepted best practices, and progress toward a recognition of an exclusive domain over a given area of expertise. For these reasons, it seems far more likely that a group such as forensic economists might be judged to be professionals as opposed to a more loosely affiliated group of economists such as those that go on to work in the stock market alongside colleagues with a diverse set of educational backgrounds. Forensic economists have shown a willingness to police the boundaries of their community and had some success in doing so. Such efforts are an essential component of being considered a profession that economics more broadly has not shown a similar willingness to engage in.

1.3.4 – Against Trying to Change the World

This brings us back to one of the questions discussed earlier: who counts as an economist? Previously, I discussed the problems with DeMartino's descriptive account of the many roles economists fill and the potential need for PEE to consider some sort of gate-keeping mechanism. Now, I will turn to one of the few general and unifying claims DeMartino makes about economists as a group. DeMartino argued that one of the only unifying features across different types of economic activity was the desire of economists to shape the world around them, going so far as to say that such intention constituted the entire point of economic work. This is point four on the list found in Chapter 1.

7 Courts do not enforce a strict form of exclusivity, wherein only members of the American Association of Forensic Economists (AAFE) can give testimony, but there is a strong and growing convention in this direction such that legislative codification might be reasonably considered.
(p. 11). There are two main problems with this claim. First, at the descriptive level, it fails to capture large portions of the community as DeMartino himself has provisionally summarized it. But second, and perhaps more worrisome, is the possibility that this self-perception is the result of conceptual confusion about the very nature of economics itself. This second worry will be taken up in Chapter 2, so I will focus here primarily on the question of whether or not it is descriptively accurate that economics is about affecting events in the world.

As we saw above, DeMartino's rough estimate of the number of economists includes 15,000 – or about half – who work in academic settings. These academic economists may well harbour ambitions that their work goes on to influence events through indirect channels, but it is not an accurate description of their work to say that such intentions represent the “entire point” of their work. Academics still serve to educate students, pursue knowledge through their research, and contribute to the dissemination of knowledge that is not knowingly wrong. Academic economists seek to understand the world, more so than influence it. Writers such as Kennedy (1997) have attempted to articulate the nature of these academic duties, very few of which involve direct influence on the world.

This provides us with two very different images of what it means to be an economist. On the one hand, there are those that work in positions to more directly apply their economic expertise. This type includes the central bankers discussed in the previous section and are the type of economists DeMartino seems to be more concerned with in his comment about such influence being the entire point of the enterprise. On the other hand, there are academics and researchers who work to understand the economy as they find it. The primary focus of this second type of work being knowledge and understanding, not control. How do these two images of the economist fit together? What shared features do they have by which we can call them both economists? Or are they simply doing different things and it is only by convention and conceptual confusion that we call them both economists? Is one
of these sets of considerations primary to the other?

The interpretation of this relationship that DeMartino seems to be favouring is that the academic aspects of the discipline are in service to the applied work; those students are educated to go out and influence events, and that research is conducted to facilitate such interventions. This is a plausible description of how economics is indeed practiced and coheres well with much of what DeMartino reports about economists' self-perception, but it is not as compelling with regard to the question of how economics could and/or should be practiced. Alan Freeman, for example, argues that the relationship should be completely reversed from the one described by DeMartino. Freeman argues that applied work is merely an afterthought and that the emphasis of all economic work should be the advancement of knowledge, truth, and understanding (Freeman 2016). Freeman argues that “[t]he specific function of economists, in modern society, is to provide information on the basis of which others may make decisions” (Freeman 2016, p.656). In Freeman's view, many of the individuals and tasks identified as economists and economics respectively do not actually qualify as such. They still share some connection to economics but seem to be acting in a sort of additional capacity when they are also the ones making decisions.

On this view, it would not be the conventions of economics that guide those decisions being made, but rather some other set of simultaneously held values that stem from their roles as decision-makers. What then is the true nature of economics? Is it a disinterested search for truth or is it a pragmatic application of theory to problems through the levers of policy? Or is it both? How we define economics is perhaps the most urgent question that PEE must address, and I will return to this question twice over the course of the following chapters: first in Chapter 2 in discussing how the modern conception of economics came to be, and second in Chapter 4 when discussing possible lessons that economists might draw from the field of engineering ethics. For now, suffice to say that their status as a
single coherent profession, is far from obvious.

1.3.5 – Against Being Against Codes

Items five and six – regarding the appropriateness of medicine and specifically a subset of the principles of principlism – will be discussed at length in Chapter 3, so I will forgo further discussion of them here. That leaves one final item from the above summary of DeMartino’s main points: his belief that PEE is distinct from and not reducible to codes of conduct. DeMartino is right that PEE includes many topics that go beyond codes of conduct, but he goes too far in his minimization of the significance of codes. Codes are an essential and useful component of PEE. I have already discussed above the historical inversion wherein – contrary to DeMartino’s claim that “Professional ethics must come first, codes may or may not properly follow” (DeMartino 2011, P. 16) – for many other disciplines codes have come first, full-blown professional ethics may or may not follow. But we cannot derive an ought from a historical is; just because other disciplines have happened to move from codes to professional ethics does not mean that it would necessarily be wrong to move in the other direction. So, what additional reasons might there be for giving codes a prominent place in the broader discussion? Four such reasons that I would like to introduce here are (1) the role of codes in actualizing PEE, (2) communication; both within and beyond the community of economists, (3) as a starting point to an investigation, and (4) as a pedagogical tool.

If the motivation of PEE is to minimize the preventable harms that are attributable to its absence, then it will be insufficient to constrain itself to theorizing alone. Additional action – be it codes or cultivating norms or other modes of praxis – is required. To draw an analogy to the case of medicine and medical ethics, the objective of theory is not merely that doctors should ruminate deeply on the nature of others as ends onto themselves. Rather it is that we want doctors to act in a manner that
respects the autonomy of patients by way of practices such as informed consent. It would be nice if doctors had the energy and inclination to engage in such abstract contemplation, but such endeavours would ultimately be surplus to requirement. What is important is whether or not consent is properly obtained. Doctors must, for instrumental purposes, have some conception of what informed consent looks like, but a large portion of the desired outcomes can be achieved through actions – frequently guided by mechanisms such as codes that express the underlying commitment of the broader community regardless of the individual doctors' engagement with that underlying spirit. What is required is that doctors follow the relevant codes, not necessarily that they believe in or endorse them, nor that they participate in the relevant discourse on professional ethics that shape such codes; they just need to follow the code. If the desired end of PEE is the reduction of harm, then such goals are far more likely to be achieved through these types of concrete prescriptions in the form of codes. Such codes are slightly more complex than a list of dos and don’ts that can be tacked to a cubicle wall but are certainly akin to such a list.

Such specific rules are also important because they are easy to relay to both members of the community and to the public. Within the community, a more succinct summary of the major conclusions of PEE can serve as an efficient means of communicating with members who are no longer a captive audience in the educational process. PEE is a robust and time-consuming body of inquiry onto itself. The unfortunate reality is that it is not reasonable to expect everyone to fully engage with all of the breadth and depth of PEE, but it might be reasonable to expect them to peruse a brief summary in the form of a code. Outside of the community, such codes can provide the broader public with a brief glimpse into the nature of economics. What is it that economists believe and stand for? What sort of behaviour might one expect from an economist? Recall here the role that such clear articulation played in building the trust between professions such as archeology and the public that ultimately gets to
decide whether or not such a group is worthy of special status. The profession itself does not get to decide that, the public does. If a group wishes to attain professional status, it is therefore imperative that they present a compelling case to the public to obtain public support for such a designation.

Next, it is worth considering why some fields stayed at the level of codes of conduct while others felt the need to develop from that starting point into a fuller study of professional ethics. Take as an example one of the more obscure professions included in Heermance’s *Codes of Ethics*: ice cream manufacturers. The code of ethics for the National Association of Ice Cream Manufacturers from 1922 includes items such as not engaging in bribery, boycotts, or the use of inferior ingredients in the production process (Heermance 1924, pp. 244-455). None of these items admits much ambiguity or are susceptible to conflicting moral values. This is in noticeable contrast to other professions, such as the now-familiar example of medicine. Included in Heermance’s collection is an early version of the code of conduct from the American Medical Association, originally adopted in 1912. This code is much more robust than that of the ice cream manufacturers and includes such items as: “A physician should give timely notice of dangerous manifestations of the disease to the friends of the patient” (Heermance 1924, p. 338). Such a requirement much more easily leads to difficult questions than does the prohibition of bribery. There are questions of ambiguity (what is considered timely? And how wide of a circle of friends should be informed?), but more importantly, such a requirement presents a conflict between different valid considerations. To what extent should this duty to inform relevant parties be allowed to override a patient’s right to privacy? When a profession's code of conduct leads to these types of questions, how are they to be answered? This is where it becomes necessary to expand out into full-blown professional ethics. Codes are the starting point, and when they are insufficient to the task at hand, that is when professional ethics becomes necessary. It is unclear how professional ethics would come about at all without such shortcomings of codes, much less how professional ethics could precede
codes entirely. Codes are an important component of how ethics are conceptualized, discussed, and improved upon.

Lastly, as will be discussed in Chapter 4, the established teaching practices in other disciplines have found that codes are an effective pedagogical tool in getting students to think about professional ethics. Although the research into the comparative effectiveness of different methods is not yet conclusive, the study of codes is frequently found to be among the most effective teaching methods, as opposed to relying on case studies, on-the-job apprenticeship style learning, or delving into meta-ethical theory (Apostlou et al. 2013 in the case of accounting and Hess and Fore 2018 in the case of engineering). If we assume that economics is at least somewhat analogous to these other disciplines, an important part of their education will be the study of codes.

1.4 – Surveying the Beachhead

In this chapter, I have argued that there are a number of points around which DeMartino’s presentation of the landscape is in need of clarification if not correction. In order to precede it is important to have a clear picture of the boundaries of the discipline and its membership. I have argued that not all economists want to change the world, or at least that they do not all view that as the entire objective of the discipline. We cannot assume that economics is already a profession without interrogating what the conditions of such a status entail and that the practices of economics as it is currently practiced need to be open to examination as part of the investigation.

Although this chapter has been critical of DeMartino at times, this should not be misconstrued as hostility towards the expedition he is leading. Quite the opposite, on almost all of the most important and basic points I find DeMartino’s position to be compatible with my own. Over the last 100 years, economists have neglected their ethical responsibilities and this has resulted in avoidable harms that
PEE has the potential to ameliorate. Returning to Antonio Machado’s poem, prior to DeMartino’s efforts there was no road, he has made it by walking, and anything written here owes a debt to his leadership in opening up the terrain for travelers such as myself.

However, if one were to continue reading Machado’s poem, it alludes to one of my own major concerns with the current state of PEE. Picking up where the quotation used by DeMartino and McCloskey in the Oxford handbook leaves off, Machado writes “Al andar se hace el camino, y al volver la vista atrás se ve la senda que nunca se ha de volver a pisar. Caminante, no hay camino sino estelas en la mar. (As you walk, you make your own road, and when you look back you see the path you will never travel again. Traveler, there is no road, only a ship’s wake on the sea.)” The goal is for PEE to become a permanent fixture of the economic landscape, not to be fleeting like a ship’s wake upon the sea. Ten years on from the financial crisis of 2009, the impetus for action seems to be fading and there seems to be little by way of solid foundations for future discourse. Free-roaming explorations of the possible horizons of PEE are an important first step in building the road, but they must be coupled with the more tedious work of establishing lasting infrastructure. It would be more accurate to say that we make trails by walking, but we make roads by clearing brush, compacting the loose earth beneath, and placing cobblestones along the desired path.

DeMartino has explored many interesting trails, but some of them were obscured by inconvenient bushes (the historical trajectory of other professions and the amorphous nature of economic practitioners), were hampered by porous foundations (the assumption that economics is already a profession and the sanctity of its current practices), and he was reluctant to lay down a hard surface (codes of conduct and barriers to entry). If my criticism is at times pointed, it is because I believe it is essential to lay down solid roads at this stage of the expedition. After all, they will provide the connective tissue of everything that follows. Building roads is hard work and it is worth it to do
them right the first time.
Chapter 2: Further Considerations on the History of Economics as they are Relevant to Professional Ethics for Economics

In the previous chapter, we laid out DeMartino’s general views about the mainstream discipline of economics. If we accept the premise that economists today are cavalier in their attitude toward ethics, DeMartino believes that “[t]he roots of this attitude lie in the early and enduring conception by economists of the nature of their field” (DeMartino 2011, 58). In *The Economist’s Oath* in a short chapter titled “Historical Perspective,” DeMartino summarizes a few of what he believes to be the pivotal moments in the formation of that orthodoxy. This includes the AEA’s rejection of their own original *Statement of Principle* and the reaching of methodological consensus in the early years of the 20th century.

These are both important moments in the development of economics and DeMartino is right to draw attention to them. However, the views he presents do not represent an undisputed consensus and there are prominent scholars of economic history who offer alternative accounts of that historical period and the trends that DeMartino describes. This chapter will explore some of these alternative accounts of economic history and the ways in which they might serve as valuable supplements to DeMartino’s summary and rest Professional Ethics for Economists (PEE) on a more robust historical foundation with regards to the relationship between ethics and economics. I will show that by placing some of these events within the larger context of their period and examining them in greater detail, we can potentially reach very different conclusions about key parts of DeMartino’s argument.

I will achieve this by disusing the following topics. Section 2.1 will explore in greater detail the role that Richard Ely played in the formation of American Economics and the ways in which politics and religion contributed to that story. Section 2.2 introduces the central figures and ideas of Marginalism. Marginalism is a school of thought that is an indisputably important component of
American economic thought but there are also important points around which it differs from mainstream economics. Section 2.3 turns to the figure of Lionel Robins and two of his major ideas – the value-free nature of economics and economics as a potentially all-encompassing methodology – that would go on to become central pillars of contemporary economic thinking. Section 2.4 will then look at the recent implementation of codes of conduct by the AEA and CEA respectively.

2.1 - Richard Ely and the Foundations of American Economics

DeMartino begins his chapter on the history of economics with an account of the 1885 founding of the American Economic Association (AEA), an association that would go on to become “the most influential professional association of economists in the world today” (DeMartino 2011, p. 58). He then identifies Richard Ely as one of the pivotal figures in the formation of the AEA. Despite his central role in the formation of the AEA, Ely held many views that would come to be thought of as antithetical to those of the organization.

One of the major divergences between Ely and what would come to be the accepted views of the AEA centers on the role that religion plays in the profession. Ely was a devout Christian and an active member of the Social Gospel movement (Rader 1966). Religious conviction by itself does not inherently conflict with being an economist, but Ely believed that the two can and should inform one another in a very direct manner. According to Robert Nelson, Ely believed that “…the teachings of economics should provide the knowledge base for ‘a never-ceasing attack on every wrong institution, until the earth becomes a new earth, and all its cities, cities of God’” (Nelson 2003 as cited in DeMartino 2011, p. 58). Ely further believed that economic departments should be institutionally located within theology departments and many of his views were reflected in Article III (Statement of Principles) of the AEA’s founding charter. According to DeMartino, that Statement of Principles
included Ely’s opposition to the ascendant role of formalism in the discipline and to the principle of laissez-faire (DeMartino 2011, p. 59).

Despite Ely’s prominent role in the founding of the AEA, DeMartino argues that the AEA quickly moved to distance itself from Ely’s ideas. In 1988 the AEA voted to drop the Statement of Principles from their constitution and four years later Ely resigned his post as Secretary of the organization, which DeMartino describes as his being “…chased out by intellectual adversaries and allies alike who had come to consider his proselytizing an insurmountable obstacle to professionalization” (DeMartino 2011, p. 60). As will be discussed below, this interpretation of events is debatable. But it is the version that DeMartino utilizes in his argument here: that Ely's resignation and the voting to drop the Statement of Principles represents a decisive turn away from Ely’s overall approach by the discipline as a whole.

In place of Ely’s socially engaged vision of economics, DeMartino argues that “[t]he maturation of the AEA in the 1890s was associated with the growing theoretical influence of the marginalist revolution. Alfred Marshall’s Principles of Economics had appeared in 1890 and quickly influenced the leading American economists of the time” (DeMartino 2011, p. 60) and that “[b]y 1920, the fight over the appropriate methods for economics and what these implied about the status of ethical matters in the field were largely settled for the majority of economists…the profession had come to focus intensively on the project of advancing objective economic science” (DeMartino 2011, p. 62). By this point, DeMartino believes that many of the defining characteristics of contemporary economics have been established and will remain largely unchanged up until the present.

Although DeMartino’s summary of this period accurately captures many of the larger trends that were unfolding, it does so without an adequate appreciation for the context in which they occurred. Many of his points take on additional meaning when combined with the other historical forces that
were active at the time. These added dimensions and context are essential if we are to come to understand the roots of why economists appear to have paid insufficient attention to the topic of ethics heretofore.

The first such supplement to DeMartino’s account is with regard to his starting point of 1885 and the founding of the AEA. The founding of the AEA is a highly important moment in the story of economics and serves as a convenient demarcation point that other historians of economics have agreed is the “critical historical juncture” in the intellectual trajectory of American Economics (Fourcade 2009, p. 77). As such it deserves a large portion of our attention. But trajectories do not emerge from a void and a juncture necessarily joins two things. Even when looking at an important moment in the history of economics such as the founding of the AEA, that moment is informed by the events that came before it. In this instance, examining the pre-AEA nature of American economics helps explain why Ely held some of the seemingly idiosyncratic views described above and demonstrates that such views were not actually idiosyncratic, but rather reflected the prevailing views of the pre-AEA era.

Prior to the formation of the AEA, there were very few formal institutions of economics in the United States. According to Bradley Bateman “[f]rom about 1820 to the time of the founding of the A.E.A., there were not economics departments in American colleges, and only rarely a course title economics” (Bateman 2007, p. 3). And from Robert Coats’ history of the AEA, we know that “in the 1870s only three institutions awarded a total of three PhDs in political economy. In the 1880s, five institutions awarded a total of eleven degrees.” (Coats 1985, p.1700 citing Parrish 1967). But neither of these facts means that there were no economists in the US, nor that there was not an active discourse unfolding about academic economics.

If America did not have economics departments and conferred so few credentials, where did economists such as Ely come from? Those who received formal training in economics did so at
European universities. However, due to ongoing political tensions between the United States and Britain, would-be academics were often unwelcome at the prestigious schools in that country (most importantly Oxford and Cambridge). As a result, many American economists ended up going to Germany to receive their training, as chronicled by sociologist Marion Fourcade in their history of the professionalization of economics in the west (Fourcade 2009, p. 65). Or, as Bradley Bateman – economic historian and former president of the History of Economics Society – writes of the education of young American economists during this period “[f]ar and away the largest number of these individuals were trained in Germany” (Bateman 2011, p. 108).

While abroad, those young American economists were exposed to figures from the German Historical School of Economics such as Karl Knies (Ely’s supervisor) rather than the English alternatives. This quirk of a generation’s academic biography helps explain why certain ideas (notably Marshall’s marginalism, Mill’s Utilitarianism, and Keynes's Positivism) that were otherwise prominent in economics at the time, were much more muted in American thought (Bateman 2011).

Upon their return to America, these newly minted economists entered into a university system that was heavily influenced by religion and in which their academic and clerical careers were tightly connected. Robert Bateman has described the period as one in which “[t]he protestant ministers writing textbooks were usually also the presidents of the college, and in that capacity, they served as the teachers of the capstone course in which economics was taught as a part of moral philosophy” (Bateman 2007, p. 3). Throughout this pre-AEA period the two aspects of the discipline – the religious and the scientific – were not in tension with one another, rather “[c]apitalism and the laws of political economy were thought to be in harmony with the laws of God and consistent with the higher purpose of moral elevation” (Fourcade 2009, p. 69). The prosperity and spontaneous efficiency of free exchange found in America at the time was seen as evidence of God’s benevolent design of the world. This
philosophical and institutional intimacy between economics and religion explains why Ely and those economists who came of age alongside him would have thought that economic departments would naturally be situated within schools of theology. It was less a normative claim than a descriptive account of the world they occupied. Almost all pre-AEA economic thinking – not just that of Ely – was permeated with religious considerations and saw no contradiction between the two sources of knowledge.

This harmonious conception of the moral and economic status of America started to break down in the years following the civil war (1861-65) and by 1885 religious leaders such as Ely were in open revolt against the social and political status quo for reasons largely rooted in economics. Prior to the war, it had been possible for members of the white middle and upper class to convince themselves that the agrarian capitalist relationships of production under which they existed were the best of all possible arrangements: proof of God’s wisdom and love (Bateman 2005). In this romanticized America, the land was bountiful, prosperity attainable, and there was no need for intrusive government oversight because informal conventions served as reasonably effective enforcement mechanisms for laws and contracts. It seemed to American economists at the time that the laissez-faire system was working.

It is dubious whether this Pollyanna vision of the Antebellum south was ever actually true (Zinn 1999), but regardless, the civil war brought such fanciful thinking to an abrupt end in two ways. First, there was the intense suffering and inhumanity of the war itself. But second – and more importantly for present purposes – there were the new structures of economic relations that were established after the war. During this period there was large-scale migration from the country to the city, an increased reliance on industrial production processes, and an emergent class of extremely wealthy tycoons. These conditions exposed the brutality of factory working conditions, the squalor of urban slums, and how the economic benefits of such an arrangement were increasingly uneven in their distribution. For many of
the same economists who had – just a few years earlier – looked upon the American economic system with such optimism, it no longer seemed as though laissez-faire was working.

Rather than rejecting the connection between economics and religion, Ely and other like-minded economists thought the more appropriate response to these new circumstances was to reject laissez-faire. One could still be an economist without believing in the free market, but one could not hold Christian values and support the specific philosophy of laissez-faire that was viewed as the source of so much worldly suffering (Bateman and Banzhaf 2008). With the rejection of laissez-faire came a certain degree of uncertainty as to what alternative role economics might play in a religious conception of the world. To understand how Ely and his allies responded to this uncertainty, it is necessary to know a little bit about how these dire circumstances initiated a rethinking of not just economic views, but religious ones as well.

The Social Gospel movement, of which Ely was a member, was a post-millennialist movement. The millennium is believed to be a thousand-year period, prior to the final judgment, during which there will be a golden age of Christendom on earth. But there is disagreement as to whether this millennium will begin before or after the return of Jesus. As the historian of American Christian thought Christopher Evans explains in his recent book on the Social Gospel movement, many Christians are pre-millennialist, meaning that they believe Jesus will return before the onset of the millennium. Indeed, the return of Jesus is thought by many to be the event that causes the millennium to occur, with Jesus himself establishing the kingdom of heaven on earth. Post-millennialists, on the other hand, believe that Jesus will only return after the millennium, that that millennium has already begun, and that it is now up to us to build the kingdom of heaven on earth ourselves (Evans 2017).

Although such an ambition may sound grandiose, its concrete actions were much more humble. The Social Gospel movement focused most of its political efforts on initiatives that would come to be
taken for granted in many Western Nations over the following decades. Initiatives such as universal education, eliminating child labour, and feeding the hungry. More controversially, the Social Gospel movement also supported labour unions and advocated for racial equality. The ramifications of these more controversial positions will be a significant factor in how the broader economic community responded to Ely, but for Ely himself, the key point of connection between economics and religion was these more mundane projects centred around the alleviation of poverty. As the quote from Nelson cited by DeMartino above says, economics was to provide the knowledge base for an assault on wrong institutions until every city became a city of God. But for members of the Social Gospel movement, being a city of God was not a grandiose claim nor one shrouded in mysticism and idealization. Rather, when we situate Ely within the appropriate historical context of the movement and learn a little bit more about the beliefs of the Social Gospel movement, we can see that the phrase ‘the city of God’ is more accurately understood as the humble day-to-day work of making the world a better place to live.

Ely was more transparent than some of his contemporaries about the normative aspects of his approach to economics and his motivation happened to be rooted in a religious conviction, but neither of these facts should cast Ely as an outlier in the discipline. First, almost all economists (both then and now) come to their work burdened with some sort of normative background assumptions. As discussed above, among economists that tendency is often for market solutions, but one can also be detected in assumptions such as the desirability of increasing efficiency and growing GDP. Second, the grounding of moral conviction in religion was congruous with how economics had been done in America throughout the preceding century and need not imply any contamination of the scientific process. In fact, in the *Statement of Principles*, which supposedly contained Ely’s inappropriate insertion of religious values, we find just the opposite. In Article III.3. the founding committee writes that there are numerous social problems “…whose solution requires the united efforts, each in its own sphere, of the
church, the state, and of science” (Ely 1886, p.6). In Ely’s conception of the discipline, the roles of science and the church are separate and distinct entities and one should not interfere with the operation of the other.

In fact, the Statement of Principles and the rest of the constitution contain far less of Ely’s influence than DeMartino and Nelson suggest. If Ely was not solely responsible for the Statement, it would be unfair to interpret a rejection of the Statement as a rejection of Ely or the ideas of which he was but one representative. Ely did not have unilateral authority to approve the organization’s constitution. Rather, in his capacity as secretary, he drafted a provisional platform for the purpose of discussion, and it was this preliminary document that contained the condemnation of laissez-faire. When the members met in Saratoga to debate, write, and adopt a constitution, multiple members raised objections to how strongly Ely had worded his draft. Both First Vice President Henry Adams and Third Vice President John Clark are noted in the minutes of the meeting as wanting to see wording softened.

Although much of Ely’s original wording from the Statement failed to make it through the drafting process, his influence on the approach to many topics – including laissez-faire – can still be detected in the final version of the constitution. To wit, Article III.1. proclaims that the state is “…an agency whose positive assistance is one of the indispensable conditions of human progress.” (Ely 1886, p.5), but there is no outright condemnation of markets or laissez-faire as there had been in the draft. The overall message of the document is overwhelmingly one of political neutrality and a commitment to the scientific aspects of economics. Article III.4. expressly forbids partisan attitudes on issues of commercial and industrial policy, while Article II. Lays out the objectives of the association to be research, publishing, discussion, and the collection of data to facilitate study. So, on the one hand, the AEA as a whole did reject Ely’s more explicit political views. But on the other hand, all of these more sanguine positions that they did adopt, were also introduced by way of Ely’s original proposal and
supported by him in their final form. The internal ideological positions of the AEA were not a source of conflict between Ely and the rest of the membership. Why then did he resign his position as secretary four years later in 1892?

The political projects of the Social Gospel movement described above – in particular, the support of unionization and poverty alleviation – placed its members in opposition to the business or capitalist class. America at the time had been coping with a prolonged period of economic hardship known as the Long Depression\(^1\) (1873-1896), and clashes between the forces of labour and capital were frequent and multifaceted on both sides. One strategy pursued by the forces of capital was to attempt to remove academics from their posts by bringing cases of academic misconduct against them (Fourcade 2009, p. 75-80 and Rolnick 1955). Across the social sciences – but especially in economics departments – professors who voiced support for progressive causes became caught up in this wave of academic freedom cases and faced the risk of being removed from their posts. During this period “[a]s knowledge production became increasingly accountable to external controls (such as boards of trustees and university administrators, or state legislators in the case of private universities), reformists activism in the United States came to be represented as incompatible with the academic vocation” (Fourcade 2009, p. 79).

In 1892, the year that he resigned as secretary of the AEA, Ely faced exactly this type of trial at his new institution The University of Wisconsin. Although Ely would eventually defend himself against the charges of academic misconduct and retain his post, his situation was just one of many such efforts to constrain the conduct of economists. Around the same time as Ely’s trial, Henry Adams at Cornell, Edward Bemis at Chicago, and John Commons at both Indiana and Syracuse (Coats 1985, p. 1705)

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\(^1\) Because a depression is technically defined as a sustained period of decline in economic activity, some economists and historians dispute that The Long Depression could properly be called a depression. Insisting instead that there were instead two depressions – 1873-1879 and 1893-1896 respectively – and merely an extended period of low but stable (not declining) economic activity between the two. From the perspective of human suffering, I do not think that this is a meaningful distinction.
would all also be put on trial and all removed from their positions. In the years immediately following Ely’s trial, Elisha Andrews at Brown and Edward Ross at Stanford would also find themselves removed from their posts (Coats 1985, p. 1705).

Ely was indeed driven from the AEA by his ideological opponents, but those opponents were not fellow economists. Rather, his resignation was intended to shield his colleagues and the fledgling organization from the larger organizational forces unfolding. Universities had become enthralled to the external influence of donors from the business community, and despite the internal attempts of economists to avoid partisanship, the political views of Ely and like-minded progressive economists continued to be viewed as threats to the established power structure (Fourcade 2009 p. 68).

This external pressure on universities to police and reshape their academic communities was felt across all of the social sciences and drove almost every one of them to prioritize the (supposedly) objective and scientific aspects of their field. Mary Furner’s 2012 book Advocacy and Objectivity chronicles the ways in which these interests and influences from the business world distorted the supposed objectivity of many different professions in the early twentieth century, not just Economics (Furner 2012). But the influence of business on economics was even more pervasive than it was on other professions because businesspeople actively participated in the scholarly activities of economics at the time. At the turn of the century, it was not uncommon for businesspeople to serve as reviewers for academic articles, and “[b]etween 1900 and 1914, more than 25 percent of the authors of articles in main American journals were listed with a nonacademic occupation” (Fourcade 2009, p. 69). In the years following the formation of the AEA, businesspeople and business interests became an entrenched and increasingly influential component of economic thinking in America. And because religion was viewed as hostile to those business interests, there was an attempt to eradicate its influence from the

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2 As noted in Chapter 1, the current occupation of the authors is an imperfect indicator of whether or not they received an education in economics before pursuing nonacademic work. So, it is a possible that some portion of these nonacademic contributors were appropriately trained, but many of them were not.
discipline. Thus, in a little less than half a century, religion and economics had gone from inseparable to incompatible.

So DeMartino is, roughly correct in his synopsis of the period – Ely did exert some influence over the initial writing of the AEA constitution and the organization did move away from some of those foundational principles in the following years. But given the further context about Ely and his situation that I have laid out above, three small emendations to DeMartino’s account are in order. First, the views that Ely inserted into the founding documents were not outliers but rather were representative of American Economics theretofore. Second, his influence was not as radical as many commentators have made it out to be. There were religious elements to his thought, but religion was to be constrained to its appropriate domain and not interfere with the scientific dimensions of economics. And Ely’s personally held views about laissez-faire were never officially adopted by the AEA as a whole, with the larger groups' primary reasons for agnosticism on that point being the desire to remain non-partisan on issues of industrial and commercial policy. Lastly, business played an intentional and causal role in pushing economics to prioritize its scientific aspects over its social ones. It is not that economics moved towards topics related to business because of the science, they moved towards the science because of business.

It is also worth noting that Ely’s resignation in 1892 was not the last time he would engage with the organization. Rather, he would maintain an active membership in the community throughout its gradual transformation and return to the executive committee eight years later, serving as President from 1900 to 1901. As political tensions eased between progressive reformers and business interests at the turn of the century and the end of the Long Depression, Ely’s proselytizing was no longer seen as an insurmountable obstacle to professionalization. It was never his colleagues who viewed his ideas as heretical, and his influence on economic thought in America continued to be felt in the mainstream of
the discipline. Despite the ascendancy of more formalist approaches to economics and the growing popularity of Marshall’s textbook during this period, it was Ely’s *Outlines of Economics* (1893) that remained the best-selling textbook in America up until World War Two (Bateman 1998, p. 37). The story of Ely’s influence on the formation of economic thinking in America is indispensable, in both what he brought with him as a representative of an earlier era and the external influences against which he fought a losing battle. DeMartino is right to place Ely at the center of his historical analysis but did not pay sufficient attention to some of the finer details of Ely’s story.

2.2 – Marshall, Marginalism, and Economics at the Turn of the Century

The second aspect of DeMartino’s historical account that I would like to supplement here regards the supposed establishment in the early years of the twentieth century of many of the trends in economics that would come to be considered normal. In *The Economist’s Oath*, DeMartino offers a brief summary of the factors from this period that he believes contributed to the current state of affairs in which ethics are not a significant consideration within the profession of economics. DeMartino’s argument relies on their being a strong family resemblance between the economics of the early twentieth century and the contemporary field. According to this line of thinking, if we can identify the reasons why early economists rejected the role of ethics in economics historically, we can use those to reach conclusions as to why ethics does not feature prominently in the current discourse.

Of the forces that helped shape modern economic thinking, DeMartino identifies specifically the rising influence of the school of marginalism as playing an important role in understanding the events of this period. A key development in that rise was the publication of Alfred Marshall’s *Principles of Economics* in 1890. Marshall’s textbook brought together the competing variants of Marginalism that had been developed by Menger, Jevons, and Walras respectively in the decades prior.
The bringing together of these branches of marginalist thought by Marshall is summarized nicely in William Spiegel’s widely used History of Economics textbook (Spiegel 1991, p. 506). The publication of Marshall’s textbook closely coincided with the founding of the AEA and according to DeMartino “…the maturation of the AEA as a professional organization in the 1890s was associated with the growing theoretical influence of the marginalist revolution…the turn towards deductive science.” (DeMartino 2011, p.60). As support for his account of this emerging consensus within the economic community at that time, DeMartino points to the example of Edward A. Ross, who in 1900 wrote that “…the ethical aspects of our economic system should come after a rational, cold-blooded explanation of what is” (DeMartino 2011, p. 62, quoting from Ross 1991, p. 179.). According to this view, the scientific aspects of economics were no longer a subsidiary component of the larger field of political economy, but rather the prior and essential foundation thereof. DeMartino concludes his historical account of this period by saying that by “…1920, the fight over the appropriate methods for economics and what these implied about the status of ethical matters in the field were largely settled for the majority of economists” (DeMartino 2011, p.62).

This account correctly identifies the rising significance of marginalism at the time and is consistent with the version of economic history that many students are taught as part of their training. However, there are a number of points upon which this common account does not adequately represent the diverse scholarly perspectives that exist. In this section, I will provide some additional context on four points around which there exist positions significantly different from the conventional one occupied by DeMartino and which have the potential to dramatically reshape some of the background assumptions of PEE.

The four points that I will be focusing on here are, (1) that DeMartino’s account exaggerates the extent to which this emerging view represented a consensus at the time and to which it is similar to
contemporary practice. (2) That it provides insufficient detail as to the nature of marginalism itself. (3) That it does not clearly differentiate between political economy and economic science. And (4) that it omits key historical figures who are otherwise widely cited as pivotal in the transition being described.

First, although many of the most recognizable features of modern economics (equilibrium analysis, measuring at the margins, the assumption of rational decision-making, etc.) were indeed introduced during this period, we would be making a mistake if we extrapolated these similarities to suggest that economics in the early twentieth century was similar to economics in the early twenty-first century. The two key differences I want to draw attention to here are the use of mathematical tools and the presence of live alternatives.

Although the application of math to economic questions was first introduced during the marginalist revolution, its success and application remained limited. For example, Leon Walras proposed in 1874 that it would be theoretically possible to calculate a series of price points at which all products in all markets would efficiently clear with maximum utility. This is known as general equilibrium theory, as opposed to partial equilibrium theory in which only one market is analyzed at a time. But due to the limitations of mathematical techniques at the time, Walras and those who followed him were unable to prove that a general equilibrium was even possible and therefore had to restrict themselves to partial equilibrium analyses (Spiegel 1991, p. 494). It would not be until the 1950s that economists would succeed in offering a proof of the possibility of general equilibrium analysis (Arrow and Debreu 1954) much less utilize it in their day-to-day thinking about economic problems. Modern economics is saturated with these types of mathematical improvements upon previously crude theories. And as with General Equilibrium Analysis, these improvements were not just minor tweaks or refinements but rather changed the very nature of what was considered possible within the discipline.

Comparing economics in the late twentieth century to economics in the early twentieth century
because they were both concerned with questions of equilibrium can be misleading. Consider another possible analogy that took this same form, comparing medicine in the early twentieth century and medicine in the late twentieth century because they were both interested in the topic of bacteria. While it is true that they were both interested in the topic of bacteria, the nature of their respective understandings was quite different. Early twentieth-century medicine may have had an idea that antibiotics were theoretically possible, but the actual discovery of antibiotics still represents a fundamental change in the profession. Medicine that has access to, utilizes and can make concrete statements about antibiotics is a very different type of medicine than one that can only offer speculations about what such substances would theoretically consist of. So too with General Equilibrium Analysis and many other advancements that are now commonplace in economics. Entire areas of study such as auction design, derivative trading, and meta-data analysis may share distant familial ties to early economic inquiries, but simply were not possible and did not exist in those earlier periods. These differences should not be minimized and there must be a delicate balance struck between recognizing that the roots of modern economics can be found stretching back to the nineteenth century without misrepresenting the extent of such a resemblance. We must be careful not to draw conclusions about the flowers by looking at the roots.

Another difference between modern economics and economics at the turn of the previous century is the presence of viable alternative methodologies. Contrary to assertions such as those quoted from Edward Ross above – and Lionel Robbins who will be discussed below – there was no economic consensus about the best approach to economic questions nor the place of value judgments within the field. Rather, the consensus of contemporary historians of economics is that the defining characteristic of economics throughout the interwar period (1918-1939) was just how pluralistic the discipline was, in terms of both schools of thought and individual approaches to their shared subject matter (Morgan and
Rutherford 1998). In 1998 the History of Political Economy (HOPE) society convened a conference that sought to explore the nature of this interwar pluralism. In their contribution to the subsequently published version of the conference proceedings, conference organizers Mary Morgan and Malcolm Rutherford – both former presidents of the History of Economics Association – argued that the commonly told story of that period was fundamentally flawed. That the interwar years in economics were not dominated by the ascendant school of neoclassical economics. Rather, the interwar years in American economics were characterized by a robust pluralism that “…was evident in beliefs, in ideology, in methods and in policy advice” (*Ibid.*, p.4).

One of the main examples of this diversity of thinking at the time is demonstrated by the prevalence of institutionalism throughout the period. Several of the leading figures in economics during the interwar period – such as John Commons and Thorsten Veblen – were vocal advocates of institutionalism and represented roughly half of the economics community at the time (Morgan and Rutherford 1998). One of the major points of methodological departure between institutionalism and the approach described by DeMartino regards what the fundamental unit of analysis ought to be. Rather than starting analysis with the individual and treating their preferences as a given, institutionalists believe that institutions play an integral role in shaping the preferences of those individuals and are the more appropriate point of investigatory focus. Despite this and other significant points of difference between institutionalists and other approaches to the discipline, there was significant intellectual contact and exchange between the various groups. As Morgan and Rutherford describe the intellectual climate at the time “…it was possible to hold a number of different economic beliefs and to do economics in many different ways without being out of place or necessarily forfeiting the respect of one’s peers. The major institutionalists and non-institutionalists alike published in the major journals, held professorships at leading universities and became presidents of the American Economic
Association” (Morgan and Rutherford 1998, p.4). In short, during this period, questions about the appropriate methodology or economics were far from settled, and this included questions regarding the appropriate place of ethical considerations within the discipline.

When we consider the formation of American economics in this slightly more complete context, the argument that DeMartino’s case implicitly rests on falls apart in two ways. He seems to be suggesting that:

Premise 1: Economics now is comparable to economics then
Premise 2: Economics then rejected the idea that ethics had a place in proper analysis
Conclusion: Therefore, economists now have similarly rejected the relevancy of ethics

The two problems with this line of thinking are that the two periods are dissimilar in many important ways and that no such repudiation was widely agreed upon in the earlier period. The story that DeMartino offers is a common one that can be found in many economic textbooks (for example Mankiw and Samuelsson), but it nonetheless misses the mark. It is therefore worth briefly considering what was actually being said during the period being caricatured.

As mentioned in the previous section, one of the major formative figures at the turn of the century was Alfred Marshall and his *Principles of Economics* textbook, which served to synthesize and popularize the emerging school of thought known as marginalism. Marginalism contributed many features that would be carried forward into the modern era, but one thing that it did not contribute was the idea that economics can or should be free from ethical considerations.

There are two ways that one can take the relationship between ethics and economics into consideration. First, it can be considered internally, as a relevant factor to the epistemic practice of
economics itself. Second, it can be considered externally, as part of the intermediation between academic economics and various real-world considerations (Marshall 1890). But in both cases, the form of Marginalism put forth by Marshall offers a clear repudiation of such a separation.

With regards to the relevancy of ethics to the internal epistemic workings of economics, consider the following quote from the introduction of *Principles*:

> Economics is a study of men as they live and move and think in the ordinary business of life. But it concerns itself chiefly with those motives which affect, most powerfully and most steadily, man’s conduct in the business part of his life. Everyone who is worth anything carries his higher nature with him into business: he is influenced by his personal affections, by his conceptions of duty, and his reverence for higher ideals. (my emphasis) (Marshall 1890)

It is clear from this quote that Marshall did not believe that the subject matter of economics could be cleanly separated from that of ethics. Rather, Marshall sought to utilize more realistic models and engage with people as they actually lived their lives. There were specific ways and domains in which it was appropriate to analyze such behaviours by way of mathematical tools and such tools have the potential to serve as powerful aids to understanding. However, such mathematical tools must be applied judiciously so as not to foster false confidence. It is centred on this point that Marshall saw the essential difference between economics and other sciences. Marshall says of this difference:

> Just as the chemist’s fine balance has made chemistry more exact than most other physical sciences; so this economist’s balance, rough and imperfect as it is, has made economics more exact than any other branch of social science. **But of course economics cannot be compared with the exact sciences: for it deals with the ever changing and subtle forces of human nature.** (my emphasis) (Marshall 1890).

The development and refinement of these measurement tools is an important and integral part of economics, but they can never fully replace the need to consider the fickle influence of human nature. For Marshall and the form of Marginalism he was promoting, there could be no clean separation between ethics and economics in how one understood the phenomena being investigated.

> With regard to the relationship between the academic study of economics and the external
world, Marshall was equally clear that ethics can and should be kept readily in mind. Marshall begins by mythologizing the founders of economics as being:

...men of gentle and sympathetic temper, touched with the enthusiasm of humanity. They cared little for wealth for themselves; they cared much for its wide diffusion among the masses of the people. They opposed antisocial monopolies however powerful... They were without exception devoted to the doctrine that the wellbeing of the whole people should be the ultimate goal of all private effort and all public policy. (Marshall 1890)

Marshall viewed modern economics as a continuation of this tradition, with a uniquely situated position from which to promote both the material and moral well-being of society and that “[n]ow as ever it is their duty to oppose all plausible shortcuts to that great end,” (Marshall 1890). These commitments about the nature of his discipline lead Marshall to a series of assumptions that would today be taken to be much more controversial than how he treated them. For example, according to Marshall’s understanding of the common values of all economists, it was safe to “[take] for granted that a more equal distribution of wealth is to be desired... “(Marshall 1890) and that economists must keep these lofty ends in mind when working on instrumental questions of how to achieve them. Ethics, in this version of marginalism, plays an integral role in mediating how economists interact with the rest of the world.

If Marshall was so clear about the significance of ethics to economics, both internally and externally, why are there such common and prominent misconceptions about his supposed role in inspiring the movement towards economics being value-free? Political Economy at the time was a rapidly expanding field of study with increasingly disparate and incompatible views as to how inquiry should be conducted. According to James Neville Keynes's description of the period, the “.... method of political economy cannot adequately be described in any single phrase...the appropriate method may be either abstract or realistic, deductive or inductive, mathematical or statistical, hypothetical or historical” (Keynes 1890, p.30). One of the central questions that Marshall was trying to address in his
textbook was how to sort out these wildly diverse methods and draw a line between the old methods of political economy and what he saw as a new and distinct approach that he labelled simply as economics.

How to draw this line and what lay on either side of it was one of the most difficult and contentious questions of the period with many different attempts put forth and debated. Even within the school of marginalism some of Marshall’s peers did not think his proposed distinction went far enough. For Marshall, the new scientific approach to economics was a part of an embedded within the broader discipline of political economy. But for more hardline members of the marginalist community – such as Leon Walras – there needed to be a complete separation between the two fields. Walras thought that “[t]he main concern of economics is to pursue and master purely scientific truths” (Walras 1954 p. 52, as quoted in Milonakis and Fine 2009), and that there needed to be a complete severing of the new discipline from its political origins and its connections to everyday life.

These two competing voices alone are enough to create justifiable confusion. On the one hand, there is Marshall: a marginalist thinker who pushed to have the distinction between economics and political economy recognized. On the other hand, we have Walras, a marginalist thinker who pushed to have the distinction between economics and political economy recognized, but what he means by economics is much more restrictive than Marshall’s conception and bears a closer resemblance to the scientific approaches that would gain traction over the next century.

The situation is further complicated by the legion of alternative views put forth by political economists outside of the marginalist school. Keynes for example applied the label of economics not to the newly emerging method described by Marshall and prioritized by Walras, but rather to the field in its entirety and within that broad umbrella, he distinguished between the art of economics (roughly analogous to what Marshall would have called political economy) and the science of economics
(roughly analogous to what Marshall would have called economics). Because of these competing attempts at definition, we must be extremely careful when considering anything written during this period with regard to economics. Does the author take economics to mean the entirety of the discipline as Keynes does? Do they take it to mean a certain subset of methodologies embedded within the larger discipline of political economics as Marshall does? Or do they take it to be a wholly separate and incompatible scientific approach to the subject matter as Walras does? Each is a potential and legitimate interpretation of the word economics at the time.

There were many other attempts made at articulating this separation into distinct schools of thought, but Keynes’s is particularly important for two reasons. First, Keynes served as a recurring point of reference for many subsequent and influential methodologists such as Milton Friedman (1953). When economists such as Friedman describe how they understand the separation between the theoretical and applied branches of the discipline, it is in Keynesian terms, not Marshallian ones. Second, insofar as there is one shared understanding of the intellectual landscape all these different attempts were attempting to label, the names that stuck and have been passed down to the present are those coined by Keynes. Or at least two out of the three adopted Keynesian nomenclature. The field as a whole shifted from being referred to as political economy and became known simply as economics and the more restricted mathematical approach became known as economic science. The older and more holistic approach to the discipline, embedded in history and ethics and so forth, retained the name of political economy that Marshall assigned to it, with the ‘art of economics’ never gaining much traction.

The reason it is important to be aware of these shifting labels and their alternative usages is so that we can exercise the appropriate caution when we encounter quotations such as the one attributed to

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3 It is worth noting that the Keynes being referred to is John Neville Keynes, not his more famous son John Maynard Keynes.
Ross above in which “…the ethical aspects of our economic system should come after a rational, cold-blooded explanation of what is.” (DeMartino 2011 p. 62, quoting from Ross 1991, p. 179⁴). Was Ross referring here to the entire field that we would now call economics – inclusive of both political economy and economic science – or is this commentary intended to be more narrowly applicable to just economic science? It is only with the privilege of historical distance that we can ask this question in such crisp terms. As I have tried to emphasize, when Ross wrote this in 1900 these categorizations were very much in flux, but we can nevertheless gather some additional context from who Ross was responding to in this quote and what else we know about his biography.

With regards to the immediate context of the quote, Ross wrote the above as part of a response to John Clarke’s book *Distribution of Wealth*. Clarke was among the leading American marginalists at the time and Ross’s praise for the book centers around Clarke’s ability to bring conceptual clarity to terms such as goods versus services in terms of economics, rather than physics (Ross 1991, p. 181). From this, it seems that Ross was referring more narrowly to economics in the marginalist sense or economic science. If this is the case, it says nothing about the place of ethical considerations in political economy or economics conceived more broadly as the overarching field of study.

With regards to his personal biography, Edward Alsworth Ross happened to be the Ph.D. student of Richard Ely and carried many of his supervisor's political and methodological commitments with him. Despite being trained as an economist, Ross’s primary career success came not as an economist, but rather as one of the founders of American Sociology. This transition from economics to sociology was partially volitional, but also partially the result of circumstance. When he wrote the above quote in 1900 “…he had just been fired from Stanford University for making political statements

⁴ The Ross cited here is Dorothy Ross – a late twentieth century historian – who just happens to be discussing E. A. Ross – the early twentieth century economist.
offensive to the university’s founder\textsuperscript{5} and was looking for a new job.” (Ross 1991, p. 180) As Dorothy Ross\textsuperscript{6} describes the situation “[Edward] Ross wanted to separate the ‘ethical’ from ‘what is’ in order to escape the ideological polarization that divided the discipline and was still dogging his own career….Ross sought an escape from ideological conflict, not from ideology” (Ross 1991, p.180).

Given all this, it is far from clear that Edward Ross can be pointed to as an exemplar of the modern view that economic analysis should be free from ethical considerations. But the more important lesson to draw from this story about Edward Ross is the ease – both then and now – with which one can slip between usages of the term economics, at one moment referring to the entire field and at another referring more specifically to economic science. It is important to keep this ambiguity in mind – between economics, political economy, economic science, and the shifting definitions of all three – as we turn now to the fourth item that is strange about DeMartino’s account of this period: his omission of Lionel Robbins.

\section*{2.3 – Lionel Robbins and the New Orthodoxy}

Robbins is among the most influential figures in the history of modern economics and his \textit{Essay on the Nature and Significance of Economic Science} is “…one of the most important methodological works in twentieth-century economics” (Hands 2009, p. 831). The ideas put forth in the \textit{Essay} mirror closely the dynamics that DeMartino is discussing in his book. Among Robbins’ many contributions to economic theory, he is perhaps best known for his definition of economics as “…the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses” (Robbins 1932, p.15). The open-endedness of this definition has been the source of considerable

\textsuperscript{5} Unlike Ely and other figures discussed above who clashed with the university administration over their views on socialism, Ross’s conflict centered around his views on Eugenics.

\textsuperscript{6} I do not believe that they are related, but I could not find confirmation one way or the other.
consternation amongst philosophers of economics because it offers a potential justification for economics claiming epistemic legitimacy in virtually every field of study in a problem referred to as Economics Imperialism.\(^7\) There have been several instances of tension and hostility when economists attempt to offer expert advice in a field in which other disciplines could claim superior authority. Despite – or perhaps because of – this all-encompassing nature of Robbins’ definition of economics has come to be the most common one and can be found in most textbooks. The problem is, as we have seen above, the term economics had a somewhat amorphous meaning at the time Robbins was writing and much of what Robbins said in his Essay was intended to apply narrowly to the field of economic science, not the inclusive sense of economics which would include political economy.

This conflation between economic science and economics lies at the heart of much of the misunderstanding about Robbins and his work. Many textbooks point to Robbins as the founder of the now well-established norm of economics being value-free. For instance, Marcel Boumans and John Davis write in their textbook of economic methodology that:

\[\text{the standard view of most economists is that economics is a positive, value-free science with no place for value judgments of any kind. Widespread acceptance of this view dates back to the 1930s and Lionel Robbins’s influential claim that economics and ethics are ‘two fields of inquiry’ between which ‘there is a logical gulf fixed which no ingenuity can disguise and no juxtaposition in space or time can bridge over. (Boumans and Davis 2010, p. 169)}\]

It is easy to see how – based on quotes such as this one – that one might conclude that Robbins was skeptical as to whether ethics could play a legitimate role in economic analysis.

There are three interesting things to note about this common perception of Robbins. The first and most straightforward is that this perception is wrong. In the Essay itself, Robbins continues on from the above quotation to say on the very next page:

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\(^7\) See Lazear (2000) or Maki (2009).
all this is not to say that economists should not deliver themselves on ethical questions…On the contrary, it is greatly to be desired that economists should have speculated long and widely on these matters, since only in this way will they be in a position to appreciate the implications as given ends of problems which are put to them for solution. (Robbins 1932, p. 133-4)

We can see in these two excerpts, that Robbins himself slips back and forth between using the term ‘economics’ to refer alternatively to the more narrow field of economic science and the wider usage encompassing more policy-oriented inquiry. It is debatable whether or not Robbins was justified in his beliefs about an unbridgeable gap between economics science and ethics, but what is clear is that he did not believe such a gap to exist between ethics and the whole economic discipline. As David Colander and Huei-Chun Su argue, Robbins himself “…definitely did not exclude ethics from economics broadly defined…he merely allocates that part of economic analysis which requires ethics to the branch of economics which deals with policy and other practical issues, but not in the branch which deals with models and pure theory” (Colander and Su 2014, p. 162). The common perception of Robbins is simply inaccurate to what he actually said.

The second interesting feature of the common perception represented by Boumans and Davis is the time frame to which they attribute the widespread adoption of such beliefs. Unlike DeMartino, who claims that debates about such matters were settled by the 1920s, the more common narrative finds these views coalescing in the 1930s. It is somewhat futile at present to try to pin down exactly when these views came to be widely accepted because as we discussed in the previous paragraph, attributing them to Robbins is already a mistake. Robbins himself did not advocate for the views that are commonly attributed to him. It is important that we avoid participating in the perpetuation of such misunderstandings and I do not think that it would be desirable for PEE to set itself upon shaky historical foundations from its inception, especially because this topic is one that lies so close to how contemporary economists view themselves.
This brings us to the third interesting feature of the common perception of Robbins’s legacy, which is that such a misinterpretation ever became as common as it is now. How did this occur? One source of confusion is Robbins’s claim that his work was purely descriptive in nature. He tells his reader that he is not seeking to change the way economics is done, but rather to humbly describe what was at that point common views within the discipline. But subsequent scholarship has shown that such claims were misleading both because – as discussed above – economics at the time was incredibly diverse and because Robbins’s career would go on to constitute one long prescriptive campaign to change the way economics was done and bring it into line with the vision laid out in the Essay. Robbins’ self-assessment of what he is doing is bluntly labelled by contemporary scholars such as Roger Backhouse and Steven Medema as a “myth” (Backhouse and Medema 2007, p.3). Such myths are pervasive in the current landscape. It is contentious as to how exactly these stories got as twisted as they did, whether it be by honest mistake or malicious intent. But they are indeed twisted. John Davis offers a succinct summary of the situation writing that “[w]hat has effectively occurred is that economists have rewritten their history, and constructed a spurious past for themselves, thus creating a folk tale about economics that most economists do not hesitate to pass on to their students and future economists” (Davis 2005, p. 192).

There are two important and overlapping lessons that PEE can take forward from this discussion. The first is to be cautious about what we mean when we use the term ‘economics’. As discussed in Chapter 1 above, DeMartino claims that what unifies economics is the desire to influence the world, not necessarily to pursue truth and understanding. If we were to map this description onto the terminology prevalent at the turn of the century, the more accurate term for what DeMartino is describing would be Political Economy and what we would be discussing is not Professional Ethics for Economists, but rather Professional Ethics for Political Economists (PEPE). There is not much to be
gained one way or the other as to whether we label the general project as PEE or PEPE, but what is important is the conceptual clarity that it can provide us. If what we are doing would more accurately fall under the umbrella of PEPE, it would be inappropriate to absolve it of ethical responsibilities by reference to arguments that were intended to apply to Economic Science, not Political Economy. To do so would be to have our cake and eat it too. To have the ethical neutrality of a theorist, while engaging in the work of a practitioner. The dangers of ending up in such a situation should be readily apparent and our current situation appears to bear some resemblance to this best (or perhaps worst) of both worlds situation. This leads to another important lesson I think PEE can take from a more robust grasp of the history of these terms. Many economists in the last century have tried to have their cake and eat it too, but their justification for this situation is based on a myth. PEE can be an effective and sorely needed antidote to this situation, but it cannot do so by perpetuating those same myths.

2.4 – Recent Developments

In this section, I would like to touch on two recent developments in the economic profession concerning their disposition towards codes of professional conduct. In a departure from economists’ previous pattern of avoiding the topic of ethics described by DeMartino and summarized in the previous chapter, in 2018 and 2019 respectively, the American Economic Association and the Canadian Economic Association both adopted preliminary codes of professional conduct. Although I could find nothing in the accompanying Committee reports or citation lists to suggest that the authors of these codes were directly influenced by DeMartino’s work, there are nevertheless some similarities in terms of the topics addressed and the general approach of drawing inspiration from other existing codes used in other professions. In this section, I will summarize the content of these two new codes so that moving forward it is possible to make a comparison between the types of priorities, practices, and
principles economists have agreed upon in these new codes and those that we can find in other
disciplines. I will also touch briefly on some ways in which these new codes are similar to and diverge
from the approach outlined by DeMartino. I will go on to explain what I see to be some of the
weaknesses of these newly developed codes and add some additional context as to the historical
circumstances which gave rise to the AEA code in particular.

The AEA Code of Professional Conduct was adopted on April 20th, 2018, along with a final
report from the five-person committee that had drafted the document. The code itself is a brief 6
paragraphs long, containing only 234 words and can be found in Appendix A of this thesis. The first
noteworthy feature of the documents is its assertion in the first paragraph the principles of conduct laid
out therein are meant to be a guide to “economists in academics, government, nonprofit organizations,
and the private sector” (AEA 2018). Similar to how DeMartino conceived of his code to apply to all
economists – academic and non-academic – so too does the AEA understand itself to be speaking to all
economists and it does not distinguish between the different types of economists.

Despite its brevity, the code does cover a wide variety of topics. The second paragraph of the
code reaffirms one of the founding purposes of the organization to be “the encouragement of economic
research” and asserts that professional and intellectual integrity are necessary requirements to achieving
that purpose. The authors then go on to identify four features that they take to be essential components
of such integrity. Those features are:

1. Honesty, care, and transparency in conducting and presenting research

2. Disinterested assessment of ideas

3. Acknowledging the limits of expertise

4. Disclosure of real and perceived conflicts of interest

The next three paragraphs focus on the need to foster “civil and respectful discourse” within the
discipline, especially with regard to historically disadvantaged groups. The code outlines which groups have suffered this historical disadvantage and offers a few suggestions as to the types of practices that might help foster a more equitable discourse.

These are the three main features of the AEA’s code of conduct: (1) It is meant to apply to all economists, (2) it identifies 4 features that will help encourage research, and (3) places a heavy emphasis on the importance of civil and respectful discourse. Although this approach to ethics does share a few points in common with what DeMartino recommends – such as its inclusive conception of who counts as an economist – there are many more ways in which it differs.

One particular point of difference between the AEA approach and DeMartino’s that I want to highlight here is where the two respective methods place their focus. DeMartino places his focus outside of the economic profession, on the communities that economists serve and the potential bystanders of economic decision-making. DeMartino’s approach attempts to consider the harms that the behaviour of economists can cause for these various groups of non-economists. The AEA approach, on the other hand, directs much of its attention internally, to the community of economists themselves. Their primary concern is the quality of economic research and the well-being of fellow economists. This difference in approach can be seen partially reflected in the nomenclature employed in describing the respective projects. Whereas DeMartino is tracing the outlines of a possible code of ethics, the AEA has put forward a code of conduct. Both approaches address important concerns and may employ some of the same concepts, such as justice, but the two approaches can be quite difficult to compare to one another because of this difference in focus.

One of the reasons for this difference in focus is because of events that preceded and led quite directly to the AEA’s decision to produce the current code. In October 2017, the AEA executive committee voted to appoint the Ad Hoc Committee to Consider a Code of Professional Conduct, with a
mandate to “advise on whether the AEA should adopt a code, and to prepare a report and recommendation” (AEA 2018, Page 1). In the years leading up to that decision, several high-profile events and publications brought attention to the problem of widespread discrimination within the profession. This problem was found to be particularly acute with regard to sexist behaviours and one of the most widely discussed demonstrations of the problem was Alice Wu’s undergraduate thesis “Gender Stereotyping in Academia: Evidence from Economics Job Market Rumors Forum” (Wu 2017). Wu’s thesis found and documented with meticulous data that there was widespread sexism on one of the economic profession's premier job boards.

Wu’s work was widely cited – including by the authors of the AEA code of conduct in their accompanying report – and sparked a furor of discussion around related issues in the discipline. At the annual AEA conference in January 2018, multiple female presenters showcased their own research on the topic all supporting a central conclusion that there was a problem of systemic sexism within the discipline. Much of the conversation and discussion at the conference was dominated by the topic of discrimination, some members circulated a petition calling for the establishment of a new centrally monitored job board, and on Friday evening the leadership of the AEA announced: “that they would begin to address bias concerns more seriously, by setting up an alternative to the online jobs site and drafting a code of conduct for economists” (Tankersley and Scheiber 2018). Nine months later the Ad-hoc committee was established with a mission to draft said code. An awareness of these background events, pressures, and considerations helps explain why the current AEA code focuses on internal issues in the way that it does. The issues of sexism and inappropriate conduct within the profession were a direct motivating factor in why the document was drafted at all. It is therefore not surprising that other potential issues – such as DeMartino’s focus on external stakeholders – are less pronounced as a consideration.
One other feature of the new AEA code that I want to draw attention to in this brief overview is the lack of details that it provides regarding its various recommendations. For example, looking at the four features of integrity outlined above, each of those items gives rise to a whole host of difficult questions. As a few examples: what does transparency in conducting research look like? How does one maintain a disinterested perspective when assessing ideas? Or perhaps can one adopt such a position of disinterestedness at all? What are the limits of economic expertise? And what counts as a conflict of interest? The overall code put forward by the AEA could certainly be strengthened by elaborating on questions such as these, but it is also important to note that the authors of the code were aware of the brevity of the code when they wrote it.

In discussing their decision to stick with a shorter rather than a longer code, the authors write in their accompanying report that “the committee ultimately favoured a more parsimonious statement of principles for several reasons: the parsimonious statement of mission in the AEA by-laws has served the association well for more than a century….and] the AEA, especially through its publications, has well-developed policies relating to conduct in the context of AEA activities” (Ibid., page 3). Given what has been summarized above – from DeMartino regarding how well the discipline has been served by its parsimoniousness historically in Chapter 1 of this thesis and from Wu and others regarding the current state of practices in the previous paragraphs – I think that there is good reason to be dubious of the committees reasoning on both of these fronts. The committee's report does go on to acknowledge that the code in its current form is not as robust as those found in other disciplines and that more resources would be needed were the AEA to decide to develop the current document in such a direction.

I turn now to the Canadian Economic Association (CEA) and its code of conduct adopted in December 2019. The CEA code is slightly longer than the AEA code but very similar in spirit. The
opening paragraph places the organization’s central focus on “the advancement of economic knowledge” (Canadian Economic Association 2019) and embraces three principles as being core to this mission. Those three principles are:

1. Intellectual and professional integrity
2. Promotion of a diverse and welcoming environment for economic discussion
3. Promotion of equality of opportunity and treatment of all members of the profession regardless of age, gender, race, ethnicity, nationality, sexual orientation, disability, health condition, marital status, parental status, professional status or personal connections. (Ibid.)

Unlike the AEA code, the CEA code does not go into further detail as to what constitutes integrity. But one place that the CEA code does go further than its American counterpart is in laying out the steps and procedures for enforcing adherence to the expressed principles.

In approving the CEA code of conduct, the board of directors also voted to establish a standing committee called the Committee for Code of Conduct (CCC). That committee would receive, investigate, and adjudicate complaints and was granted the power to strip members who had been found to violate the code of their CEA membership. This inclusion of an enforcement mechanism marks an interesting way in which the CEA code diverges from both DeMartino’s approach and that of the AEA. As discussed in Chapter 1, DeMartino places primary emphasis on discourse rather than enforcement and the AEA code is likewise silent on how the principles espoused in the code itself might be enforced. This is an important departure and offers a possible mechanism that could be employed to enforce any future codes – be they internally focused codes of conduct like the two discussed here or a more ambitious and externally focused code of ethics like the one envisioned by DeMartino and which more closely resembles the codes that will be discussed in the coming chapters. It will be worth monitoring in the years to come how effective the threat of losing one’s professional
membership is in policing the behaviour of Canadian economists.

So these are two recent examples of the economic profession beginning to take more seriously the question of ethical conduct and the use of codes as a means to articulate, communicate, and even potentially enforce the dictates of appropriate conduct. The two codes discussed here differ from the project laid out by DeMartino in several noteworthy ways – such as their internal rather than external focus and interest in enforcement, but they are nevertheless important steps towards developing more robust codes and are an excellent starting point for discussion. With these brief overviews of the AEA and CEA code in mind, the coming chapters will be able to identify places in which these burgeoning codes are similar to and might adopt from the more mature codes found in other disciplines as well as highlight places that may be in more acute need of further development.
Chapter 3: On the Applicability of the Medical Analogy

As discussed in the Chapter 1, one of the common themes that have emerged in the early stages of the Professional Ethics for Economists (PEE) discourse – due in large part to the influence DeMartino has had heretofore – is a tendency to make an analogy between economics and medicine. The thought has been that medical professionals are widely lauded for their adherence to ethical principles and that there are many similarities between the types of dilemmas that confront practitioners in the two fields. Although many aspects of this analogy have proven useful, there are also significant points at which the two professions seem dissimilar and the analogy becomes strained. In this chapter, I will explore and expand on some of these useful applications of the medical analogy, as well as the places where it appears to be limited. For example, the medical example can be highly informative in terms of concrete steps and concerns in developing an ethical framework, because they themselves went through such a progression in the recent past. However, there are also fundamental differences such as the scope of the intervention (patients vs economies) that impede the analogy.

3.1 – Why Medicine?

The analogy between economics and medicine has been a consistent feature running throughout DeMartino’s work on PEE. So much so, that in his major work – *The Economist’s Oath* – the aptness of the comparison seems to be taken for granted and very little is offered by way of a justification for the comparison. However, if we look back to his earlier works on the topic DeMartino is more explicit in offering an argument in support of his choice of analog. In his very first published piece on the topic, DeMartino writes that medical and environmental practice were appropriate places to look for guidance “because by their nature they require that some agents make decisions that bear not on themselves but on others, and these fields, too, necessarily entail uncertainty” (DeMartino 2005, p. 92). The two salient
features that DeMartino chooses to highlight from these potential exemplars are that they (1) make decisions on behalf of others and (2) that they operate under conditions of uncertainty. In the following sections, I will explore how well these two features describe economics. Although there are certain regards in which economics does appear to have these two features identified by DeMartino, there are also important ways in which they fail to accurately capture the nature of economic work.

It is worth noting here that DeMartino’s original argument in support of the analogy does not narrowly motivate a comparison between economics and medicine. Rather, DeMartino casts a broader net and argues that economics can fruitfully be compared to both medical and environmental ethics. In subsequent works, DeMartino moved away from the environmental analogy in favour of the medical one. Accordingly, my main focus here will be the comparison between economics and medicine. However, in keeping with the map-making metaphor, it is worth laying down a trail marker here to indicate a possible path that was not taken. Future research in PEE may want to return to this branch in the road and explore further the analogy between economics and environmental ethics. Even though I will not be exploring the environmental comparison in the current project, there are a few things that suggest it may be worth further exploration, especially with regard to the reasons DeMartino offered above. When it comes to making decisions that bear on others, this is indeed a central consideration of environmental policy because of the interconnected nature of the environment. Decisions about pollution, fossil fuel use, and resource depletion made by peoples in one place can and will have impacts on peoples elsewhere in the world. This bodes well for the possibility that economics could draw relevant lessons from work on environmental ethics.

But this is not the route that DeMartino emphasizes in his subsequent works, where he chooses instead to prioritize the comparison between economics and medicine. It is unclear why DeMartino shifts the focus of his work away from using environmental ethics in favour of medical ethics but given
that he does reorient his work in that direction the more immediate question to consider here is whether or not medicine also makes the types of decisions on behalf of others noted above.

And this is the point at which the justification seems to become strained. One of the reasons that this analogy is strained is because biomedical ethics explicitly reject as inappropriate the idea of doctors making decisions on behalf of patients and places autonomy at the center of their system of principles. Doctors spend a great deal of time and energy explaining procedures to their patients and obtaining informed consent. As with any norm, there are isolated exceptions in which informed consent cannot be obtained, such as children and incapacitated adults. These types of exceptions require and receive special treatment within the biomedical ethics literature. But the general rule is that doctors do not take on decision-making capacities on behalf of others and are considered to have acted inappropriately if they violate this rule. Therefore, if making decisions on behalf of others is an integral part of what economists do, then there is a fundamental difference between medicine and economics.

But is DeMartino’s characterization of economists – that they make decisions on behalf of others – entirely fair? Economists might influence the background conditions in which decisions are made, but this is not the same thing as making a decision for someone. Economics decisions about something like tariffs might influence the price of goods and therefore peoples decisions about purchases, but those people still ultimately make autonomous decisions about whether or not to purchase those goods. As discussed in chapter 1, a large portion of economic thinking is focused on markets and if this type of end-user autonomy is a feature of market transactions, there seems to be a perspective from which economists do not make decisions on behalf of others and therefore do not infringe upon their autonomy. I think that there are a number of problems with this perspective – one of the major ones being that it obscures the role of power in market transactions. While it is true that consumers may make the final decision to purchase a product, there are a huge number of steps in the
production process over which they have no say at all. For example, if an economist advised a government to completely ban on the importation of a given product (rather than just a small tariff), the consumer would never get a chance to make a decision at all. And there are entire categories of economic activity that individuals cannot opt out of – taxation for example. If the tax rate is raised on the basis of economic advice, the individual will be very hard pressed to opt out of the new arrangement without coming into conflict with the law. These are just two examples that cast doubt on the claim that current economic practice places a high importance on autonomy. But lastly – and perhaps most importantly for present purposes – the claim that economists make decision on behalf of others is the claim that DeMartino makes and uses to motivate his comparison to medicine. For the purposes of evaluating that argument, the truth of the claim is somewhat moot.

What then of our first justification for the analogy between economics and its possible analogs? DeMartino argued that all three fields of study (medicine, economics, and the environment) make decisions on behalf of others\(^1\). Although this does seem to be the case in environmental work, it is decidedly not the case in medicine. It is therefore dubious to base an analogy between economics and medicine on this supposed similarity. That is to say, the analogy is a dubious one if we accept the premise that making decisions on behalf of others is an essential part of what economics does. If we are open to the possibility that PEE has the potential to change the way economics itself is practiced, I would like to draw attention to a slightly different and unintended implication that seems to come into focus.

Let us consider again the case of a physician, but for a moment imagine them without the

\(^1\) It is also worth noting here that within the broader field of medical ethics there are also those who focus specifically on the ethics of public health policy. This is an area where DeMartino might find a stronger basis for the comparison he is trying to make. Public health officials do find themselves in the position to make decisions on behalf of others. How such officials navigate those decisions could be a fruitful avenue for future work in PEE to explore, but it does not appear that DeMartino has this type of specialized biomedical ethics in mind when he talks about biomedical ethics and a large portion of biomedical ethics is focused at the level of practitioners and patients.
habituation and normalization of respecting the autonomy of their patients. Such a physician may well find themselves in situations where they would be tempted to make decisions on behalf of others. They may believe that they know what is in a patient’s best interest and that they are justified in overruling the patient for their own good. As will be discussed below (section 3.1.3), such a scenario is not entirely fanciful and can in fact be found in the uncomfortably recent past. This scenario – of the physician unencumbered by ethics – seems to bear a resemblance to the situation some (including DeMartino) believe economists find themselves in today. These economists might believe that they know what is in the best interest of a country and consider themselves justified in pursuing certain policy agendas for the country’s own good. If such decisions are an ineliminable part of what economics does, it does not seem that there can ever be a close comparison made between economics and medicine. If, on the other hand, we believe that the way economics is currently conducted is open to revision, then we might conclude that PEE has an important role to play in normalizing the types of consideration for autonomy that we see in medicine and motivate the work of better-developing methods with which to obtain informed consent instead of making decisions on behalf of others.

This brings us back to one of the problematic assumptions of DeMartino’s approach to PEE discussed above in Chapters 1 and 2 of this thesis. If we treat economics as it is currently conceptualized as a given, then we are severely restricted in what PEE can propose. Respect for autonomy has the potential to be a useful principle within PEE, but it is incompatible with the way economics is currently practiced. It might be a desirable objective for economics to change, such that it prioritized autonomy. Contrary to DeMartino’s original argument, if economics were to make changes in the direction of respecting autonomy it would actually strengthen the basis for a comparison between economics and medicine – but not because they both make decisions on behalf of others, but because

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2 Recent studies such as Angner 2006 and Fourcade et al 2015 demonstrate just how ingrained the perception among economists is that their decision-making ability is superior to that of other disciplines and/or laymen.
they do not make such decisions. But barring such changes to the way economics is currently practiced, DeMartino's argument does not serve as a strong basis for a comparison between economics and medicine because medicine avoids making decisions on behalf of others whenever possible.

With regard to uncertainty, it is true that both doctors and economists operate under conditions of uncertainty and DeMartino uses this appearance of similarity to motivate his comparison between the two. However, I think that this appearance of similarity requires clarification and that upon further scrutiny the degree of uncertainty in the two cases seems to be of significantly different magnitudes.

It is unsatisfying to simply say that there is an element of uncertainty in an endeavour because there exists an extreme skeptical point of view from which everything is uncertain. But this type of all-encompassing skepticism would not uniquely support a comparison between economics and medicine, because if everything is uncertain than that shared uncertainty could equally motivate a comparison between any two things. We can and should speak about the nature of uncertainty with more precision. The background assumption of DeMartino’s comparison is that the type and level of uncertainty are similar in the cases of both medicine and economics. In order to assess this assumption, the next section will look more closely at the nature of uncertainty in medicine.

### 3.1.2 – On Uncertainty

There is a common belief amongst the public that medicine is an exact science and that physicians operate with a high degree of certainty, when in fact almost every facet of medical practice has to deal with at least some degree of uncertainty. As Steven Hatch has written regarding the difficulty of addressing the problem of uncertainty in medicine, “[t]he public could be forgiven for regarding physicians as trafficking in certitude, producing diagnoses or summarizing research with triumphant finality…[because] to a large extent, we (physicians) participate in that self-delusion, and
indeed encourage it” (Hatch 2017). So right away there are at least three aspects of uncertainty that can be pulled apart: the public perception of uncertainty, the professional self-perception of uncertainty, and how certain assertions actually are in relation to reality.

With regard to public perception, there is a high degree of similarity between the cases of medicine and economics. Public forums – such as newspapers – report economic data like the monthly unemployment statistics as if they were settled facts when in reality such figures are contingent estimates which are later revised as economists gather more data and get a clearer picture of the situation\(^3\). On policy matters, politicians turn to economists for advice with the same confidence and regularity that an individual consults their doctor regarding ailments of the body. There is a common perception that both doctors and economists have some type of privileged access to the truth. So with regard to this aspect of uncertainty and the similarity between medicine and economics, DeMartino’s basis for the comparison seems to hold. The public perception of the relationship that both professions have to uncertainty is similar.

But why do physicians and economists – who should be well aware of the limitations of their professional knowledge – encourage this public perception and engage in a certain degree of self-deception about it? There is no readily available answer to this type of psychological query, but two reasons present themselves as plausible contributing factors.

One possible reason that doctors and economists might overestimate their capacity is the close association between these professions and the hard sciences. In the case of medicine, a majority of students enter medical school “…having majored in the biological and physical sciences, where

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\(^3\) There are at least two potential explanations for this lag in accuracy. On the one hand there are benign technical issues related to the compiling of data. On the other hand it is possible that partisans manipulate the data to put a politically fortuitous spin on the data. The second explanation is a more difficult one to address, but its presence does not eliminate the technical issues that lead to the gradual refinement and accuracy of such claims. So for the purposes of how initial claims about the economy are treated, the effect is the same. Such claims are often treated as settled facts, when they are in actuality, provisional estimates which will be corrected at a later date regardless of the source of the initial error.
certainty is valued and expected” (Tonelli and Upshur 2019, p. 507). Medical practice is rooted in such hard sciences, so it is necessary for students to receive this type of training. In the case of economics, the relationship to the hard sciences is a little bit more tenuous. Among historians of economic thought “…it has been widely recognized that important theoretical elements of neoclassical economics were adapted from mathematical concepts developed in 19th-century classical physics” (Poitras 2018, p. 89). Economics, during its formative years, actively tried to model itself after the hard sciences. This attempt to associate economics with the hard sciences continues to this day. For example, at various points in the first chapter of his influential textbook *Principles of Microeconomics* (Mankiw et al. 2014), Gregory Mankiw compares economics to biology, astronomy, climate science, and of course physics.

So, in both economics and medicine, there is at least the perception of a close association with sciences that deal in high – or at least higher – degrees of certitude. In the case of physicians, the close association is based upon previous training and the natural connection of medical practice being grounded in those hard sciences. But in the case of economics, the association with hard science is less clear. Economists have certainly borrowed select features from the hard sciences and would like to be thought of with the same reverence as the hard sciences. Although it is controversial whether economics has – or indeed ever will – sufficiently justify such a comparison (See for example Eichner 1983, Veblen 1898, or Hausman 1992) the important thing here is not to adjudicate whether or not economics really is a hard science, but rather to look at the consequences of such a belief. In both medicine and economics, there is a belief that one’s discipline is closely related to the hard sciences – where certitude is both valued and expected. If one believes that they belong to a community such as this, it could then potentially contribute to an overconfidence and overstating of the actual relationship.

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4 There are also problems with assuming that the hard sciences themselves deal in certitude. But such problems are less intrusive there than in the cases under discussion here.
A second reason that both physicians and economists might wish to overstate the firmness with which they grasp certainty relates to pragmatic issues of encouraging compliance. Both physicians and economists think that they know what is best for those to whom they prescribe a course of action. They both also recognize that their advice is frequently unpopular with those to whom it is directed. Physicians request that their patients eat more leafy greens, exercise regularly, and get more sleep. Economists would like to see fewer trade tariffs, no agricultural subsidies, and the removal of market controls such as rent ceilings. Such prescriptions might seem like uncontroversial common sense to fellow experts, but in both cases, the public might chafe at being asked to follow such directions and seek out reasons to disregard them. In that scenario, any hint of instability as to the epistemic standing of the expert has the potential to fallaciously justify lower levels of compliance. But unlike doctors for whom the public by and large recognizes the underlying wisdom of their advice, the case of economics is much more controversial.

Looking once again to Mankiw’s introductory text, he presents a long list of items like the ones just mentioned above – trade tariffs, agricultural subsidies, and market control – about which there is fierce public disagreement, but near consensus amongst economists. Whereas such policies are anathema to almost all economists, they still enjoy popular support among large portions of the general population. Despite this public opposition to many aspects of economic common sense, Mankiw is assured of the superiority of the economic opinion and establishes as one of the main purposes of his book “…to make you understand the economist’s view of these and other subjects and, perhaps, to persuade you that it is the right one” (Mankiw et al 2014, p. 35. My emphasis). Mankiw is not claiming that his perspective is a valuable one to consider in such debates, nor that it is one view among many, nor any other appropriately qualified assertion about the certitude with which such
stances can be defended. Mankiw – along with many other economists – considers the economists' views on these matters to be the correct ones and they want the public to follow their leads as they would a physician’s. If that advice was given in a way that emphasized the lack of certainty one had in their own advice, the advisee might be less likely to follow it. It is possible that economists are fully aware of the limitations of their knowledge but nevertheless feel pragmatically justified in overstating their confidence so as to encourage compliance with their desired ends.

On the one hand, this type of projected confidence may seem deceptive. But on the other hand, it is not actually all that anomalous in epistemic pursuits. Frequently, those who know the most about a subject also know the most about that subject’s limitations. Consider here the case of the hard sciences, which as discussed above, both economics and medicine are associated with and are viewed as a source of superior certitude. The philosophy of science is a vast and hotly debated literature unto itself which I am unable to do any justice to here were I to attempt to summarize it, but there is a particular cluster of beliefs that are relatively widely held and I think are fruitful for us to extract and consider here. Many philosophers of science across the competing schools of thought agree that: (1) that science is our best available tool for accessing the truth about the world around us, and (2) that none of our scientific theories are true. The second of these propositions is explained by Larry Lauden’s argument which has come to be known as the pessimistic meta-induction (Lauden 1981). The argument is that all of our past scientific theories have proven to be wrong or incomplete in some critical way which led to them being discarded and replaced by better theories. These new theories were then shown to also be inadequate and themselves replaced. And so on and so forth with each new iteration. Given this pattern, the logical inductive conclusion to make is that the same thing will also happen to our current theories eventually. We might not know why they are wrong, and we certainly do not know what will replace them, but we can say with a high degree of certainty that they are in fact wrong. But just because they
are wrong, does not mean that they are not improvements over the theories that came before them. This is what allows these two seemingly contradictory beliefs – that science provides us with our most reliable tool for accessing the truth and that it is inevitably mistaken – to be held at the same time.

Despite its shortcomings, science has proven itself to be a powerful tool in the pursuit of knowledge about the world around us. If we accept that physicians and economists consider themselves to be like scientists, this underlying logic helps explain the potential disconnect between the practitioner who is well aware that his methods lack certainty, but nevertheless, that same practitioner will contribute to a public perception that overstates that same certainty. Such a practitioner believes that his methods are the best available. The important question here is whether or not such a belief is justified. Whether or not practitioners are justified in their high degree of confidence will have cascading implications throughout any attempted analysis.

Consider the wording employed by the AEA in their code of conduct discussed above. The code demands its members act with integrity and goes on to define integrity as demanding “honesty, care, and transparency in conducting and presenting research” (AEA, 2018). This directive requires the practitioner to know what the honest truth is. Will a given intervention work? How confident can one be in such an assertion? Can one be transparent about the inherent uncertainty of their work if they themselves are overly confident in its rigour? The current AEA code hints at answers to these types of questions with the language of care and honesty but does not provide sufficient resources to fulfill such hints. We need to know whether the practitioner’s belief that their methods are the best available is indeed justified. It is to that question we now turn.

Having explored the similarities between how the public perceives the relationship that these professions have to uncertainty and the role that the professionals themselves play in encouraging that perception, we must now attempt the more difficult task of trying to assess the actual underlying
relationship to uncertainty. In the case of medicine, there are many sources of uncertainty and theorists have attempted to subdivide them in various ways. One particularly useful taxonomy put forward by Mark Tonelli and Ross Upshur divides medical uncertainty into the following three categories: “moral (e.g., What is the right thing to do?), metaphysical (e.g., What does it mean to be healthy?), or epistemic (e.g., Do I know enough to have confidence that this medication will do more harm than good for this patient?) (Tonelli and Ross 2019, 507)⁵. In two of these cases (metaphysical and moral), uncertainty is largely unavoidable, whereas epistemic uncertainty can be reduced over time. If we apply these subcategories of uncertainty to the case of economics, there seems to be a fair deal of overlap between medicine and economics. The first two types of uncertainty (moral and metaphysical) do appear to be present in economics, which could serve to support an analogy between the professions. However, the last type of uncertainty (epistemic) raises considerable problems for the analogy. Let us look at each of the three types and how they might apply to economics in turn.

First, in both cases – economics and medicine – there is uncertainty around questions of morality and determining the right action to take when confronted with difficult situations. Navigating these types of uncertainty is the very *raison d’etre* of PEE and is in large part the topic of this current dissertation. Yes, there are difficult moral situations – and therefore uncertainties – that confront both physicians and economists. It is the job of professional ethics in each case to help navigate such unavoidable dilemmas. So just as medical practitioners rely on medical ethics for guidance, so too could PPE guide economic practitioners. On this point, the analogy between economics and medicine appears to be a good one because both professions are faced with morally uncertain situations.

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⁵ Other similar attempts at categorization include Beresford (1991) and Domen (2016). Beresford conceptualized the categories as (1) Technical, which arises from inadequate scientific data, (2) Personal, which arises from not knowing the patient’s wishes, and (3) Conceptual, which arises from the problem of applying abstract criteria to concrete situations. Domen’s approach makes an initial division between subjective ambiguities and objective ambiguities, before further dividing the objective into epistemic and ontological ambiguities. In both of these approaches, as well as the one focused on above, there distinction is made, at least impart, to identify the areas in which uncertainty could be reduced and the areas in which it was unavoidable.
Second, there is uncertainty regarding some of the most basic metaphysical principles of each discipline. That uncertainty is largely unavoidable, and we can make limited progress in alleviating it. In the case of medicine, Tonelli and Ross’s example of this is the concept of health itself; what does it mean to be healthy? Attempts to define health or measure health tend to devolve into either tautology (to be healthy is to be well and to be well is to be healthy) or exceptions (BMI is an example that attempts to provide a universal prescription but is subject to frequent exceptions and caveats). Some small steps of progress can be made (we no longer think smoking is a healthy part of a prenatal nutritional regimen), but these types of uncertainty are largely ineliminable and it requires the experienced judgment of physicians to utilize them correctly. One can find a nearly identical situation regarding each of these points in the case of economics. What is “the economy”? We saw above in Chapter 2 and the discussion of Lionel Robbins how he attempted to define economics as ‘the science which studies the relationship between ends and scarce means which have alternative uses’. But this was an attempt to define economics, not a definition of the economy itself. That definition was and has remained elusive. We can also see this uncertainty in some other key economic concepts such as wealth. Adam Smith attempted to define wealth in one of the earliest economic treatises, but we remain unclear to this day as to what it truly consists of. We have tried numerous ways to measure it (balance of trade, GDP, Gini coefficients, and so forth), but none of these serves as a satisfactory definition of wealth itself. Different situations call for different definitions of the term. We have made some small measures of progress by way of abandoning old definitions of wealth that no longer seem pertinent (very few economists attempt to measure wealth by way of precious metal reserves anymore). But by and large, we resign ourselves to the inevitability of trusting experienced economists to know what wealth is when they see it. So once again, there seems to be something analogous to metaphysical uncertainty present in economics, similar to that described in medicine. So, the analogy between the
two professions continues to look like a strong one.

These first two categories seem to support DeMartino’s claim of similarity between the two fields because they both operate under conditions of uncertainty. But as we turn to the third and final category of uncertainty (epistemic), the analogy begins to strain in important ways. As discussed above, there are strong and clear connections between medicine and the hard sciences. Many students enter into medicine after initial education in a separate science and many of the problems faced by physicians are rooted directly in some form of science. Medicine, in the realms of both theory and practice, has been able to make progress similar to what we might expect of a science. For example, old theories (such as the humours) are discarded in favour of better ones. And in the realm of practical results, there are entire categories of disease (smallpox) that have been successfully eradicated, as will be discussed below (section 3.1.3) modern practitioners are able to routinely make successful interventions (organ transplants, laser surgery, in-vitro fertilization, vaccinations, MRI scans, etc) that would have been unimaginable to earlier generations of physicians. Medicine seems to progressively expand its knowledge base, solve old problems, and reduce the uncertainty under which physicians operate.

It is less clear whether similar progress has been made in reducing the amount of uncertainty in how economics is practiced. While there are isolated examples of economic theories that have largely fallen into disrepute – such as wealth being measured in precious metal reserves – there are many others that have stubbornly remained in the zeitgeist. Consider the case of Richard Ely and his campaign against the theory of laissez-faire. Ely was just one of many economists at the turn of the

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6 The case of Stella Immanuel is worrisome on this point. She is a doctor that former president Trump promoted for her defense of Hydroxychloroquine. It was later reveled she also believed modern medicines were derived from alien DNA and infertility is caused by having sex with demons while sleeping. It also appears that she continues to have a license to practice medicine.

7 Even this theory is not completely devoid of contemporary adherents.

8 Including John Maynard Keynes, who came up earlier by way of his father’s categorization of types of economics.
century that thought that such a theory was dangerous and outdated but more than a hundred years later the same debate is still being had among economists. Or, in the realm of practical problems, consider some of the age-old problems that economics might be tasked with redressing such as recessions, inflation, and unemployment. Despite brief moments of optimism, none of these problems have been eliminated and they continue to plague society. There does not seem to have been the same type of progress or reduction of epistemic uncertainty that we saw in the case of medicine.

There is a sense in which it is unfair to lay the failure to ameliorate these problems at the feet of economics. Many of the factors that contribute to the persistence of these issues are political in nature. What motivates debate about the merits of laissez-faire tends not to be a dispassionate academic interest in the merits of the concept itself, but rather an incentivized pursuit of the material interests of one’s class. Business cycles and unemployment persist – at least in part – because there are those who have an interest in the continuation of the status quo. The nature of these problems, their solutions, and how we get from one to the other, are inextricably enmeshed in the messy and complex forces of history, culture, and the like. That is to say, many of these problems end up being political in nature.

On the one hand, this helps explain why progress is so difficult to achieve in economics. But on the other, it also seems to identify an ineliminable part of the subject matter itself. Many of the component parts of economics rely upon social and political institutions in order to exist. Consider such common topics as money or private property. Such concepts are not discovered fully formed out in the world, but rather they are fleeting conventions agreed upon and maintained by peoples. One might get around such complexities in the short term by including a provision that such theories only hold ceteris paribus – other things being equal. And indeed, this is how many economic methodologists justify or explain the exclusion of such topics (see for example Friedman 1953, Maki 2003, or Lehtinen 2013).

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9 I am thinking here of the so-called “great moderation” of the late 20th and early 21st century in which economists believed that they had tamed the business cycle and that recessions were a thing of the past. After the GFC, there were very few defenders of this idea.
But this does not change the essential and ephemeral nature of the underlying material. Social phenomena are a persistent source of uncertainty and unpredictability that economics must take into account. One cannot treat economic matters as though they were spheres in a void, no matter how much easier that would make the modelling.

This is where, I believe, the essential difference between medicine and economics – and their respective relationships to uncertainty – lies. Whereas medical questions are ultimately rooted in questions of chemistry and anatomy, many economic questions are rooted in customs, laws, and competing class interests. The latter is a much larger and more difficult source of uncertainty to contend with and resists the type of progress that we can see in medicine. Also, the latter does not have ready access to the types of investigative tools that might help reduce such uncertainty. I am thinking in particular of the use in medicine of controlled experiments. If medical professionals are uncertain as to the efficacy of a particular treatment, they can and do run experiments to test its efficacy and reduce the level of uncertainty around that particular treatment. Economists have very little access to any comparable resource.

Even those who defend the claim that economics is a science and can make progress have to admit that these types of differences are the well-spring of many of the most stubborn sources of disagreement in their discipline. In a 2017 article for the New York Times, prominent economists Raj Chetty offers a response to some of the public ridicule his discipline had received when the Sveriges Riksbank Prize in Economic Science in Memory of Alfred Nobel was awarded jointly to three economists, two of whom held contradictory views on the subject for which they were being awarded the prize. Chetty argues that these types of differences of opinion about big-picture topics are no different in other disciplines – notably medicine. Chetty argues those medical professionals are also intractably mired in cyclical debates about big-picture topics such as diet and aging, but where they do
make progress is in the smaller questions where experiments can be run. And because some areas of economics are making increasing use of similar experiments, economics too is capable of reducing uncertainty and making progress. Chetty’s position is a bold one, but even within the body of his argument, he must concede the main point that I wish to focus on here. Chetty writes that:

…the fundamental challenge faced by economists — and a root cause of many disagreements in the field — is our limited ability to run experiments. If we could randomize policy decisions and then observe what happens to the economy and people’s lives, we would be able to get a precise understanding of how the economy works and how to improve policy. But the practical and ethical costs of such experiments preclude this sort of approach. (Chetty, 2017)

But given how many economic topics will fall into the category Chetty describes here, it is safe to assume that disagreement amongst experts will persist and that uncertainty in economics will continue to be a stubborn challenge. Chetty is right to point out the presence of uncertainty and disagreement in other disciplines, but he significantly downplays the extent to which the problem he acknowledges characterizes vast swathes of his profession. The fundamental challenge – that many economic questions cannot be subjected to experiments – means that uncertainty in economics will be more difficult to reduce than it is in other professions such as medicine. This is why I do not think that we can rely on medicine as a good analogy for how to think about economics, its relationship to uncertainty, nor the implications of those for PEE.

3.1.3 – An Alternative Justification for the Medical Analogy

If economics and medicine differ in this fundamental way, what other reasons might there be for the suitability of medicine as the exemplar upon which to model PEE? One could look to the ancient nature of the Hippocratic Oath and the long history of medicine in society, but there are much more compelling reasons to support this analogy to be found in more recent history. And that reason is the
very recency of our current conceptions and institutions. Modern biomedical ethics only came about in the last few decades. In the mid-twentieth century, there had been several ethical crises involving the medical profession, most prominently the revelations surrounding the Tuskegee Syphilis experiments which spurred the medical community to rethink its approach to ethics. Medical historians such as Albert Jonsen emphasize the extent to which medical attitudes prior to these crises had been cavalier about the need for any type of specialized or external thinking about the ethical problems they faced. There was a widespread belief that doctors could rely on their intuition and a common sense of morality (Jonsen 2000). One can detect here an eerie similarity to the ways in which the AEA has rebutted calls for a professional code in economics. As discussed in Chapter 1 (Section 1.3.1, p.15), in *The Economists Oath* DeMartino describes an exchange in which the AEA Executive committee had been asked to formally take up the issue of professional ethics and responded that “…the AEA needed no special code of ethics because the canons of correct professional practice were too obvious to require specification.” (Coats 1985 p. 1710-11, as cited in DeMartino 2011, p. 64). In the recent history of both medicine and economics, there was a widespread belief among practitioners that they did not need ethical guidance.

Jonsen’s account of medicine goes on to describe three factors that were able to dislodge this prevailing apathy toward ethics. The first was the incident itself. The existing norms had clearly failed, resulting in a calamitous and unacceptable situation in Tuskegee. The revelation of this harm led many otherwise conservative individuals to consider the possibility that something must change.

The second factor was the campaign to make sure that the status quo was not returned to. Jonsen’s book tells the story of how a small group of prominent members of the medical community (deans of medical schools, chairs of licensing boards, and the like) were able to seize upon the crisis and leverage it to introduce lasting reforms. There had been ethical crises in medicine before, for
example, World War Two had ended with horrific revelations regarding how Nazis doctors had
carried out medical experiments on prisoners, and in the Vietnam War doctors had testified as to the
safety of Agent Orange. These earlier crises had arisen, caused temporary outrage, but ultimately been
allowed to fade into memory without altering the existing ethical frameworks of medicine. Jonsen
speculates that it is possible the memory of these earlier crises and the failure to adequately respond to
them may have contributed to the more resolute response that followed Tuskegee. That Tuskegee was
not uniquely horrific, but rather the final act in a series of horrors that could no longer be ignored.
Whichever the true motivation, that small group of reformers set about to change the way their
profession thought about ethics. Jonsen also flags two specific and concrete victories that the reformers
were able to achieve: the introduction of mandatory ethics classes as part of medical training and the
establishment of dedicated venues (conferences and journals) in which to discuss cases.

The third and final factor Jonsen identifies in the reform of modern bioethics was the
technological changes that coincided with the reform efforts and fledgling journals. The 1980s saw the
emergence of new medical technologies, notably artificial insemination and organ transplants (Jonsen
2000, p. 100). These new technologies brought with them a battery of new ethical questions about
which the old reliance on common sense and intuition was less reliable than they had been in previous
familiar scenarios. The relentless march of these new technologies and the novelty of the concerns they
raised provided ample material for the new journals and conferences to discuss and it became
increasingly relevant for practicing doctors to keep track of such discussions.

All three of these factors have the potential to provide useful guidance for the case of PEE. Like
the early medical scandals that did not result in lasting change, so too have many economic crises come
and gone. But in the aftermath of one recent crisis10 (the Global Financial Crisis (GFC) of 2007), there

10 This is no longer the most recent large scale economic crisis. It has since been succeeded – and perhaps eclipsed by – the
had been optimism that perhaps this time would be different. Indeed, it was in the aftermath of the GFC that DeMartino saw the increased uptake of his work, and some small bits of progress were made. However, now – more than a decade removed from the GFC – momentum seems to be waning and major victories on the part of reform have been few and far between. Some of the notable exceptions to this overall discouraging trend were the adoption of the AEA and CEA codes of conduct discussed in the previous chapter. But these codes have their own limitations and do not change the overall trend towards the preservation of the status quo.

On the one hand, the lack of progress in the wake of the GFC might be cause for despair among would-be reformers. They might feel as though they have let a prime opportunity slip through their fingers. But on the other hand, economic crises have proven to be a stubborn regularity in recent history and there will likely be another one sooner rather than later, and perhaps that crisis will be the one that finally has the cumulative effect of sparking sustained action.

And it is on this front that the case of medicine can serve as both inspiration and guide. The recent history of medical practice and its relationship to professional ethics shows that a small group of dedicated reformers can have a widespread and lasting impact. And those reformers did so by means very similar to those proposed by DeMartino. DeMartino places a heavy emphasis on establishing venues for debate and exposing students to such topics. But such venues are not yet as common as someone like DeMartino might desire nor as common as they are in disciplines such as medicine. However, the establishment of such venues could be a concrete and obtainable goal in the near future.

With regards to education, DeMartino is content for ethics courses to be an elective component of economics education, but I think that the success of the framework demonstrated by medicine shows that such courses need to be mandatory to be effective. Every practitioner has a responsibility for their events of the COVID-19 pandemic which will be discussed in Chapter 5 below.
own conduct, not just those that are predisposed to have an interest in topics that are viewed as optional. If a small number of prominent schools were to introduce such a requirement in their programs, it would be a huge step towards actualizing in economics the success that was seen in medicine. In fact, economics may be even better suited than medicine to effect dramatic change quickly given the extent to which a small number of elite schools hold enormous influence over the community.

Lastly, there have been significant advances in the technological capacity of economics that could serve as similar fodder for future debate. In recent years economists have transitioned from conceptualizing markets as natural objects of study and began designing made-to-order markets (Mirowski and Nik-Khah 2017), they have developed the capacity to subtly nudge decisions by way of choice architecture (Thaler and Sunstein 2008), extract trends from large data pools (Chetty et al. 2014), and Artificial Intelligence is being introduced into the stock trading market (Li et al 2019). Reliance on the economic figures of the past will not help us with these emerging problems that technology confronts us with. Just as doctors could not rely on the common wisdom of yore to guide them with regard to questions of transplants and artificial insemination, so too must economists engage in mindful considerations of the important topics emerging in their domain. And PEE can play an integral part in such considerations. Medicine has shown that the relevant institutions can be erected and normalized in a very short period of time.

One final feature of the history of biomedical ethics I would like to draw attention to is its turn toward interdisciplinarity. Previous approaches to medical ethics had focused narrowly on the scientific practice of medicine itself and prioritized, almost exclusively, the perspective of doctors. One of the lessons of Tuskegee was that such a myopic focus was insufficient and that in order to be properly theorized medicine had to account for other perspectives, and interests and be placed in a broader context of history, culture, and legislation. Accordingly, modern biomedical ethics is characterized by
its “pluralistic and multidisciplinary approach, deriving its sources from medicine, biology, philosophy, law, theology, social and behavioural sciences, and history” (Steinberg 1995, p. 473). The new approach “welcome[ed] into the discussion persons from outside medicine” (Jonsen 2000. P. 119). So, although economists are the most important part of any PEE debate – they are the target audience of such a discourse, the ones susceptible to be impacted by reforms such as licensing, and indispensable sources of firsthand knowledge – if we are to take medicine as a guide, PEE must aim to establish an inclusive discourse that incorporates other non-economic perspectives and methods of analysis as well. This might not have been what DeMartino originally intended by drawing an analogy between economics and medicine, but it is nevertheless a potentially fruitful lesson to be drawn from the comparison.

3.1.4 – On Principlism

I turn now to the other important feature of biomedical ethics that DeMartino highlighted in his work: principlism, and its four associated principles of justice, beneficence, non-maleficence, and autonomy. It is worth noting here, at the beginning of this phase of the discussion, the contrast between this approach and the one utilized by the AEA in adopting their code of conduct. Whereas the biomedical model is built upon a small number of abstract principles, the AEA eschews such an approach in favour of more concrete directives and the claim that “principles of professional conduct should guide economists…” (AEA, 2018) without articulating what such principles consist of. Some of the important differences between these two different approaches to conceptualizing ethics will be drawn out over the course of this section and in the following chapter. The next chapter will look at the alternative principles (such as humility in the case of engineering) that guide other disciplines. In this section, I will argue that within the framework of principlism, DeMartino emphasizes the wrong
principles (autonomy and non-maleficence) and that the other principles (justice and beneficence) – while still imperfect – are superior options to use in PEE.

The principlist approach to thinking about medical ethics and these principles were first laid out by Thomas Beauchamps and James Childress in their 1979 book *Principles of Biomedical Ethics*, have been refined through many editions of the text (currently in its eighth edition), and have since become a near-universal touchstone in the field. There are other theories of biomedical ethics, but principlism is the most prominent and widely used framework. DeMartino admires this approach and thinks that non-maleficence and autonomy are particularly applicable to the situations faced by economists. As mentioned above, this creates tension with his claim that economists operate in situations where they must make decisions on behalf of others. One cannot make decisions on another’s behalf and show appropriate respect for their autonomy at the same time. One possible course of development that PEE might explore is the idea that economists should attempt to identify and consult stakeholders in order to obtain consent and show proper deference to autonomy, but the vast and complex nature of the economy and economic interventions makes such work quite daunting. It may nevertheless be a promising avenue for future efforts to explore.

Putting aside autonomy, I want to suggest that non-maleficence is also an inappropriate principle to place at the center of PEE and that DeMartino’s choice to focus on these two values is somewhat odd given the proximity and more ready applicability of the other two values: beneficence and justice. In order to understand why non-maleficence an inappropriate starting point for PEE is, it is necessary to understand why principlism contains two separate principles for the concepts of non-maleficence and beneficence despite their similarity and potential to overlap with one another. Non-maleficence is the older of the two principles and has been made iconic by its prominence in the

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11 See Section 1.2, p.10 above.
Hippocratic oath in which doctors pledge to “first, do no harm”, but that formulation proved to be insufficient for modern purposes. The problem with non-maleficence is that there are many cases in which doctors must do some small amount of harm in order to achieve a greater good. Procedures such as amputations do harm to the patient. In almost any other circumstance, cutting off someone’s limb would be considered morally unacceptable behaviour. But in the context of a spreading infection or as an augmentation to improve functionality or some other medically relevant situation, amputation can be a net positive for the patient. Many medical procedures follow this type of pattern. For example, many medicines are micro doses of poison and common forms of examinations are frequently invasive and uncomfortable. But they are all done in the pursuit of some greater good and it is the principle of beneficence that does a more adequate job of capturing these wholistic considerations for the patient’s overall well-being. Doing no harm and doing good are frequently the same thing, but the two considerations can and do come apart. When they do it is important that we are able to contrast and weigh them against one another. Deciding which principle should take priority in a given situation is an important matter of judgment and discretion for practitioners. Within the framework laid out in principlism, we cannot unconditionally prioritize or relegate any one of the principles but rather must hold them all in the appropriate balance for the situation at hand. Medicine does not hold non-maleficence above the other principles and neither should economics.

Turning now to the case of economics, a common platitude amongst economists is that there is no such thing as a free lunch. This means, that to their mind, interventions inevitably involve tradeoffs and that any intervention that aims at helping one group will do so at the expense of another. Common examples of this type of situation include policies such as rent freezes. Such a policy might help tenants, but it does so at the expense of landlords. Other examples include welfare programs funded by
taxation that are thought to help the poor at the expense of the rich\textsuperscript{12}, import tariffs that benefit
domestic production to the detriment of international competitors, and so on. In so far as economists
attempt to influence events – which is one of (my own position) if not the central goal (DeMartino’s
position) of economics – they inevitably cause harms.\textsuperscript{13} That is to say, they do not abide by the
principle of non-maleficence. Rather, just as the doctor does, they weigh those harms against greater
benefits or the principle of beneficence. For example, in most western nations, we have reached a
consensus that the harms of taxation are outweighed by the benefits of government spending programs.

So, it seems as though economists are already operating under something resembling the
principle of beneficence when they engage in policy design. But philosophical pursuit of this route
quickly runs into difficulty because unlike in medicine it is not clear what the greater good of the
economy is. What is an economy for? In the case of medicine, the concept of ‘health’ might be a little
bit tricky to define precisely, but there is much more agreement about what it is doctors should be
pursuing and the immediate objectives are comparatively clear. The recent pandemic can serve as a
case in point. In that situation, doctors wanted to stymy the transmission of the virus, keep existing
patients alive until the virus left their bodies, and ultimately develop a vaccine. We did not need to
know the platonic form of a healthy individual to make situational judgments about medically desirable
outcomes.

It is not clear that we have analogous frames of reference in economics. Many basic objectives
and assumptions remain contentious. Consider, for example, the case of Alfred Marshall discussed
above in section 2.2 and his assumption that all economics and economists take for granted that the
reduction of inequality is a good thing. Marshall’s assumption on this point would be extremely
contentious today. Or for another recent example, we can once again turn to the example of central

\begin{footnotesize}
\textsuperscript{12} Recent work in modern monetary theory (Kelton 2020) has cast considerable doubt on this understanding of state
spending.

\textsuperscript{13} See section 1.3.4 p. 30 above.
\end{footnotesize}
banks as a source of conflict and disagreement about what economic policy objectives should be. In their recent book *Do central banks serve the people?* Dietsch, Claveau, and Fontan collaborate their various expertise ranging from economics to philosophy to offer a brief history of the different ways in which the Bank of England has conceptualized and articulated its core function. The bank has always sought to promote ‘the good of the people’, but how that mandate has been interpreted has shifted dramatically over the years. When the bank was first founded in 1694, it was interpreted to mean financing the war with France. Today, it is taken to mean ensuring liquidity in financial markets (Dietsch et al. 2018a). Critics of central banking policy (*Ibid.*, Dietsch et al, 2018b, Kelton 2020) would argue that such a narrow focus is a distortion of the public good and may even contribute to public harm. Are the bankers who make and operate under these interpretations of the public good acting benevolently? Are such questions merely technical or could PEE help reshape and guide our response to such problems? Examples such as the Bank of England demonstrate how much ambiguity is involved in such questions.

Returning to the core concepts of principlism, the fourth and final principle to be discussed is that of justice. Although justice is sometimes a less prominent focus of biomedical discussions than the other three principles, it is nevertheless an extremely important concept within the overall system. Issues of justice tend to arise in the areas where medical considerations intersect with economic ones. Issues such as: Who has access to medicine? Which groups stand to benefit from a research program? What is the distribution of harm in a potential course of action? These types of questions are frequently shaped by the underlying economic status of the groups involved. In the case of economics, these types of underlying economic considerations are going to be omnipresent in any situation. Only a small subset of biomedical issues has to grapple with an economic dimension of the problem at hand, but – not to be too tautological – all economic issues will have an economic dimension to them. So, if the
presence of economic considerations is one of the factors that make a question into a question of justice, then everything in economics is going to be a matter of justice. Justice will need to occupy a central position within PEE’s moral universe. As mentioned above, if we accept the economist’s principle that there is no such thing as a free lunch – or to put it more technically, that there are very few Pareto improvements to be made – every economic intervention will have to involve some distribution of benefits and harms. Considerations of how we balance those concerns are inescapably a question of justice.

Justice is a notoriously difficult concept to define. It has been among the central concerns of philosophy for over two millennia and to this day philosophers cannot come to any kind of consensus as to the essential meaning of the term. But there are nevertheless at least two important general points that would be helpful for PEE to be aware of and keep in mind. The first involves the presence of two very divergent conceptions of the term, and the second has to do with whether or not theoretical clarity is necessary for the purposes of practice.

One conception of justice has historically focused primarily on issues of retribution and punishment. An example of this type of understanding of justice can be found in Adam Smith, for whom justice was conceived of in purely negative terms. That is, justice constituted a series of prohibitions against harming one’s fellow man. If one violated the precepts of justice – by stealing from another or physically harming them – then justice would demand that restitution be made or appropriate punishment exacted. Under this conception, there are no positive imperatives to take an action. At least, there is no such imperative that has its basis in this conception of justice. This account of justice is very transactional and zero-sum in nature – justice is invoked when a harm has been suffered and the appropriate punishment must be prescribed. This narrower conception of justice is especially important to keep in mind given the significance of Adam Smith in the history of economic
thought. Many in the economic community (Raphael and MacFie 1975, Otteson 2000, etc.) believe that Adam Smith was essentially correct in his conception of justice and that a clean line of demarcation can be drawn in the world, such that questions of justice fall on one side (therefore belonging to the realm of law, not economics) and not-justice on the other (where economic considerations may have unfettered reign). If one holds to this conception of justice, it is difficult to see how the principle of justice could ever be incorporated into the economic discourse.

But Smith’s is far from the only conception of justice. More recent theories of justice tend to include far more considerations than the negative conception held by Smith. Consider for example the influential conception of justice found in the work of John Rawls. For Rawls, justice is a much broader and more expensive concept than it was for Smith. For Rawls, justice can and should take into consideration issues of distribution, capacity, and fairness. Under a Rawlsian conception of justice, there can be a moral imperative to act, even if no specific act of injustice has preceded it.

To help illustrate the difference between these two different conceptions of justice, we can return once again to the question of laissez-faire capitalism. If, under such an arrangement, all of a society’s resources were consolidated in a small number of hands, would this be a violation of justice? According to Smith, provided that those small numbers of hands had not acted unjustly in their accumulation of wealth, there would be no violation of justice and no moral question to be asked. According to Rawls, such a situation could be interpreted as a violation of justice for a variety of reasons. One would not consent to it from behind the veil of ignorance. It may unduly limit the access of some citizens to their other rights. It is, quite simply, unfair.

We could also expect to see similarly divergent opinions if we were to approach medical questions with these differing conceptions of justice. Is it a matter of justice that some groups have access to medical care when others do not? Under a Smithian conception of justice, such disparities are
unlikely to constitute an issue of justice, whereas, under a Rawlsian conception, they likely would. It is therefore important to be clear about which conception of justice we have in mind when we propose that the principle of justice ought to play an important role in PEE because this is a potential point of acute resistance from economists.

As mentioned above, some economists believe their current practices to already be in compliance with the dictates of (Smithian) justice and they might be reluctant to expand the domain of justice such that it would call into question axioms that are currently taken for granted. Consider as an example of this status quo this recent quote from Peter Boettke and Kyle O’Donnell that “...the theory of the self-regulating market economy is the unassailable (my emphasis) foundation of economic science” (Boettke and O’Donnell 2016, p. 118). Assuming that there are instances in which the self-regulating market violates precepts of (Rawlsian) justice, the self-regulating market itself can and should be assailable. PEE has the potential to be in the vanguard of such an assault, but Boettke and O’Donnell offer strong evidence that such incursions are likely to be viewed as hostile.

On the one hand, the multifaceted and contested nature of justice is a substantial stumbling block to having a productive discussion about PEE and the place of such a principle therein. But on the other hand, theory need not be an obstacle to practice. Or, at least, it has not been in the case of biomedical ethics and we can look once again at their example on this point. In the seminal text of Beauchamp and Childress (2001), the authors survey the many competing philosophical accounts of justice and rely on their personal judgment to determine which one is most applicable in a given situation, stating that “…no single theory of justice…is necessary or sufficient for constructive reflection on health policy” (Ibid., p. 272). Such eschewal of theoretical rigour has drawn some criticism (Clouser and Gert 1990) but has, by and large, not prevented principlism from establishing

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14 For examples of this we can look…well…everywhere.
itself as a preeminent theory and being widely applied in practice. Similarly, no one conception of justice should be expected to satisfy all the needs of PEE, but rather many different user-specific considerations and variations must be weighed against one another.

3.2 – Conclusion

So, how useful is medicine as an analog for PEE to look to for guidance in formulating its own program? There are some strong points of similarity between the histories of the two professions – such as their previously cavalier attitude toward their own need for ethics. And there are also some conventions that would be well worth emulating – such as the commitment to interdisciplinarity. However, many considerable obstacles impede a straightforward comparison and conceptual transfer between the two. I have attempted to outline here why I think that the nature of uncertainty in economics is much more intractable and widespread than it is in the case of medicine and that some of the concepts that are central to biomedical ethics – notably autonomy and non-maleficence – will have limited applicability in the situations faced by economists. Dilemmas confronted by economists frequently involve trade-offs that will harm some group and it is not clear how one might respect the autonomy of those impacted by economic decisions when economic systems are so diffuse. For these reasons, I think it would be fruitful to expand the investigation, look at some other professions, and consider what sort of guidance PEE might take from their examples instead. It is to that task I now turn.
Chapter 4: On Alternative Sources of Inspiration

In the previous chapter, I explored some of the potential benefits and limitations of using medical ethics as a model upon which to base Professional Ethics for Economists (PEE). Both disciplines deal with various forms of uncertainty in their work – although the ways in which that uncertainty is dealt with differs in some important places. Medicine can also provide a historical playbook regarding what forces spurred reform and the concrete steps which were used to make progress. Finally, the four principles of principlism are of varied usefulness in the case of economics.

In this chapter, I will consider possible alternative professions which PEE might look to for inspiration. I will start by considering what other disciplines have relevant similarities to economics, such that the conceptual apparatuses and conventions of professional ethics found in those fields might be productively studied and borrowed from by PEE. Two particular professions that I believe can serve as fruit analogs are accounting and engineering. I will then examine some of the core features and the history of those two disciplines more closely to see how they might be applicable to the case of economics and argue that there are several ways in which they are a better option for PEE to draw on for the purposes of inspiration and comparison. In particular, I argue that the role Generally Accepted Accounting Principles (GAAP) play in accounting would be worth emulating in economics and the central place occupied by public service – and by extension humility – in engineering has many benefits that could be beneficial to economics. There are also a handful of historical and pedagogical lessons that can be learned, similar to the way Tuskegee and the subsequent reforms were informative along multiple axes in the previous chapter.

4.1 – Where to Look for Inspiration

When considering what already existing body of professional ethical literature to look to for
inspiration and informative examples, there are many potential sources of inspiration to choose from here because as discussed in Chapter 1 (Section 1.3.2, p 17) it has historically been the case that virtually every group that considers themselves a profession has engaged in some form of ethical discourse about the responsibilities of their profession. This huge number of existing bodies of professional ethical literature contains many potentially promising avenues of investigation and I will be unable to touch on all of them here. In Chapter 1, I touched briefly on a few of the similarities that economics shares with archeology and legal ethics. I believe that both of these comparisons have important and relevant points of similarity that could be fruitfully explored in another project, however, these are not the avenues I have chosen to pursue in this particular project for reasons that will be laid out below. I would, however, like to touch briefly on a few of the features of these two approaches that appear promising as well as the reasons that this is not the optimal venue to explore those particular routes.

In the case of comparing PEE to archeological ethics, two major obstacles are the relative novelty of archeological ethics and the comparatively smaller scope of its applicability. The major breakthrough in establishing archeological ethics as a topic worthy of dedicated time and resources within the discipline came in the late 90s and early 2000s. As Christopher and Geoffrey Scarre argue in their introduction to their edited anthology on the topic, although topics of archeological ethics have been debated informally for a long time, such discourse happened in a largely informal and unstructured manner and it is only recently that something resembling an academic discourse on the topic has emerged (Scarre and Scarre. 2006). The topic of archeological ethics in those early decades lacked popular uptake in the form of journals, conferences, and courses. Note here that these types of venues for discourse are the types of concrete achievements that characterized the emergence of modern biomedical ethics and are also the types of objectives that DeMartino and myself believe PEE
should be aspiring to. The editors of another prominent anthology on archeological ethics have commented on the dramatic changes that had taken place between the first edition of their anthology (1996) and the second (2006), writing that whereas the first edition had aimed to encourage engagement with an oft-neglected topic, the second edition found that “some discussion of ethics is now routinely included in many, if perhaps not yet most courses on archeology” (Vitelli et al. 2006, p. 1). This rapid move from the fringes of academic discourse to being at least somewhat closer to the center is encouraging as an indication of what PEE might hope to achieve. Although these early successes on the part of archeological ethics are encouraging, they are also incomplete and ongoing, especially when compared to more established fields of professional ethics which I have chosen to focus on here.

One of the reasons that DeMartino favoured the use of biomedical ethics as an exemplar to draw from was because of the sheer vastness of the literature. Compared to archeological ethics, biomedical ethics has had many more scholars for a much longer period of time thinking, writing, and responding to the pressing issues of the profession. And the difference here is not just one of volume, but also consensus. Although debate will always be a central feature of a discourse about ethical issues, we can find much more consensus in fields such as biomedical ethics than we do in archeology. For example, within biomedical disciplines, the most influential text in shaping the way ethics is taught has been the principlism of Beauchamp and Childress (Smith and Hardt 2009, Dubose et. al., 1994, and Fiester 2007) with its clearly articulable list of core commitments, whereas a similarly clear and concise list is not found across the archeological literature. Also, biomedical research embraces an interdisciplinary approach whereas archeological ethics is still divided as to whether or not the firsthand experience and intuitions of archeologists themselves are sufficient for the task (the position favoured by Vitelli), or whether a broader alliance needs to be built between archaeologists and
philosophers to adequately address such topics (a position taken by Scarre and Scarre (2006) in direct opposition to Vitelli). This lack of common agreement means that there is a limit to how many lessons PEE can learn from archeology because those lessons are still in the process of being worked out and articulated.

The other major difference between archeology and economics is the urgency that society places upon the two topics, respectively. Archeology – while undoubtedly important – does not regularly make decisions that have the potential to impact the immediate well-being of millions of people and there are no equivalent seats of power in archaeology akin to offices such as the President’s Council of Economic Advisers. Archeological ethics are largely confined to more academic topics such as how best to preserve the archeological record, although some debates do cross over into the public sphere – for example, the currently intensifying debate over the appropriate owners of archeological artifacts. I would be sympathetic to the proposal that perhaps economists should be similarly restrained to more academic topics and that the world would be a better place if there were a President’s Council of Archaeological Advisers instead of economic advisers, but both of those proposals would mark a substantial departure from the world in which we currently find ourselves. And part of the reason for PEE to look to other bodies of literature is to find solutions that are applicable to the problems currently facing the economic profession as we find it, not as we would perhaps like it to be. Insofar as the immediate problems facing practicing archeologists seem to be quite a bit different from those facing practicing economists, it seems that any comparison between the two would be limited in its applicability.

The case of legal ethics poses a very different set of challenges in its potential applicability to economics. Unlike archeology, the problem here is not one of volume (there is a vast body of literature on legal ethics similar to that found in biomedical ethics) nor the nature of the problems (as touched on
in the case of central banking, some of the moral situations confronted by economists and lawyers are not just similar, but are exactly the same). Indeed, perhaps the strongest point that I think would commend a more sustained study of the similarities between law and economics is precisely the flexibility that they both have in terms of the situations to which an academic training in those disciplines can be applied. One can apply a legal or economic mindset to any number of problems, and it is unclear whether such applications fall under the jurisdiction of professional behaviour and to what extent educators in those fields might have a responsibility to prepare their students for such scenarios.

Recall here the radical expansion of the field of economics that Robbins envisioned and has since been embraced quite widely within the discipline. Economics no longer has a specific subject matter such as wealth or that which can be measured with the yardstick of money. Now, anything that has scarce means (which is, by most accounts, everything) and is subject to alternative uses (again, very nearly everything) is subject to be analyzed using the economist’s toolbox. Similarly, in so far as legal training prepares students to engage with topics in a methodical way, focused on rules, procedures, and argumentation, such a toolkit has the potential to be equally all-encompassing in its application. Individuals trained as lawyers can and do find employment in many non-traditional workplaces. It would be worthwhile for future work to investigate how the legal profession navigates its relationship with these erstwhile members of its community and any responsibilities they may have for their actions.

But setting aside the similarity in scope and the specific case of overlapping duties such as central banking (which would both be good reasons to pursue legal ethics as a potentially fruitful analogue), there are two reasons I have chosen not to pursue this particular comparison in the current project. The first reason that it would be difficult to explore the potential applicability of legal ethics to economics here is because of the complex overlapping between economics and law that already exists.
with the law and economics (L&E) movement. Briefly, the L&E movement is an ongoing intellectual movement which aims to get legal practitioners to incorporate economic theory in their thinking about the law and legal issues. Among historians of economics, there is debate regarding how successful this campaign has been, with some claiming the widespread success of the movement in shaping contemporary ideas (Mirowski 2009 and Slobodian 2018), with others defending a much more muted summary of the movement’s influence (Caldwell 2011). One of the founding figures of the movement – Richard Posner – remains “troubled” at the gap that exists between the academic ideas of L&E and the concrete practice of the law (Posner and Becker 2014).

On either account, there is a significant blurring of the disciplinary boundaries as to which ideas represent economic orthodoxy, which ones are restricted to the adherents of the L&E movements, and which ones have proliferated out into general legal thinking. In many debates about potentially important ethical topics with economic dimensions – such as deregulation, societal responses to crime, and the measurement of environmental harms – members of the L&E movement have been among the most active participants. Regardless of whether their conduct in these discourses has been laudatory or reprehensible, it becomes difficult to analyze their contributions because the theoretical and disciplinary source of the behaviour is unclear. One cannot say that an interlocutor’s behaviour (qua economist) is problematic and that it might be corrected by behaving more in accordance with legal norms if it is unclear whether or not the behaviour in question actually reflects the economic community. Is it fair to judge all economists based on the arguments and beliefs of adherents of the L&E movement? Can we coherently recommend that economists conduct themselves more like lawyers when lawyers – under the influence of the L&E movement – are increasingly behaving like economists? In order to credibly sift through these questions, one would need to command a nuanced historical and demographic grasp of the relationship between economics and L&E, the relationship
between L&E and legal practice, as well as the parallel relationships that exist between economics and the law aside from this particular intellectual movement. If the L&E movement has been as influential as both its critics and defenders claim and given the topics upon which it has chosen to focus, these are certainly important questions to ask and relationships to understand. Unfortunately, the scope and interdisciplinary requirements of such an undertaking significantly outstrip the current project.

The second reason I am hesitant to focus on a comparison between legal ethics and PEE is because of the localized enforcement of legal ethics. One of the major tools to enforce compliance with legal norms is the granting and policing of regionalized licenses by bar associations. Setting aside momentarily the miscellaneous task to which an unlicensed lawyer might apply themselves, in order to practice most legal tasks in a given jurisdiction, one must obtain a license to do so. This segmenting of localities structures the idea of accountability and community. It makes explicit the specific group to which a particular lawyer belongs and who would be responsible for policing their behaviour if need be. DeMartino has expressed skepticism as to whether or not structures akin to licensing and disbarment would be welcome or appropriate in economics. I will not contest DeMartino’s assertion that the topic of licensure would likely be an unpopular proposal among economists because I agree with his suspicions on this point. However, I think that the question of whether or not the licensing of economists would be a good idea remains in need of much more debate and exploration.

But aside from licensing as a potential tool of enforcement, there is also an underlying logic of locality that I want to draw attention to here. One of the reasons that it makes sense to have bar associations that govern geographically discreet areas is because it is also the case that many laws apply to those same geographically discreet areas. Specific levels of government have jurisdiction over their regions and pass the laws that apply there. The application and interpretation of those laws are therefore intimately related to the region in which they apply. The same does not seem to hold true in
the case of economics. In economics, the decisions made in one region almost invariably end up
influencing other regions, both near and far. Because the forces and phenomena with which economists
deal are so diffuse and interconnected, it does not make sense to conceptualize their community or
responsibility as being neatly constrained to specific localities the way that it does in legal practice.

There are, of course, exceptions to both of these generalizations about law and economics
respectively. Some aspects of legal thinking and legal ethics take on a more abstract deterritorialized
nature and some aspects of economic intervention are largely localized in their impact. But I believe
that the general point about the primary orientation in both cases holds. Legal practice is primarily
region-specific whereas economic practice resists regional categorization and must therefore orient
itself towards more fluid and all-encompassing considerations.

My objective here is not to say that the comparison between law and economics is a bad one.
Quite the contrary. I think that there is quite a bit that could be valuably extracted from such a
comparison. What I have attempted to show with these two points – about the influence of the Law and
Economic movement and the role of licensing in enforcing legal ethics – are the obstacles that exist in
attempting to draw a fruitful comparison between the two fields and why I find it to be a second-best
option given my own areas of competency, as well as the time and space constraints of the current
project.

Given these limitations of my ability to execute the analysis adequately and/or the lack of
applicability of the fields of archeological and legal ethics to PEE, these will not be the topics I focus
on in this chapter. Instead, the two disciplines I will explore here as potential sources of inspiration for
PEE are accounting and engineering. I will now turn to each of them in turn.
4.2 – On Accounting

One possible body of professional ethics that economists might look to for guidance is that of accounting. The accounting profession possesses many of the attributes that DeMartino aspires to see replicated in economics. Thinking about ethics in the accounting profession is a common and accepted part of professional practice and manifests itself in many of the ways that one might expect to see such as dedicated journals, courses, and conferences on the topic of accounting ethics. There is also a strong basis for a comparison between economics and accounting because of that similarity in subject matter – with both disciplines frequently dealing with matters of money and both frequently overlapping with topics such as business and finance. In this section I will demonstrate that two of the most useful concepts that PEE might draw from the example of accounting can be found in the way in which the accounting profession compartmentalizes its various functions, relies on the concept of Generally Accepted Accounting Principles (GAAP) in its thinking about ethics, and the relationship the profession has to Codes as a mechanism of governance.

4.2.1 – What is Accounting?

Accounting is the practice of recording, interpreting, and transmitting information about economic transactions. There are five primary tasks into which most accounting work can be divided and conceptualized: Tax accounting, managerial accounting, auditing, financial planning, and consulting (Duska and Duska 2003). Although several other finer distinctions and specializations could be included, these five are the most commonly included in accounting textbooks and cover a significant portion of the profession’s activity.

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1 Although as discussed throughout this project, economics often addresses itself to topics well beyond this scope and the appropriateness of such an expansive conception of the discipline is controversial.
Although most of these tasks are self-explanatory, I will very briefly summarize what these five core roles entail. Tax accountants determine the tax liabilities of both corporate and individual clients. Managerial accountants are responsible for the various aspects of bookkeeping and financial operations within a business. Auditors serve as a check on the compliance of other forms of accounting and monitor compliance with accounting rules. Financial planners assist individuals with their savings and investments. Lastly, consultants can take on any number of roles in which advice is offered, but most commonly it is sought by and provided to businesses that wish to better manage their operations. (*Ibid p.20*).

The first three of these tasks have been conceived of as central to accounting throughout its modern history, whereas the last two are more recent additions and there is still some debate as to the appropriateness of their inclusion. The argument from those who would exclude consulting and financial planning from the scope of accounting proper is that while the skills of accounting might well prepare one with the knowledge to give such advice, actually doing so steps beyond the bounds of what can properly be considered accounting. One reason for this is that it is thought such advice crosses over into impropriety because it inevitably deals in speculation and uncertainty. The three core tasks of accounting deal with matters that are largely settled and retrospective in nature. How much income someone made last year or how much they owe in taxes is not subject to very much debate because it has happened in the past and the present, we are merely responsible for the accurate recording thereof. In order to offer advice as to the future – whether to an individual or business – one necessarily takes an inductive leap into the unknown which does not necessarily sit well with those who find comfort in the fixed certitude of the other functions.

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2 A special thanks to my committee member Krista Fiolleau for helping a non-accountant navigate some of the terms, titles, and distinctions used throughout this chapter.

3 Modern history here refers to Scotland and England in the mid nineteenth century when organized guilds of accountants were formed and educational programs in which one could receive formal training as an accountant were formed. See Evan and Paisley 2018 and Willmott 1986.
Even at these broad levels of generality and definition, two interesting points emerge that are potentially applicable to the case of economics.

First, despite the many diverse tasks, topics, and situations in which accountants ply their trades, they are nevertheless able to distill down those tasks and neatly articulate the core functions of the profession. Auditors might audit any number of different things and managerial accountants can find themselves dealing with as many topics as there are businesses in the world, but they share a common identity as auditors and accountants. From an ethical point of view, they can give voice to common problems and common values as a group. There is very little that is shared in common by all accountants (in terms of ethical dilemmas or useful case studies), but the smaller sub-groups are able to carry out a meaningful and productive discourse about the ethical problems of their specific field. The combination of these three (to five) subfields offers nearly complete coverage of the ethical quandaries that face the discipline as a whole (Duska and Duska 2006, p. 4-6).

Economists cannot offer similar clarity as to the nature of their profession. And it would be fair to ask whether it is coherent to speak of them as a profession in the absence of such an identifiable core that has been taken as essential in other disciplines. As discussed in Chapter 2 (Section 2.3, p. 57), over the last hundred years economists have embraced a definition of their discipline first put forth by Lionel Robbins that eschews clear boundaries of investigation. According to this definition, the appropriate domain of economic investigation is conceived to be so flexible as to be potentially all-encompassing of any possible subject matter. It is here – in contrast to other disciplines like accounting – that the full oddity of such a definition becomes clear. Because economics intentionally defines its domain in an open-ended manner, it is unclear exactly what it is that economists do. This creates a

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4 “The science which studies human behavior as a relationship between ends and scarce means with alternative uses.”
5 Many different economists have put forth a variation of this thesis. One of the most popular versions can be found in Levitt and Dubner’s bestselling book *Freakonomics*, where they write in the introduction that “Economics is above all the science of measurement. It comprises an extraordinary powerful and flexible set of tools that can reliably assess a
sharp contrast with the clearly defined roles and tasks of someone like an accountant. DeMartino shows an awareness of the presence of this problem but did not express much interest or urgency in resolving it. Accountancy offers us one example of how beneficial such clarity might be. One of the reasons that it is so difficult to speak about PEE in generalities is precisely because there is so much diversity amongst the activities and concerns of different economists. What values might a professor, an auction designer, and a stockbroker share in common?

How we conceptualize the profession of economics needs to be broken down into more manageable components, the members of which identify with one another. And we can see some evidence that this type of more targeted discourse being successful in economics in DeMartino’s example of Forensic Economists discussed in section 1.3.3 above. Forensic economists constitute a coherent community, that all encounter similar situations, can (hopefully) share common values, and have engaged in a productive discourse amongst themselves. This is similar to the ways in which particular types of accountants have found more in common with other members of their particular sub-field, rather than the larger group to whom the feelings of kinship are perhaps less clear.

I think that the example of Forensic Economics is a useful one, but the lesson we should draw from that example is not the one that DeMartino reaches. Rather, the lesson is not that economists as one large group should engage in a grand discourse modelled on the one that is taking place in forensic economists, but rather that economics needs to be broken down into a handful of similarly clear sub-groups where discourse can be productively carried out. Because of the huge variety of tasks that different economists set themselves to, it is unlikely that there will be enough common points of reference from which to conduct a meaningful discourse. Rather, the model that seems more likely to

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thicket of information to determine the effect of any one factor, or even the whole effect.” (Levitt and Dubner 2005, p. 13). But similar sentiments can be found in academic work on the topic as well. For example, Dani Rodrik’s *Economic Rules* where he writes that “…economic methods can be applied to many other areas besides the economy – everything from decisions within the family to questions about political institutions.” (Rodrik 2015, p. 7).
succeed is to ground discussions within specific sub-groups of economists – like forensic economists. The combined epistemic coverage of these many smaller discourses will be what makes up the bulk of PEE discourse just as the five types of accounting practice cover most of what belongs to the more general concept of accounting.

It is likely too ambitious to hope that economics could be neatly broken up into just three to five core functions the way accounting is. But if PEE wanted to pursue the type of categorizing that is present in accounting, there are many starting points that one might pursue. There are traditional academic divisions such as macroeconomics, microeconomics, and econometrics. There is DeMartino’s general division between those economists who work in the academy and those that do not. Or we might start with specific roles such as central banking and build up definitions from there. There is also the preamble to the AEA code which says that it applies to economists in academia, government, nonprofit organizations, and the private sector. Where exactly such borderlines eventually settle is a question for economists and future practitioners of PEE to iron out. What I am claiming here is merely that accounting offers PEE an indication as to the importance and potential benefits of such conceptual clarity.

A second noteworthy feature that can be extracted from a cursory overview of accounting is the skeptical views that are held with regard to the offering of advice. Being a competent accountant places one in a privileged epistemic position from which they are well suited to offer financial planning advice or business consultations, but it is not clear that such activities themselves qualify as accounting. A distinction can be made between acting as an accountant and acting based on accounting expertise. Adopting this sort of skeptical view towards those who offer advice based on economic expertise – and withholding from such actions the designation of economics proper – might help reframe or alleviate some of the more public-facing problems that the discipline faces. Economic advisors to the
government are among the most visible and influential members of the discipline. Should all their pronouncements made from such offices be viewed as statements being made by an economist? Is this what economists do? Or is it some sort of related but separate activity, similar to how some accounts claim consultancy work to be related to but distinct from accounting proper? Here again, the AEA code offers a tantalizing suggestion of what might be done with its imperative to “disclose all real or perceived conflicts of interest” (AEA, 2018). But even if such a rule were widely agreed upon and there were mechanisms in place to enforce it, it remains unclear whether it would apply to advice that happened to be given by an economist, but not as an economist.

To determine where such lines are drawn would require a much larger discussion on the part of economists. And my argument here is not that I know where such lines should be drawn, rather, I hope to have shown that such questions as important considerations to be taken up by PEE should it succeed in establishing encampments from which to further explore the territory. Economists – as we find and conceive of them today – engage in this type of advisory work, as will be discussed in the next chapter. And such roles may well prove to be an ineliminable part of what it means to do economics. Indeed, as far back as Marshall, the objective of alleviating social ills has been a prominent motivation as to why one would study economics in the first place. It is nevertheless worth interrogating such penumbra cases with a large degree of caution as they are in accounting and keeping in mind the distinction between acting as a professional as opposed to acting on the basis of some professional body of knowledge.

4.2.2 – Some Applications of Generally Accepted Principles

One particular problem that gets discussed in accounting ethics that I would like to unpack in a little bit more detail is the practice of ‘creative accounting. Creative accounting goes by many different
names, based largely on the particular country in which the topic is being discussed and is primarily a feature of financial or — to stay within the five distinctions laid out at the beginning of this chapter — managerial accounting. Creative accounting involves the use of various accounting practices to subtly distort how the financial situation of a company or individual is perceived.

One common example of this sort of practice is income smoothing. Within the banking and investment community — upon whom many businesses rely for financing — there is a preference for companies that grow at a steady predictable rate. Companies that grow at a rapid rate one year and merely tread water the next are viewed as less desirable assets to invest in. Therefore, it may behoove a company to engage in practices such as deferring revenue. If the company is already having a good year financially, it might attempt to claim the value of some assets on the next year's balance sheet. Conversely, if the company has had a bad year financially, it might attempt to claim assets on this year’s balance sheet that might more properly belong on a future one. For example, a company that enters into a multi-year deal to secure revenue might claim the entire value of that contract in the present year, although much of the revenue will not be actualized until a later period. All of these small adjustments are aimed at generating revenue statements that appear — as the name income smoothing suggests — to grow at a smooth steady rate, free from peaks and valleys.

Such manipulations are not necessarily problematic, but it is easy to see how such maneuvers might start to blur the line between legitimate accounting practices and full-blown deception. Most theorists of creative accounting insist that one of the definitional attributes of creative accounting is that

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6 The use of “creative accounting” is favored in the United Kingdom, whereas in North America it is commonly referred to as “Earnings Management”, and in continental Europe the practice is commonly called “Income smoothing”, while the French in particular often prefer the more blunt terminology of “cooking the books”. (Stolowy and Breton 2004)

7 Although it can also be found in tax accounting with the nuanced distinction between tax evasion (illegally misrepresenting assets so as to minimize the amount of taxes owed) and tax avoidance (the legal practice of minimizing the amount of taxes owed). When the techniques of some tax avoiders become overly elaborate and opaque, it becomes very unclear as to how they do not cross over into evasion. But as it applies to accounting and tax accounting, the specific literature on this topic seems to have been developed more thoroughly in the legal literature as opposed to the ethical literature that I reviewed as part of the research for this project.
it does **not** violate any principles or rules of good accounting. If someone violates such rules, there is a word for that. That would be fraud. In creative accounting “…rules are stretched not broken.” (Archer 1996).

The argument against creative accounting is that it is intended to deceive and is therefore closely (if not perfectly) analogous to lying and should therefore be morally impermissible. The problem with this argument is that presenting financial information is not a straightforward task. There is no single correct way to calculate or summarize a set of accounts. If there were, there would be little need for accountants. There is an element of art inherent in accounting and issues of judgment resist easy categorization into a set of exceptionless rules. So long as it is necessary that accountants have this latitude to use their discretion and present multiple perspectives on an issue, it seems inevitable that there will also be room for opportunistic abuse of those same tools. This gives rise to a tension between the desire to eliminate creative accounting from the profession and the inability to do so. Many accountants are well aware of this tension, with one survey in the UK finding that only 36% of accountants viewed creative accounting as a legitimate business tool and in the same survey 91% viewed it as a problem that can never be solved (Blake et al. 1996).

There are two interesting ways in which accountants attempt to navigate this tension. Some have attempted to justify and legitimate the practice of creative accounting. Others have sought to mitigate and curtail its prevalence. Both approaches are potentially applicable to the case of economics.

There have been many arguments offered regarding how much of a problem creative accounting is\(^8\), but one that I find particularly interesting for a potential comparison with economics is the claim that creative accounting is not actually possible. According to this argument, if one truly applies only

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8 Some of these arguments that are not being discussed here include (1) because such practices are widely practiced, they must be acceptable and (2) it is the responsibility of the deceived to be competent enough to spot the deception. Neither of these seems particularly compelling or relevant to current concerns. (1) appears to be a straightforward violation of Hume’s guillotine, while (2) unacceptably shifts the moral burden and absolves any sense of individual accountability.
acceptable accounting procedures and not full-blown fraud, then other interested parties will be able to work their way through the attempted deception and ascertain the true nature of the matter. Creative accounting – if it is intended to deceive – will inevitably fail and the true nature of the situation will quickly become known. The argument for this position is based on the belief that markets are efficient and that any attempted deception on the part of a business will be identified by the competition and corrected for. The classic example of this self-correcting theory can be found in Mayer-Sommer’s 1979 paper “Understanding and Acceptance of the Efficient Market Hypothesis and its Accounting Implications”, with Brown’s paper “The Efficient Market Hypothesis: The Demise of the Demon of Chance?” (2009) offering a more recent update of the same core points. These arguments rely upon assumptions and conceptual frameworks that are borrowed directly from economics. It is therefore important for economists to take note of the ways in which this argument fails in the case of accounting.

The argument that creative accounting is impossible because the efficient market will identify any such attempted deception is unconvincing for a number of reasons. (1) Specific to the case at hand, if – as the argument claims – markets are efficient and creative accounting is impossible, then why do businesses continue to pay for such services? It would seem that an efficient market would correctly identify the value of such services to be null and would-be deceivers would be unable to secure employment. (2) More generally, the efficient market hypothesis runs into a plethora of real-world counterexamples, such as the continued existence of erratic boom/bust cycles and other such inefficiencies (See for instance the evidence laid out in O’Sullivan 2018 and Fox 2009 as just two examples). (3) Also, the use of the efficient market hypothesis assumes that the information under consideration is being circulated in a market. Creative accounting can be utilized to distort information flowing between different sections of a single company (such as between the managers and the
shareholders) or between a business and the government. Since such interactions take place outside of any market, it is unclear how the market could be relied upon to offer any type of epistemic remediation. (4) Lastly, the efficient market hypothesis assumes that those interested in deceiving and those interested in detecting such deception are similarly motivated and have access to similar resources. The case of accounting demonstrates that this tends not to be the case. There is frequently an asymmetry between both the desire and available resources that exists between large corporations and their would-be interlocutors (be they unions, government regulators, or environmental groups, as just a few examples). (5) And all of these counterarguments against the efficient market hypothesis are superfluous to the immediate state of affairs that is so widely recognized by accountants themselves – that creative accounting exists and is a problem. It is difficult to see how one can claim that a practice like creative accounting is impossible because deception would be found out by the market while also knowing at the same time that such deception is a real and prominent problem. The acknowledgment of the existence of the problem of creative accounting seems to be compelling evidence against a purist vision of the efficient market hypothesis.

Returning to the two ways in which accountants have attempted to deal with the problem of creative accounting: given the general sentiment that creative accounting practices are undesirable, how do accountants go about mitigating this problem? The approach to addressing the issue relies on the concept of Generally Accepted Accounting Principles (GAAP). GAAP is among the most important topics in accounting ethics and often occupies a central position in both conceptualizing and teaching the topic. GAAP has many applications across almost every topic in accounting ethics, but as it pertains to creative accounting, it can serve as a test to help delineate between cases of mere creativity and full-blown fraud. If the creative accountant were to walk a member of the general community through their process, would that member recognize it as being acceptable? One cannot make up accounting
practices on the fly, they must always be within the accepted norms of the community.

GAAP is similar to – but slightly more permissive than – concepts found in other bodies of professional ethics literature. In medical practice, for example, doctors are required to provide their patients with care that meets the standard of best practices. This more stringent standard is difficult to attain in the case of accounting for the reasons discussed above regarding why it is so hard to eliminate creative accounting altogether. In accounting, there is no single ‘best’ way to present the information, but rather a range of recognizable and acceptable options. GAAP offers a middle ground between a strict definition of the correct way to perform a task and a chaotic hurly-burly in which anything is permissible. Given the difficulty and debate over how best to approach many economic problems (carbon pricing, inflation forecasting, and measurements of well-being to name a few) it seems unlikely that PEE would be able to achieve the more stringent standards of articulating a set of best practices, but something more akin to GAAP may be a more immediate and accessible target.

GAAP also bridges the gap between the instruction that students receive as part of their general accounting education and the specific ethics training that they receive. The contents of GAAP are not themselves taught in ethics, but rather the possibility of engaging in ethical discourse assumes that one has already learned GAAP and what remains to do is apply them correctly in relevant situations. This dependence of accounting ethics on the broader contents of accounting education poses a potential challenge to its application in PEE. Is economic education sufficiently uniform in the way that accounting is assumed to be? Are there such things as Generally Accepted Economic Principles or is the discipline governed by obstinate factionalism? I think there is some evidence to support either side of this disjunct, but more important than whether or not such agreement currently exists is whether or not framing the issue in terms similar to GAAP and having that discourse might help move the profession of economics in the right direction.
We can consider these different possibilities more concretely by looking at two examples from economics: carbon pricing and the economic valuation of life. In the case of carbon pricing, there does not appear to be any sort of consensus as to how the analysis should be conducted. On the one hand, economists such as William Nordhaus – another recipient of the Sveriges Riksbank Prize in Economic Science in Memory of Alfred Nobel – have used a model of carbon pricing which relies on a steep reduction of the cost in the alternatives in the future and argued that it makes more (financial) sense to defer investment in alternative energy sources until that later point. Critics of Nordhaus have argued that his model relies on unrealistic assumptions and that alternative methods yield a dramatically different outlook of the situation that his model unduly externalizes many of the costs of climate change (Keen 2020). How might an objective third party from the economics community adjudicate between these two interpretations of the data? At present, there are no GAEPs (Generally Accepted Economic Principles) to refer back to. As with accounting, the information does not spontaneously speak for itself. Economic analysis is necessary to understand, synthesize, and present information in a meaningful fashion. Whose fashion is the correct one? One might harbour suspicions that one of the two parties in this debate is cooking the books – and the planet – to support a predetermined conclusion, but in the absence of any sort of professional agreement upon the appropriate methodology, there does not appear to be solid ground upon which to reach any type of conclusion as to the ethical status of the competing positions.

But such disagreements need not always be the case. Another controversial task that economists have undertaken in the last century is that of establishing the dollar value of a human life. And although there are still some differences in interpretation as to how this ought to be done, there is a large amount of agreement as to the general methodology. Such measurements are always going to be controversial. There is an ethical perspective from which the value of a life should be thought of as being different in
kind from the value of money and that the value of life is impossible to measure with money. Although these types of arguments have some merit, they must be bracketed and set aside for the moment. What is interesting about the economic measurement of life from the point of view of GAAP is that economists who work in this field have coalesced around a similarly small number of acceptable methods as to how best to perform their work. Individuals are not permitted to conduct ad hoc valuations of human life based on their own idiosyncratic models. Or at least, not if such analysis is to be used as the basis for policy. Like in the case of accounting, there is still much judgment and discretion that goes into assigning a dollar value to life, but the community is sufficiently cohesive such that individual works can be assessed from a strictly methodological point of view. How did these particular economists manage to reach this level of agreement? How are violators of these standards punished? Can this model of something resembling GAEP be replicated in other areas of economics? This section has shown that accounting can inform these questions in helpful ways and that this area on the map may need to flag for further future investigation because the potential for extracting valuable insights is very high.

4.2.3 – On the Use of Codes

Another area in which looking at the example of accounting may be informative in charting the future course of PEE is in the central role that codes of conduct have played in international accounting during the second half of the twentieth century. In their account of the history of the International Federation of Accounts (IAFC), Sonnerfeldt and Loft describe the many internal and external factors that went into establishing that group's professional code of ethics. Two factors in the mid-70s gave rise to an increased need for such a code. First, the general deregulatory attitude of national governments created a void with regard to entities willing to assume leadership on topics of professional standards
and ethics. And second, there was an increase in large multinational business transactions that necessitated clear and reliable accounting norms to be widely adhered to.

Sonnerfeldt and Loft identify three distinct periods and focuses of the IAFC’s ethics committee throughout these years. From 1977 to 1992 the committee was primarily focused on internal clarification of the principles that could be most widely agreed upon by its members and the generation of consensus. As a non-state organization, the IAFC was forced to rely on the voluntary participation of its members. At times, this led to the espousal of ethical principles that aired on the side of minimally acceptable thresholds, rather than the more aspirational ideals that many members of the committee might have hoped to pursue and promote amongst their fellow professionals.

By 1993 the organization's membership had grown to such an extent that they now possessed the confidence and authority to begin taking a more direct role in the regulatory process. During this period, IAFC became a frequent and influential advisory body to governments regarding how they might regulate accountancy practices within their respective countries and regions. This expanding scope of the IAFC's potential coincided with a series of external opportunities in the form of the Asian and Mexican financial crises. The aftermath of these respective crises gave rise to an increased appetite for financial reform and regulation. An appetite that IAFC was well-positioned to help satiate. In those countries, new oversight and licensing laws were passed mimicking very closely the norms and desires of the IAFC ethics committee.

Finally, when financial malfeasance struck closer to home in the early 2000s, with the dot-com bubble and Enron scandal, the IAFC was able to once again expand upon its role as a global regulatory force. The centers of power of the IAFC had always been the industrialized Western nations that one might suspect and its influence had been directed outwards; emanating from those Western nations and
being directed towards the rest of the world\textsuperscript{9}. In the third and final phase described by Sonnerfeldt and Loft, the IAFC started shaping the regulatory landscape of Western nations as well. By the early 2000s, the institutional strength, knowledge base, and moral legitimacy of the IAFC were being exerted across the globe without exception. By this point, the organization had a well-refined and widely agreed-upon core of principles and best practices, it had gained experience in crafting laws and national policies and believed it had the mandate to enforce such standards. Increasingly, it was becoming indistinguishable in function from that of a state regulatory actor.

I draw attention to the story of the IAFC for a number of reasons. First, there is a marked difference between the long gradual pace at which the IAFC accomplished its goals and the comparative speed with which the AEA called for, authored, and approved its own code as discussed in Chapter 2. I find it unlikely that the AEA was able to completely shortcut the processes of refinement and consensus building that accounting had to go through, so the current AEA code should not yet be looked at in the same way that more mature codes such as those in accounting. Second, there is a striking similarity between the broader contexts in which the two disciplines are positioned. The IAFC was confronted with a power vacuum created by deregulatory sentiment and the need to adequately address the increasingly global flow of business. At present, no government is attempting to regulate the economics profession and they too must grapple with the rapidly evolving nature of finance. But more importantly – for present purposes – is how the IAFC responded to such a vacuum on its own initiative and the central role that codes played in their prioritizations and self-conception.

DeMartino seems to be of the belief that codes are imposed upon professions from the outside, usually by governments. As discussed in Chapter 1 of this thesis, in \textit{The Economist’s Oath} DeMartino takes a skeptical view as to the need for governance of professions (See pages 7-9 above). Later in the

\textsuperscript{9} The current project – regrettably – must pass over the potentially imperialistic connotations of such an arrangement with minimal comment.
book DeMartino goes further, espousing the perils of ‘government-induced monopoly’ and labelling the very idea as “troublesome for economists” and that such proposals “risk a kind of thought control and policing that is antithetical to and corrosive of the intellectual enterprise” (DeMartino 2011, p. 77-78). With regards to both of DeMartino’s core concerns here, the IAFC shows that they need not be the case. It is unclear what DeMartino means by thought control or that the many professions with licensure are now intellectually stifled, so I will not be engaging with that specific concern. But with regards to the origin of licensure necessarily being the state a clear counterexample offers an opportunity for critical skepticism of that premise. In the case of the IAFC, professionals took it upon themselves to agree upon a code of ethics and promote appropriate conduct amongst their peers completely absent any tangible authority to enforce such norms. Not only was government intervention absent as an impetus to action, but in an ironic reversal of the narratives presented by DeMartino and favoured more broadly by economists opposed to government intervention, it was not government imposing its values upon the IAFC, but rather it was the IAFC during its latter more mature phases imposing their values upon governments.

And perhaps most intriguingly for economists who are skeptical of oversight, is the IAFC’s observation that their own rigorous self-monitoring was a crucial component throughout their history in staving off attempts by various governments to impose external oversight onto the profession. If the IAFC did not perform its oversight duties well, the government would have stepped in and imposed something like an ethical code on accountants. Given the importance of economics to everyday life and the severity of recent calamities, it would not be a surprising turn of events if some governments began considering stricter oversight of the profession. If economists are hostile to such external interventions,

10 Just as the AEA has taken the unilateral step of articulating a code, without any government needing to impose or order the adoption of one. The AEA however has not yet taken the next step of initiating its own enforcement mechanism and/or licensure. The CEA code is slightly more ambitious in its inclusion of a mechanism for revoking membership and the benefits associated with such membership.
following the example of the IAFC and developing rigorous internal institutions may be an invaluable step in establishing legitimacy.

Lastly, the case of the IAFC – and in particular the first few years of its existence – shows the central importance of codes. Codes are an invaluable tool in clarifying thought and facilitating discussion. They do not come only at the end of long deliberative processes after consensus has already been reached, rather they are a necessary tool by which we reach that consensus. Debate and dissent about the content of such codes is unavoidable and revisions are a constantly ongoing process, but that does not mean that we should abstain from attempting to craft such documents. Codes are the foundation of an organization and it is only upon strong foundations that grand things can be erected. If PEE aspires to maintain independence and exert influence on other institutions of power, then it may be worthwhile paying close attention to and fostering its relationship with codes, as the IAFC did. As mentioned above, I think that the example of how the IAFC developed its code shows that preliminary documents such as the current AEA code discussed in Chapter 2 are best viewed as unfinished products and I have been critical of some of the ways in which they remain unfinished. That said, such attempts are a necessary part of initiating any discourse at all and for that, they should still be applauded, seriously studied, and widely disused if they are to eventually follow in the footsteps of something like the IAFC.

4.3 – On Engineering

Another field with existing apparatuses of professional ethics from which PEE might borrow useful insights is engineering. As with accounting, thinking about ethics and ethical issues is a widespread and commonly accepted part of professional practice in the field of engineering. Also like accounting, engineers demonstrate many of the intellectual apparatuses DeMartino aspires to
implement in economics such as dedicated journals, conferences, and courses. The similarity between the subject matter of engineering and economics is less immediately obvious than was the case with accounting, there are nevertheless significant points of commonality. Many of the most high-stakes projects in both fields involve government efforts toward some form of public good. In the case of engineering, such projects might take the form of infrastructure projects or any of the many scientific enterprises that many governments sponsor. While in economics such projects are likely to be in the area of fiscal and monetary policy. Both disciplines create apparatuses that will be exposed to many unexpected pressures and have huge potential to cause harm if they are wantonly designed. In this section, I explore the roots of engineering as a more disciplined and militaristic discipline, the central role that humility plays in guiding ethical thinking in the field, and some of the pedagogical lessons that can be gleaned from how engineers are taught ethics and argue that these are a few of the relevant lessons that PEE might extract from an exploration of this territory.

4.3.1 – What is Engineering?

As the name suggests, engineers were originally those who studied, designed, and operated engines. Some historians of engineering like to conflate the term ‘engines’ with the term ‘technology’ more generally and claim that as long as man has had tools there have been engineers. However, more recent historical scholarship has found this account to be overly permissive and that it diminishes the significance of engineering as a distinct profession. (Davis 1995, p.36-7) This new history of engineering instead identifies the beginning of engineering as being linked specifically to the use of engines in 17th-century French warfare. Although the term engine was a general term for a ‘complex device’, the term was most frequently applied to siege engines and the first engineers were specialized members of the army tasked with maintaining and operating such devices. (Ibid., p. 37-8).
Engineering has evolved and developed since this time, but this historical rooting in warfare and the military is more than just an etymological anecdote. These origins have had lasting structural influences on the way that engineering is taught and conceived of. Throughout the 18th century, the need to train this army **corps du genie** led to the gradual refinement of curriculum and establishment of institutions for education. In particular, members of this emerging profession felt the need to distinguish themselves from the existing discipline of architecture. Three ways that they attempted to do this were by (1) priding themselves on only instructing students in the newest mathematics as opposed to traditional styles and methods, (2) their focus on practical problems as opposed to speculative or theoretical projects, and (3) the continued dedication to the army’s core values of discipline, hierarchy, and accountability. This gradual hewing of a distinct identity and educational curriculum culminated with the founding of the *Ecole Polytechnique* in 1794. This is significant because

> The *Ecole Polytechnique* was the model for engineering education for much of the nineteenth century. The United States began using it very early. Our first engineering school was the military academy at West Point. By 1817, it had adopted much of the *Ecole’s* curriculum, its methods of instruction, and even some textbooks. (*Ibid.*, p. 39)

This military lineage stands in stark contrast to economics, which was born out of political philosophy. Whereas engineering was in some sense always already conscientious of its ethical responsibilities to broader society, economics has no such traditional connections to such subject matter. Indeed, several of the points upon which engineering sought to distinguish itself from architecture may still be relevant for economists to consider with regard to how their discipline is constituted. If economics is to establish itself as a profession and develop in a way similar to the potential path laid out by engineering, do canonical figures in economics deserve to continue to be studied and held in high esteem? Or should they be supplanted by the latest ideas? Is it appropriate to study highly abstract models that exist purely in the abstract? Or should economists direct themselves to more pressing
practical questions? Does the discipline need more rigid structures of hierarchy and accountability? Or should it be the free-floating debate of ideas amongst peers?

These three points around which engineering defined its distinct identity are all potentially applicable to the case of economics. One can likely find economists who would come down on opposite sides of all of these questions, but one of the implications for PEE circles back to one of DeMartino’s commitments discussed in Chapter 1. For DeMartino, PEE ought to accept economics as it is and not seek to change broader disciplinary practices. I argued in Chapter 1 that this non-interventionist approach was fraught, and here again, we see one possible implication of such a commitment. Economics does not currently have the same built-in structure of hierarchy and accountability that engineering has. If engineering ethics are inescapably rooted in its militaristic lineage, then comparisons between the two might be of limited use. Alternatively, the strengths of the engineering model might indicate that economics needs to be open to reform and that it might want to consider introducing similar standards to those found in engineering into their own discipline.

Economics is not currently structured like an institution with military roots, but the more important question is whether introducing such a structure would be desirable.

Consider the example of direct accountability. In an army setting, an officer might consult several people in formulating a plan, but ultimately, they make a decision and give a command. If there are undue consequences from that decision, there is no ambiguity about who is responsible. Likewise, in engineering. A whole team might work on a project and make suggestions and contributions, but ultimately one person signs off on a set of plans and puts their (often literal) seal of approval on them. If something goes wrong, there is one clearly identifiable person who is responsible. There does not seem to be any corresponding ownership of responsibility in economics. Many economic predictions fail to materialize, but the authors of such predictions often face little in the way of consequences for
such missteps\textsuperscript{11}. The engineering model would suggest that it is undesirable to have key advisors operating without accountability. But it is unclear how one might replicate such structures of accountability in economics if the way economics is currently practiced is placed outside of the jurisdiction of PEE.

Another possible lesson that economists can extract from the example of engineers – regarding specifically the separation between practical and abstract applications – is that the discipline of economics contains multitudes and that different rules might need to be imposed upon different types of economists as they are upon different types of engineers. This will be discussed below in section 4.2.2. But first, it is necessary to introduce some of the broader values that guide thinking about ethics in engineering more generally.

4.3.2– On Humility

Within engineering ethics, there are a small number of guiding principles – similar to those utilized in biomedical principlism as discussed in the previous chapter – which are taken as touchstones for large swathes of the engineering ethics literature. Perhaps the most widely cited list of such principles is the one maintained by the Accreditation Board for Engineering and Technology (ABET). ABET identifies four principles and seven cannons that it takes to be fundamental to the profession of engineering. Those principles are as follows:

Engineers uphold and advance the integrity, honour, and dignity of the engineering profession by:

\begin{enumerate}
\item using their knowledge and skill for the enhancement of human welfare;
\end{enumerate}

\textsuperscript{11} As discussed above, the CEA code does make some attempt to hold members accountable by introducing methods of revoking membership. But that enforcement mechanism – at least in its present form – applies largely to the issues of internal conduct, not the external actions of members as members of the profession. Although the CEA codes goes further on this point than the AEA code, they both have a long way to go before they resemble professions such as engineering in that regard.
ii - being honest and impartial, and serving with fidelity the public, their employers, and clients;
iii - striving to increase the competence and prestige of the engineering profession; and
iv - supporting the professional and technical societies of their disciplines

And the corresponding canons are:

1 - Engineers shall hold paramount the safety, health, and welfare of the public in the performance of their professional duties.
2 - Engineers shall perform services only in the areas of their competence.
3 - Engineers shall issue public statements only in an objective and truthful manner.
4 - Engineers shall act in professional matters for each employer or client as faithful agents or trustees, and shall avoid conflicts of interest.
5 - Engineers shall build their professional reputation on the merit of their services and shall not compete unfairly with others.
6 - Engineers shall act in such a manner as to uphold and enhance the honour, integrity, and dignity of the profession.
7 - Engineers shall continue their professional development throughout their careers and shall provide opportunities for the professional development of those engineers under their supervision.

The item from this list that I want to draw special attention to is the one given pride of place at the top of the list of canons – the paramount concern for the welfare of the public. Although the second list of cannons shares a number of features with the AEA code discussed above, an important difference is the grounding of the engineering code in these higher abstract principles such as public welfare which are absent from the current AEA code. This core value of public welfare manifests in many different ways, such as the duty to call attention to problems and avoid conflicts of interest, but one less obvious implication is the check that it serves on epistemic arrogance and the prohibition of offering service outside of one's area of competency. Recall here that one of the specific dictates laid out by the AEA code was the “acknowledgment of the limits of expertise”.

In Canada, this implication of the ABET code is even more prominent. In a ritual called the Calling of the Engineers, graduates of Canadian engineering programs are invited to participate in a
ceremony wherein they pledge to their fellow engineers to conduct themselves ethically. In the oath recited as part of this ritual, the engineers-to-be beg forgiveness for their “…assured failures and derelictions….” Following the ritual, the initiates receive an iron ring, meant to commemorate the Montreal bridge disaster in which an engineering mistake led to the bridge's collapse. The ring serves as a constant reminder of the responsibility engineers have as well as their potential to err. As the administrators of the Ritual summarize it, “[t]he ring symbolizes the pride which engineers have in their profession, while simultaneously reminding them of their humility” (https://www.ironring.ca/background-en/).

This heavy focus on humility leads engineers – both in Canada and more broadly – to engage in a series of internal safeguards on their work. An engineer may wish to design new and innovative projects or place an emphasis on aesthetics over function, but there is strong community pressure to subordinate such ambitions to the more mundane priorities of safety and reliability. If there is any possibility that the public will be endangered by hastily or minimally scrutinized engineering work, engineers are trained to check and double-check their calculations. If there are choices to be made between a slightly more economical design for something and one which would have greater assurance not to fail, the ethical norms of engineering dictate that the latter should be chosen. Many little practices – such as designing beyond code, built-in redundancies, and fail-safes – can be traced back to this basic awareness that engineers have of their own fallibility. They can and will make mistakes and need to be constantly vigilant in order to minimize the costs of such inevitabilities. All of these lessons and values could potentially be grafted into something like the AEA code of conduct with minimal revision. The current version of the AEA code already contains some language that hints towards an interest in humility by saying that practitioners should “acknowledge the limits of expertise” (AEA, 2018) but the example of engineering how that acknowledgement might be spelt out in more concrete
practices and motivations. Engineers are humble because of the harm they might cause, in its current form the AEA code flatly asserts the need to recognize such limits, when the underlying motivation ought to be the same in both professions.

Several interesting points – about humility, but also engineering more broadly – can be drawn out by contrasting these norms that pervade in most of the profession with those that are sometimes displayed by one particular subset of engineers who happen to occupy a prominent place in the public consciousness: software engineers. In particular, I want to draw attention here to the company Facebook and some of the practices that they have demonstrated. During its rapid rise to cultural and economic prominence, Facebook operated under the slogan of “move fast and break things” (Taplin 2017). Such a philosophy seems to stand in sharp contrast to the types of habits discussed above regarding humility and that are widely practiced throughout other areas of engineering. Most engineers err on the side of “move slow and absolutely under no foreseeable circumstances allow things to break”. Despite this case being an apparent counterexample to the general trend of the profession, I think that the case of Facebook can actually serve to reinforce the central point. One of the reasons that Facebook’s slogan has attracted so much attention is precisely because it represented an outlier from the general approach of engineering. Engineers, by and large, do not subscribe to the type of reckless cavalier attitude espoused by Facebook. They pride themselves on being a cautious and meticulous group.

There is also a dawning realization that attitudes such as the one adopted by Facebook may have had calamitous consequences on the digital landscape that we are only now coming to understand the cost of. Their deviation from normal engineering practice increasingly appears to have led to precisely the type of calamity that humility is meant to circumvent in the broader profession.
Lastly, that such an attitude was ever allowed to go unchallenged highlights the many differences that exist between different types of engineers\textsuperscript{12}. Different types of engineers may all share the same name, belong to some of the same umbrella organizations, and have the same core principles, but there are also many ways in which they differ. It is therefore integral to the operation of the community that in addition to the profession-wide features discussed here, there also be more specialized groups and expectations related to the specific tasks associated with the different types of engineering. This recognition of different areas of expertise also underlies another of the defining features of engineering, which will be discussed in the next section.

4.3.3 – On the Division of Territory

Another way in which engineering might serve as an informative example for PEE to look at is with regard to the way in which areas of competency are closely policed. Within engineering, many more fine-grained distinctions are made, monitored, and enforced. In the previous section, we saw this listed as the second item on the list of foundational canons of the profession as represented by ABET which states that “engineers shall perform services only in the areas of their competence”. For example, being licensed to practice as a chemical engineer does not give one the authority to provide services in electrical engineering. Regulatory bodies, such as the National Society for Professional Engineers (NSPE), actively enforce the expectation that engineers observe such boundaries.

For example, in the NSPE’s annual Ethics Reference Guide of 2018, one can find a complete listing of cases that the organization had investigated in the previous year. Many types of infractions

\textsuperscript{12} There is some debate as to whether software engineers count as engineers at all. Depending on the jurisdiction, the title of engineer and/or professional engineer is highly controlled, and it is unlikely that such professionals would be allowed to designate themselves as such. However, it is also common for software companies to assign to title of software engineer to someone who works with software but should – strictly speaking – not be considered an engineer. This looseness with terms has been and will continue to be the topic of many legal disputes and is another potentially fruitful source of investigation for future studies of PEE to pursue in the event that the economics profession attempts to start defining who counts as an economist.
can be found in this list’s roughly 600 entries. Although this list and the associated cases could be combed through for a myriad of potential lessons\textsuperscript{13}, the one that I want to draw attention to is cases 60-6 (in which an engineer practiced outside their major field). In this case, a structural engineer overstepped his area of knowledge and signed off on a set of electrical schematics related to a project. A fellow engineer took exception to this and argued that it was inappropriate for the first engineer to offer an opinion on a topic about which they were not up-to-date.

Case 60-6 shows that differences in competency are indeed monitored. In this case, a structural engineer placed their seal on a set of electrical schematics that the ethics review board found them to be underqualified to assess. One type of engineer simply cannot put their seal on work outside of their area of expertise. To do so would violate humility and endanger the public. Such statements may seem like common sense, but the fact that they appear to be common sense is a testament to how rigorous engineering internal social pressures and mechanisms of oversight have been. But even engineers must remain vigilant and committed to such ideals because transgressions can and do still occur.

Economics notably lacks these types of rigid internal gatekeeping norms. Returning once more to the AEA code’s dictate to “acknowledge the limits of expertise” which was connected to the underlying principle of humility, that same basic principle is at play here. Practitioners who practice outside of their area of expertise do not acknowledge such limits and it becomes necessary for the profession to step in and police such violations. It will be interesting to see if the current AEA code develops over the years to an interest in this type of enforcement of the limits of expertise and if the current wording is strong enough to support such an expansion of scope.

This section has offered a brief glimpse of how important the topic of disciplinary boundaries is in the field of engineering. In the next chapter, I will show how the lack of these types of gatekeeping

\textsuperscript{13} Two other features that I found interesting were the 100 or so cases on conflict of interests suggesting that even in a “more disciplined” profession like engineering such temptations are a pressing concern) and the 8 cases directly referring to public welfare (reinforcing the point made in the previous section about the ongoing centrality of that particular canon)
norms in economics can potentially lead to problems.

4.4 – Pedagogical lessons

In both of the cases discussed above – engineering and accounting – there are also a handful of points that I would like to draw attention to with regard to how those professions have attempted to educate their students. The classroom is a key trading post in how PEE will be developed and passed on in the future. A key part of the instruction in all three disciplines takes place in university classrooms, so it is therefore not surprising that many important lessons can be learned by looking at how accounting and engineering have educated their students.

Early in the establishment of accounting ethics, Stephen Loeb (1988) wrote an article for the Journal of Accounting Education – still frequently cited today – in which he lays out three distinct challenges that faced the prospect of introducing the then-fledgling study of accounting ethics into university curricula. According to Loeb, accounting ethics (1) lacked faculty qualified and interested in teaching such courses, (2) had no existing body of case studies from which to teach, and (3) faced severe time constraints regarding whether or not it would be possible to teach such a course alongside the necessary course that already tightly pack students’ schedules (Ibid., p. 323). I will not spend much time discussing the third of these concerns – DeMartino and other economists have raised similar concerns about the crowded economics curriculum, but such concerns strike me as a matter of prioritization more so than actual logistical constraints\(^{14}\) – but the first two are potentially informative.

\(^{14}\) A longstanding criticism of economics education has been that it prioritizes technical proficiency at the expense of all else. In the 1950s Howard Bowen was commissioned to study the issue by the AEA and found that such prioritization was taking place at the expense of “more scholarly, historical, and philosophical inputs.” (As quoted in DeMartino 2011, p 208). In 1987 Colander and Klamer (1987) reached similar conclusions and a few years later the Commission on Graduate Education in Economics (COGEE) (Discussed in Chapter 1) reinforced these conclusions once again. Economic education as it is currently conducted prioritizes technical training at the expense of other areas of focus such as history. We can reasonably assume that any attempt to introduce courses in ethics would face a similar battle for limited classroom hours.
Concerning the first problem, Loeb emphasized the need to make ‘accounting ethics’ an acceptable and rewarding career path for young scholars (be they accountants interested in philosophy or philosophers interested in accounting) to pursue. One could hardly blame young scholars for eschewing a focus on accounting ethics if electing to pursue such a focus was likely to stymy one’s career prospects. In academia, two of the major activities of scholars are teaching and research. At the time Loeb was writing, there were very few dedicated courses taught regarding accounting ethics, and therefore very few jobs available to teach such courses. Likewise, no dedicated journal existed to publish research on the topic. To wit, his own piece was published in a journal dedicated to accounting education, not ethics. This observation makes explicit the second half of a chicken-egg problem that had existed in his field. There were no venues for publication because no one researched in that area. But no one researched in that area because there was nowhere to publish and there was an immediate career imperative to have publications. In order to break the vicious cycle in its own discipline, PEE must work to offer such venues and make a scholarly career in such an area a potentially viable path for the next generation of academics as was done in accounting.

One step that can be taken in this process, is the building up of a stockpile of relevant case studies as noted in Loeb’s second concern. Case studies play a central role in the teaching of ethics. Both accounting and engineering have iconic and oft-repeated stories (The Challenger disaster and Anderson-Anderson respectively) which are evoked near ad nausea to motivate and frame their commitments to ethics. Loeb’s instincts on this point have been borne out by the evidence from the classroom in the years since. In both accounting (Apostolou et al 2013) and engineering (Hess and Fore 2018), a survey of ethics course curricula found that the use of case studies was by far the most common pedagogical tool relied upon. So another specific step that PEE can take towards establishing itself, would be by establishing a repository of similar case studies from which to teach because such
cases are an indispensable element of how ethics has been taught in other professions.

4.5 – Concluding Thoughts

In this chapter, I have attempted to expand upon DeMartino’s initial instinct to borrow from existing bodies of professional ethical literature in order to avoid an unnecessary duplication of efforts on the part of the burgeoning field of PEE. Unlike DeMartino, I do not take the case of medical ethics to be a uniquely elevated nor appropriate source to look to for inspiration. As an alternative, I propose that two more fruitful comparisons to consider are those of accounting and engineering. Accounting because of the prominent role that the concept of GAAP plays in the relevant discourse and the central role that a Code of Ethics played in both the international self-conception and self-governance of the accounting community. Engineering because of its emphasis on public service – in particular, the way that that commitment manifests itself in epistemic humility – and the profession's commitment to policing the boundaries between different areas of competency. Both engineering and accounting also offer a number of insights into how PEE might best be taught to students – such as the curating of case studies. But looking at these examples also alerts us to some of the potential obstacles that future instructors might expect to encounter – such as the potential lack of career incentives for young academics. Based on these lessons, PEE should give serious consideration to what types of case studies are relevant to their discourse and how to open up career prospects such that more minds and resources are directed toward the topic.
Chapter 5: Exploring the Potential of Alternative Perspectives

The previous chapters have put forward and considered a variety of ideas as to what Professional Ethics for Economists (PEE) might look like and how economists might approach important ethical considerations related to their work. This exploration of possible approaches to PEE began in Chapter 1 with the ways in which DeMartino conceptualized the project in his book *The Economist’s Oath*. In that Chapter, I highlighted both what I took to be important aspects of DeMartino’s analysis as well as some points on which I believed that his approach missed the mark. DeMartino argued that a possible future code of PEE could be based on an analogy to biomedical ethics, that it need not involve any formal mechanism like licensure, and that the currently existing body of economic thought need not be disrupted by the introduction of a PEE discourse. This analysis also relied on a number of assumptions – such as the claim that economists already form a coherent profession and that a rough estimation of the population is sufficient – that I attempted to show were tenuous. The current Chapter will further illustrate some of these points.

This was followed in Chapter 2 by some reflections on the history of economic thought and the origins of some important features of the current zeitgeist of economics, including the recent adoption of codes of conduct by the AEA and CEA respectively. The historical portion of this chapter demonstrated how topics like the supposed value-neutralness of economics had a long history that did not demonstrate the same commitments that DeMartino (and many other economists) have claimed that it does. Topics such as social justice, pluralism, and what it is economics itself consist of are contentious ad complex topics in economic history. Making flat assertions about these topics’ risks losing much of the subtly and perspective of the original arguments and may serve to perpetuate erroneous thinking on such topics.

Chapter 2 concluded by looking at the recent adoption by both the AEA and the CEA of codes
of professional conduct. The adoption of these codes is noteworthy because their adoptions mark a significant departure from the pattern of avoidance that DeMartino argues has persisted for over a century. Although these codes are a step in the right direction, I argue that they are – in their current form – insufficient to the problems posed by PEE and that in some significant ways, they are aiming in the wrong direction from the outset. In particular, I attempt to show how much of the effort of AEA and CEA codes is directed toward the reformation of the interactions between economists, not between economists and the rest of the world. Although preventing the harm that professionals might do to other professionals is a necessary and worthwhile inclusion in a possible code, the more pressing issue – as demonstrated by the focus of DeMartino’s work, the topics addressed in biomedical, accounting, and engineering ethics – is the harms that professionals can do to those outside of the profession.

Nevertheless, the current codes do contain several hits that the authors of those codes may be open to development in a more fruitful direction. In this chapter, I will attempt to highlight a few places where the current codes hint at applicability and how they might be further developed to more adequately fulfill that potential.

Chapter 3 explored further the original basis for DeMartino’s comparison between medicine and economics as being based on two features: that both professions make decisions on behalf of others and that both deal with subject matter that is inherently uncertain. I argued that in most circumstances medicine does not make decisions on behalf of others, but rather spends a great deal of effort attempting to respect the autonomy of patients. And although both disciplines certainly deal with some degree of uncertainty – as the following examples will also illustrate – I attempted to show that a more nuanced distinction of what we mean when we talk about uncertainty is necessary and that the type encountered in economics may be more intractable than in medicine. But this did not mean that medicine was bereft of potential insights into the problems facing economists. Although in his
discussion of medical principlism DeMartino elected to focus on autonomy and nonmaleficence as the most salient points of comparison, I demonstrated that justice and beneficence may be the more fruitful places for PEE to focus.

Having then critically considered the merits of basing PEE on a comparison to medical ethics Chapter 4 considered whether there may also be useful ideas to be found in other mature fields of professional ethics such as accounting and engineering. Both professions are well established and display many of the features that DeMartino believes a thriving discourse should possess – such as journals, conferences, and subject matter experts. Both disciplines also have a number of specific features – either in their historical development or current practices – which I argued were potentially highly applicable to the case of PEE. For example, accounting is able to specify a small handful of core types of tasks that their members engage in and those activities are guided by a mutually agreed upon set of acceptable principles. Or in engineering, an overriding concern for public safety manifests itself in a commitment to epistemic humility and quite rigorous internal monitoring with regard to areas of competency. And both disciplines have developed pedagogical practices which involve concrete examples – of both cases and codes – and have cultivated venues for discourse about the ever-changing ethical landscape faced by their members.

By applying the potential insights of the previous chapters to the following examples we can compare and contrast how different perspective might answer the questions that would face PEE. For example, DeMartino eschewed the question of trying to definitively identify who counts as an economist and who does not, whereas the other possible models we considered – medicine, accounting, and engineering – all placed a great emphasis on these types of questions of membership. Should the economists introduced below (Hassett and Navarro) be considered economists? If they are to be considered economists, how might the profession understand its relationship and possible responsibility
for their actions? That is, if we consider their actions to be culpable at all. Given that they were operating under conditions of uncertainty, could they have been reasonably expected to do any more than they did? How might institutional values of justice or humility have altered the decision made? Could mechanisms such as Generally Accepted Economic Principles or the availability of a subject matter expert changed the way these particular economists approached their tasks? If an accountant or an engineer had found themselves in a similar situation, would they have acted similarly? Why or why not? These are the types of questions that the previous chapters have altered us to and given us a vocabulary to discuss.

With all of this in mind, the current chapter will be looking at some of the responses that economists had to the recent COVID-19 pandemic and using those responses as an example which can be used to test and explore the applicability of the ideas and perspectives on PEE that were introduced in the previous chapters. By way of these examples, I hope to highlight some of the ways in which alternative perspectives put forward in Chapter 4 – those of accounting and engineering as opposed to medicine – might offer important insights into the questions facing economists and expand upon the available toolbox with which to approach ethical questions.

5.1.1 – Economic Aspects of the Pandemic

In January 2020, health officials in North America began detecting domestic cases of the new strain of viral infection designated by the World Health Organization as SARS-CoV-2 (Severe Acute Respiratory Syndrome Coronavirus), hereafter referred to simply as COVID-19. COVID-19 had been circulating in mainland China for several months prior to this point and although specific details of this particular variant were still being established, there was a great deal of agreement among the medical community as to the general nature of the diseases based upon early observations in China and its
similarities to other coronaviruses. It was known that COVID-19 was communicable by air and had a
death rate significantly higher than the common flu.

To stymy the spread of COVID-19, health officials advocated a number of measures be taken –
such as hand washing and the use of masks – but one recommendation, in particular, was extremely
contentious. Because the virus was known to spread from person to person, the proposal from health
officials was that governments should limit interpersonal contact by imposing some form of lockdown.

It can be difficult to talk about lockdowns in a general way because there is a great deal of variation
with regard to how such policies were conceptualized and implemented. Throughout the course of the
pandemic, there have been many different names for lockdowns, such as shutdowns, circuit breakers,
stay-at-home orders, and social distancing to name but a few. And different jurisdictions have chosen to
implement such measures in even more diverse ways. For example, different jurisdictions have chosen
to prioritize different types of activity to be restricted. Some jurisdictions have prioritized schools for
closure. In others, the emphasis was placed on workplaces, religious gatherings, social gatherings, or
some combination thereof. Different jurisdictions have also relied on varying degrees of voluntary
compliance, fines, or even criminal repercussions for violations of public health measures. But in all of
these cases, the central objective was the same: limit the spread of the virus by limiting its ability to
spread from person to person.

The public health benefits of such measures, however, do come at a cost. In almost all of these
different variations of a lockdown, there is an economic cost to the interruption of normal daily activity.
If one cancels fan attendance at sporting events, then the club loses ticket revenue and concession
workers are likely to be laid off. If one cancels school, then parents must take on the additional cost of
childcare lest they take time off from their own work. These types of economic tradeoffs persist for all
of the many forms a lockdown might take.
This is where economists and economic ideas have the potential to be useful and appropriate in guiding policy. It is easy to say that such measures will have an economic cost. What is much more difficult is putting a precise number on exactly what one might expect those economic costs to be. It is relevant and important information for decision-makers to have as to whether an intervention will cost a million dollars a day or fifty million dollars a day. Whether locking down a particular sector will put a thousand people out of work or five thousand. An economist might contribute to questions such as whether there are available substitutes for aspects of the health care system. The marginal costs of expanding on that system when it comes under pressure. Or how one might get the public to best comply with a given measure – by way of positive or negative incentives. And so on. These are economic questions about which economists could potentially make meaningful contributions. What is of interest to us at this juncture and what will be explored in the next section is how some economists actually chose to approach these important questions.

5.2 – Two Types of Economic Response

5.2.1 – Academic Considerations

Because the work economists do is extremely varied in nature, one cannot hope to easily consider all of the many different activities that economists engaged in in response to the pandemic. If we follow the rough outline of the work that economists do as laid out by DeMartino and discussed in Chapter 1, we can make a major division between two types of work – academic and non-academic – and consider a few general features of each of these two general types of professional economic behaviour in turn.

Amongst academics of almost every discipline, there was an immense volume of work produced in response to the pandemic, from special journal issues to dedicated conferences on the
topic. Economics was no different, with a vast outpouring of ideas, papers, and presentations on the subject. With regard to this type of “strictly academic” work, it might be tempting to think that there are no ethical considerations to be addressed. Unlike non-academic economists and the various applied projects to which they apply themselves, the potential harms of academic work are less readily apparent.

This perspective – that purely academic work does not cause harm – contributes to the standard view of economics as discussed in Chapter 2. Recall here that the “standard view” amongst economists is that their work is “value-free science with no place for value judgments of any kind” (my emphasis, Boumans and Davis 2010, p. 169) and that it is merely descriptive in nature. According to such a view, there would be no relevant ethical considerations pertaining to the speculative academic work economists do addressing Covid or any other topic because academic work is not engaged in any type of normative judgement about the situation, merely conceptualizing it. Unlike Richard Ely’s approach to economics (which viewed economists to be collaborators with the church and state in making every city a city of God) or the Marginalism of Alfred Marshall (who took for granted the devotion of all economists to the wellbeing of the whole of the people), mainstream economists have adopted the view of economics espoused by Lionel Robbins according to which descriptive and normative aspects of the work can be kept separate and the appropriate investigative core can be kept value free.¹ There are many problems with the belief that academic work is free from any type of value, some of which were touched on in previous chapters and a few of which I want to flag here for future discussion.

First, it is worth briefly mentioning the way in which this perspective denies the reality of economics’ elevated station in society. There is the anecdotal account from John Maynard Keynes that the world is ruled by little else aside from economic ideas (Keynes 1936), but in Chapter 1 we also

¹ This view attributed to Robbin’s is complicated by the various uses of economics, political economy, and economic science and his own blurring of the descriptive and prescriptive element of his account, but the central point holds with regards to how his ideas has since been understood and applied.
touched briefly on two crude markers of economists’ broader prestige compared to other disciplines – their higher professorial salaries compared to their peers (Chronicle of Higher Education 2011) and the existence of public offices like the President's Council of Economic Advisors\(^2\). For better or worse, economics and economic ideas have a tremendous influence on the way many important topics are conceptualized\(^3\), and it has become the lingua franca of public policy. It can be difficult to trace a clear or precise path between something being an academic idea and how those ideas come to influence the world and the way in which such transmissions occur is a complicated and often opaque process (Hirschman and Popp Berman 2014), but it is an undeniable feature of the current world that there is such an influence. It is therefore surprising that so many academic economists would ignore this dimension of their work. Although other disciplines also influence policy, economics does so in a much more direct way which requires special attention. This is one respect in which economics is different from other academic disciplines. Because economists have such direct access to the decision-making process, PEE will be unable to either rely on the example of other academic disciplines or abjure from such considerations of ethics in a way that those disciplines supposedly do. Although this assumption that other academics do not consider ethics is also fraught.

Even if economics could comport itself as though it were any other academic discipline, it is unclear that this would provide them with sufficient justification for abjuring ethical considerations. In many non-economic disciplines, the idea that academic investigation can be completely value-free has recently come under considerable scrutiny. For example, in the hard sciences, the value-free ideal was widely held for a large portion of the twentieth century. But even the most hardened advocate of this ideal in science has had to find a way to accommodate certain inconvenient truths. Those who sought to maintain some semblance of the value-free ideal often did so by making a distinction between

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\(^2\) I would still like to see a President’s Council of Archeological Advisors.
\(^3\) Recall here – also from Chapter 1 – the way in which the economic position on topics such as trade tariffs rapidly moved from one of many competing views to nigh on common sense.
epistemic and non-epistemic values. Epistemic values are conceived to be those that bear directly on the research process (explanatory breadth, predictive precision, and the like), whereas non-epistemic is a catch-all for any other type of value (concern for justice, the social benefits of a program, etc.). The idea behind such a distinction is that epistemic values play a legitimate role in investigation whereas non-epistemic values were still to be avoided.

Note that the standard view of economics described above does not allow for either type of value to be present. So – in its current form – the assertion of the value-free status of economics is even more stringent than the iterations of the same ideal typically found in the hard sciences. If economics aspires to scientific status and models itself after disciplines such as physics, it is unusual that they would continue to deny what has been accepted in those fields. Epistemic values must play a role in any investigation otherwise we would be unable to justify any preference for one theory over another. But many philosophers of science argue that the inevitable influence of values in science extends beyond these so-called epistemic values\(^4\).

As an example of the type of non-epistemic values that inevitably seep into the investigative process, philosophers of science such as Heather Douglas (2009) have pointed to the choice of research project as an instance in which scientists inevitably rely on values to make decisions. There are many different research projects one might pursue, and how one decides between may take into consideration any number of values such as personal interest, potential prestige, social utility, available funding, and so on. This shows that some non-epistemic values are at work in the scientific process. By pointing out the role that values play in how one selects their research projects, Douglas’s intention is not to say that it is a good or bad thing that values influence science but rather that it is unavoidable and something that should be the topic of more open and frank conversation. This is a conversation for which PEE

\(^4\) It is also highly contentious that there can be a coherent distinction drawn between epistemic and non-epistemic values.
would be well suited to play an integral role in the case of economics.

Although the current project has not chosen to focus on a comparison between economics and other types of science, this brief discussion here should show that this comparison between the role of values in science and the role of values in academic economics is yet another promising avenue of investigation – like anthropology and legal ethics discussed above – that future forays into PEE might explore further.

Another problem with the standard view that there are no ethical considerations pertaining to academic work is that within the broad category of academic economics, there are many different methodologies that are employed. Depending on the type of methodology used there may be additional ethical considerations that become appropriate. There is a caricature of economics that describes academic work as ‘blackboard theorizing’. The idea is that economists simply make up rules, draw the corresponding equations on a blackboard, and presume a relevant connection between those conclusions and the real world. Like most caricatures, this description bears some resemblance to reality but is also exaggerated and incomplete in other important respects. There is certainly some economic work that is worryingly detached from the world it is meant to explain and many criticisms have been made of such detachment on both moral and academic grounds (Fullbrook 2003), but a separate potential moral concern that I want to draw attention to here is the increasing use of human subjects in economic research.

The most prominent place that this use of human subjects in research can be seen is in the field of experimental economics. As the name suggests, experimental economics focuses on the design and use of experiments to gather data to test economic hypotheses. There are a wide variety of experimental designs employed, including both field and laboratory work, but in all its forms experimental economics inevitably relies on the use of human subjects. Given that their work makes use of human
subjects some commentators have argued that there is a corresponding imperative to ensure the well-being of those subjects. For example, Megan Blomfield (2013) argues that “…anyone who engages in human subjects research has a responsibility to proceed according to certain ethical guidelines…” including considerations such as “…possible harms, uncertain effects, potential for undermining autonomy, and asymmetries of power…” (Blomfield 2013, pp. 27-32). Blomfield goes on to make a comparison on this point between economics and other fields that rely on human subjects research – notably medicine and psychiatry – and suggests that economics could fruitfully borrow guidelines and conventions from those disciplines which have already wrestled with such concerns for an extended period.

On this point, DeMartino’s original instinct toward using medicine as the exemplar upon which to model PEE is an apt one. And it is important that PEE make special note of experimental economics because it appears to be an academic trend that is very much in the ascendancy. According to Francesco Guala’s history of the genre, “…the history of experimental economics in the 1980s and 1990s is the story of a booming research program, increasingly influential within the discipline and in the social sciences at large…” (Guala 2008, p. 156). Regardless of whether experimental economics is the direction that the overall discipline is trending or whether it remains a specialized field therein, its reliance on human subjects flags it for special consideration by PEE and serves to further problematize the standard view that purely academic economic research can be value-free.

These three issues – the elevated status of economic ideas in shaping public policy, the inevitable influence of values in research, and the increasing use of human subjects in academic economic research – demonstrate that there is an important role for PEE to play at every level of economic thinking, even in the academic sphere which is often thought to be insulated from such real-world concerns. When economists weigh in on issues – even if they think that they are restricting
themselves to narrowly academic and therefore value-free speculating about those issues – those musings take on a weight and significance which require economists to be mindful of their potential influence. The academic – nonacademic distinction is a useful one, but not one which absolves the former of considerations of PEE.

5.2.2 – Policy Considerations

Returning to DeMartino’s broad categorization of types of economic work, academic work occupies roughly half of economic practitioners, but after that, the second most common type of work is advising various levels of government. The nature of the COVID-19 pandemic as a public health emergency required that governments take action and much of that action was informed by economic advice. However, not all advice and not all advisors approach this task in the same manner. In this section, I would like to contrast two types of policy influence that played out at the national level in the United States: those of The Congressional Budget Office (CBO) and those of a few individual advisors. These two different types of response will highlight some of the features of desirable and undesirable behaviour that PEE could help encourage and deter respectively.

The first type of economic policy advice that I want to consider is that of the Congressional Budget Office or CBO. The CBO analyzes pieces of potential legislation and offers predictions as to what the cost of a potential new law will be. The CBO was created in 1975 by an act of Congress. It was conceptualized and continues to pride itself on being “strictly nonpartisan”. According to their website the CBO “… conducts objective, impartial analysis; and hires its employees solely on the basis of professional competence without regard to political affiliation…” and it “does not make policy recommendations.” (CBO website, retrieved May 2021). In keeping with these mandates and principles, the CBO conducted analysis of almost all of the proposed legislative responses to the
pandemic such as the CARES Act.

This type of disinterested technical analysis is held up by some economists as an exemplar of how economics should be done. For example, in an oft-cited passage from The Economic Prospects of our Grandchildren, John Maynard Keynes opines as to how lovely it would be “[i]f economics could manage to get themselves thought of as humble, competent people, on the level of dentists…” (Keynes 1930). It is dubious and contentious what portion of economic analysis conforms to the idealized vision put forward by Keynes, but the CBO seems to come fairly close.  

It is also worth noting that the CBO was brought about by an act of Congress. So, whereas DeMartino would have conversations of PEE be conducted informally within the community of economists and the case study of the IAFC being an efficacious non-governmental regulator in accounting, the example of the CBO required outside assistance to come into existence. This is not to say that governments should unilaterally impose PEE-like structures onto economics, but rather that there are multiple dialectical forces at play with regard to how such institutions come into being. An internal conversation and building of consensus within the community are important factors in developing PEE, but it is not justified to conclude that such features are sufficient by themselves. Assuming that PEE aspires to see bodies similar to the CBO proliferated in the future, it seems likely that external bodies with regulatory authority can and will play an important role in achieving those aspirations.

So, the CBO offers one possible option of how economic policy advice might be carried out. But moving on from that more laudatory model of behaviour, the COVID-19 crisis also offered many examples of a very different type of economic advice. During the crisis, some economists went considerably further than the role of humble dentist-like experts and began offering their expertise on

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5 There are several notable critics of the CBOs supposed neutrality such as James K Galbraith (2021)
the epidemiological aspects of the debate. Two economists in particular – Kevin Hassett and Peter Navarro – made very clear and public proclamations that succinctly illustrate many of the issues that have been laid out in the discussion heretofore. So it is on these two figures ad their actions that I want to focus on as the place where the various tools assembled heretofore can be put to the test. What would biomedical ethicists or an accountant or the AEA code make of the behaviours described below?

In early May the press got ahold of an internal CDC (Centre for Disease Control) memo showing the latest COVID-19 predictions. The CDC model showed COVID-19 cases accelerating throughout the month of May, potentially reaching as high as 3,000 new infections per day and more than 100,000 deaths. Shortly afterward this prediction was reinforced by the University of Washington’s Institute for Health Metrics and Evaluation, which updated its previous projection of 80,000 deaths to estimate 134,000 deaths by the end of July. The outlook among public health officials was consistent and grim.

It was therefore quite surprising when a few days later – on May 5th – the Council of Economic Advisors (CEA) tweeted out their own model of the virus which showed COVID-19 deaths dropping to zero by mid-May. Subsequent reporting further narrowed down the source of this alternative perspective to one man, Kevin Hassett. Hassett, the former chairman of the Council and an economic advisor at the time had used the publicly available data regarding cases and deaths up until that point and entered them into a stock Excel function (a cubic model) to generate his alternative visualization. Although this may seem like an alternative model of the information, I will try to avoid using the word ‘model’ here because Hassett himself was very clear as to the intentionality of his wording. When asked by the New York Times about his model, Hassett said “It’s not an alternative to the model – it’s

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6 Not to be confused with the Canadian Economic Association
Regardless of what we call it, Hassett’s alternative visualization is extremely important for a number of reasons. First, it is a poor way to conceptualize this type of information on a number of levels. The lived experience of that period readily contradicts Hassett’s Pollyanna predictions, with the actual events unfolding very close to the way the CDC model predicted and very far from the predictions generated by Hassett’s more ad hoc approach. But the faults of Hassett’s alternative visualization are not just knowable in hindsight, they were also readily observable at the time they were first made public. Other public health officials were aghast at the glib and inadequate way Hassett had produced his visualization and the revelation of his methodological choices led to what one reporter described as a “cavalcade of online snark and jokes.” There did not appear to be any theoretical or empirical basis for Hassett’s approach.

In spite of this, the CEA visualization was embraced by the administration and used to guide policy decisions. This is why Hassett’s actions are worthy of examination, and it is important to understand the implications of his actions and attitude because his decision to construct that visualization of the data had a real impact on the course of events that followed. The administration avoided taking serious lockdown measures, using expert advice such as Hassett’s as a justification, and the death toll rose, reaching more than 150,000 in the US by the end of July. Hassett’s advice yielded significant consequences and should have been accompanied by a more active consideration of the potential harms and responsibilities associated with such pronouncements. And Hassett was far from the only individual to act in this manner. Another such figure that I would like to consider here is Peter Navarro.

The case of Peter Navarro is broadly similar to that of Hassett. Navarro served as the director of

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7This description bears an uncanny resemblance to how most economists would describe a model. One might even argue that what Hassett is describing here is indeed a model and that any subsequent use of the term “alternative visualization” can – and likely should – be read as “model”.

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the Office of Trade and Manufacturing Policy advising the administration on topics that would fall under a more conservative conceptualization of what counts as economics. He was also a vocal critic of lockdowns. In particular, Navarro regularly sought to undermine Dr. Anthony Fauci – the director of the National Institute of Allergy and Infectious Disease and a prominent public advocate of public health measures, including lockdowns.

Like Hassett, Navarro did not restrict his advice to a consideration of the relevant economic costs about which he was qualified to offer analysis but instead chose to question the validity of medical experts. When questioned in an interview as to his qualification to interpret public health data, Navarro said that “[d]octors disagree all the time. My qualifications in terms of looking at the science is that I’m a social scientist. I have a Ph.D. And I understand how to read statistical studies, whether it’s in medicine, the law, economics, or whatever.” Navarro’s stances on this topic are important for the same two reasons that Hassett and the CEA alternative visualization are important. First, such a statement is a blatant misrepresentation of the situation; holding a Ph.D. does not qualify one to speak on whatever topic that one wants. And second, because Navarro’s advice was influential in guiding the policy response to the COVID-19 pandemic.

Although there were small armies of government economists who worked on issues related to various aspects of the pandemic – most of whom conducted themselves in a less egregious manner than the two cases I have selected to focus on here – I think that Hassett’s cubic visualization and Navarro’s assertion of his qualifications to proffer advice offer important and incisive examples that PEE must address. How might economic education be supplemented to avoid these types of behaviours? What sort of organizational mechanisms might disincentive or punish such actions? Could something as simple as a cultural shift toward humility curtail such braggadocios claims? The general attitude and methodology at play in the two examples here touch on a whole network of underlying concepts and
stand in stark contrast to some of the alternative models of professional conduct explored in the previous chapters. How might those alternative conceptions of PEE have addressed the problematic elements of Hassett and Navarro’s behaviour?

We can begin by once again asking whether what Hassett and Navarro did actually count as economics and falls under the purview of PEE at all. As discussed in Chapter 1, DeMartino’s approach to this question eschews firm definition – refusing to define what it is economists do or who should count as one, aside from a short quip about anyone who can obtain a fee for their services. On his account, Hassett and Navarro could be counted as economists but there is also no basis upon which to support such an inclusion. The AEA code appears to be more useful on this front with its explicit inclusion of economists who work in the government. Considering this question from the point of view of the three other professions explored poses a slightly different problem. All three of those professions rely on some form of licensure to determine who counts as a member, so there is one perspective whereby Hassett and Navarro’s actions are not a problem for professional ethics questions at all because the actors involved were not members of the profession. Other professions have developed some form of sorting criteria for who does and does not count as a member of the profession that PEE may have to consider addressing if it is to further its development.

But what of the actions themselves? We must for a moment take at face value the claim on Hassett’s part that his alternative visualization of the information was a good-faith attempt at analysis. If this is the case, both DeMartino’s approach and the biomedical approach to the question lose some of their applicability. If new infections are indeed heading towards zero then there is no need to impose any sort of lockdown, in fact, to do so would be a violation of non-maleficence because it would be causing unnecessary economic harm. There is no need to consider who bears the burden of an intervention as a matter of justice because no intervention is necessary. And this example illustrates one
of the problems discussed in Chapter 3, if there were to be an intervention, it would be extremely
difficult to respect to the autonomy of the entire population being affected. However, if we look at these
behaviours from the perspective of accounting or engineering ethics, there is significantly more to say.
For those professions, it does not matter what Hassett claims his intentions were. His actions do not
comply with a Generally Accepted Accounting Principle and do not display the expected commitment
to ensuring public safety. Lastly, from the perspective of the current AEA code, it is difficult to say
what would be made of the behaviour of Hassett and Navarro. On the one hand, their actions do not
seem to have done anything to impede open and professional discourse between economists, which is
the primary concern of the document. But as discussed in Chapter 4, there is language in the code about
acknowledging the limits of expertise (as is done in engineering) but it is less clear how those limits are
to be determined or violations investigated. The AEA code has the potential to develop more robust
answers to these questions and perhaps the incidents such as the behaviour of Hassett will motivate the
AEA to expand on these areas of the current code.

5.3.1 - Economists Doing Economics

One of the reasons that the cases of Hassett and Navarro are so illustrative of the issues PEE
must grapple with is because these two particular examples avoid some of the conceptual murkiness of
trying to sort out who and what counts as an economist. As discussed in Chapter 1, DeMartino rightly
points out, that there are some people who are trained as economists but go on to work in a wide
variety of non-economic jobs as well as those who come from non-economic backgrounds but
nevertheless find themselves employed as economists. Neither of these complications are present in the
cases of Hassett and Navarro. Both received PhDs in economics and were employed at the time in
positions readily recognizable as economic in nature. Analysis of the situation would be more
complicated had Hassett been educated as a mathematician before taking on the role of economic advisor or had Navarro been employed in some non-economic position at the time of his actions. Neither of these complicating factors pertains here. This allows any analysis of these two cases to sidestep one potentially major complicating factor that will pertain elsewhere regarding whether or not the actors are indeed economists. In at least that one respect, the cases of Hassett and Navarro are straightforward cases and provide us with an opportunity to establish some principles that can potentially facilitate fruitful thinking about the more complicated cases (non-economists in economic roles and economists in non-economic roles) in the future.

The cases of Hassett and Navarro are also useful because they represent broader patterns within economics itself. There is a certain sense in which it is unfair to single out Hassett and Navarro for the actions described above because many other economists were saying similar things at the time. In February Tomas Phillipson – another conventionally trained economist who was serving at the time as the chairman of the Council of Economic Advisors (CEA) – told an audience at the National Association for Business Economics that the impact of COVID-19 was “…much less than the seasonal flu”. Likewise, in April Casey Mulligan – also conventionally trained as an economist and also employed at the CEA – along with two other economist co-authors published an article in the Chicago Booth Review opposing lockdowns for reasons including that the “externality created by an infected individual can actually benefit others (a positive externality), which would call for less social distancing. Suppression of the disease delays the development of “herd immunity”. These are all economists, who occupy positions of authority and are influential in shaping public policy and opining on medical topics.

But the ubiquity of such examples should not deter us from critically examining the behaviour of Hassett and Navarro. Just the opposite. Had Hassett and Navarro been uniquely bad actors who
behaved in a manner uncommon amongst their peers, scrutinizing their actions would have had minimal relevance to other economists. It is precisely because Hassett and Navarro are good representatives of the whole that they are potentially informative as a case study in the context of PEE. The important question is not only “what is it about Hassett and Navarro that lead them to take these actions?”, but we can also ask “what is it about economics that leads them to these actions?”

This is where it is essential to have a clear grasp of the historical background of contemporary economic thought. The actions of Hassett and Navarro demonstrate each of the three features of modern economics discussed in Chapter 2 above. (1) They operate under the assumption that their work is value-neutral – abjuring values deemed to be inappropriate without recognizing the ways in which their work inescapably rests on other less explicit value judgments. (2) Their work conceives of the domain of economics in the broadest possible manner so as to include potentially unexpected subject matter. And (3) there is an apparent desire to have the best of both worlds in terms of academic freedom but also no accountability for one’s work. To use Lionel Robbin’s terms discussed in Chapter 2, economists wish to have the open-ended freedom to investigate topics as though they were merely doing economic science while denying the reality that what they are doing looks much more like political economics. This is why I highlighted the real-world influence of Hassett and Navarro’s actions as one of the reasons it is so important to scrutinize them. If economics were a purely intellectual venture, it would be fairly benign for someone like Hassett to engage in thought experiments and play around with an alternative visualization of the data. But economics is not a purely abstract venture. Economists occupy positions of power and play an active role in shaping policy. And they do so without taking on any form of ethical obligation for the actions in those roles.

This type of thinking – that economic work is value-free and that economics is an appropriate

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8 Robbin’s himself would likely have been more careful to keep the concepts of economic science and political economy distinct, instead of allowing them both to be applied to economics in the current motley manner.
methodology to study all manner of topics – does not originate with Hassett and Navarro. Their training as economists either instilled or reinforced such ideas in them. Their behaviour – to at least some extent – is an understandable manifestation of the current conceptual landscape. If PEE is to navigate this terrain, it is crucial that they have a more robust understanding as to the origin, nature, and influence of these ideas. Hassett and Navarro offer a useful window into these ways of thinking and the possible dangers that might flow from them.

5.3.2 – How Might PEE Change These Types of Situations?

DeMartino’s preferred model for how PEE should be constructed and how situations such as Hassett and Navarro’s might have been handled differently is based on a comparison to the example of medical ethics. DeMartino believes that the core foundation of principlism – and in particular the principles of nonmaleficence and autonomy – are a useful guide for thinking about how economists might modify their behaviours.

As discussed in Chapter 3 above, I do not think that an approach that relies on nonmaleficence and autonomy is particularly promising and situations such as those discussed here help illustrate why. In situations such as the one to which Hassett and Navarro were responding in the cases described above, there is no policy recommendation in which no one is harmed. If lockdown measures are imposed some people will suffer economic hardships. If lockdowns are eschewed people will get sick and die. Some harm is unavoidable and other values must be relied upon to guide action. It is unclear how consideration of the principle of nonmaleficence would help reorient behaviour in this case.

Likewise, it is unclear how one might respect the autonomy of those being impacted by such policy decisions or whether it is possible to obtain their consent. Policy decisions impact the entire population in a given jurisdiction and there is frequently fierce difference of opinion as to the
appropriateness of a given measure. Even if there was widespread agreement – say 90% – as to the appropriateness of a particular measure, would the implementation of such a policy appropriately respect the autonomy of the dissenting 10%? It is possible that there are political answers to this question relating to the nature of the social contract and the implicit consent of one’s elected representative, but it is unclear what the more immediate takeaways from considerations of autonomy are for PEE or how either of these two principles would alter the behaviour of the actors in this case study.

There is slightly more potential in the other principles of medical ethics that DeMartino does not choose to focus on – benevolence and justice. With regards to benevolence, acting with benevolence requires that one have some sort of conception of what the good is. As discussed in both Chapters 2 and 3, earlier iterations of economics had clear conceptions of what the goal of economics should be. Alfred Marshall for example took it for granted that it was a good thing to lessen inequality in the world. But the late-nineteenth-century push to make economics more scientific purged such inappropriate values from the discipline and contemporary economics is avowedly neutral between the choice of different ends. If one were to approach a problem such as the one in this case study from the point of view of an economist like Marshall, one might be guided toward recommendations that placed a greater burden on the more well-off members of society. But absent such a conception of the good, all policy alternatives may seem equally morally appropriate. Economics, as it is currently conceptualized, lacks this type of shared conception of the good, but there is no reason that PEE should not seek to change that aspect of the status quo in order to make better use of the principle of beneficence in their analysis.

This question of who ought to bear the cost of economic decisions could alternatively be framed as a question of justice. Indeed, considerations of justice have previously – see Marshall, but also
further back in figures such as Adam Smith – been considered centrally important to the study of economics. However, medical ethics is not necessarily a useful guide as to how PEE might incorporate thinking about justice into its considerations. This is because the architects of medical ethics eschewed articulating an explicit conception of what they meant by justice. Beauchamps and Childress and those who have followed their lead opted instead to survey many competing and potentially incompatible conceptions of justice and variously apply the one that they found most appropriate to a given situation. But examples such as Covid highlight just how central justice is to economic questions. Whatever ones proffered policy response to the pandemic may have been, it entailed negative consequences for certain classes and how one balances those competing interests depends greatly upon ones understanding of justice. Because justice is so central to the work that economists do, I do not think that the sort of piecemeal approach utilized in biomedical ethics will be sufficient and that PEE would need to work out a more robust conception of what is meant by justice before that principle might serve as a meaningful guide to action in situations such as this one.

So, there are limitations to how helpful a version of PEE based on a comparison to medical ethics could be in a situation such as that faced by Hassett and Navarro. But what of the current AEA code? As mentioned throughout, one of the weaknesses that I see in the current version of the AEA code is that it places a primary focus on the interactions between fellow economists. Neither Hassett nor Navarro engaged in actions that violated this dimension of professional conduct. Their actions may have violated professional conduct in other ways, but those other aspects of the code are not currently established, agreed upon, nor widely disseminated. Likewise, the imperative to acknowledge the limits of expertise is a promising inclusion in the current version of the code, but it is not explained, defined, and enforced to the level that a similar imperative is in the case of engineering. There are also lingering questions for someone analyzing these actions from the perspective of the current AEA code regarding
the degree to which Hassett and Navarro operated with transparency and honesty in presenting their research. At present, we must accept Hassett and Navarro’s claims that their actions were appropriate – not violating norms such as honesty and transparency, but we can critically interrogate whether the general culture and education of economists might contribute to why these particular men shared that self-assessment. If academic economics does not recognize any bounds to the limits of its applicability, it is perhaps unavoidable that individual practitioners will likewise be all-encompassing in their conception of their appropriate scope. But the mere existence of such a code is a promising deviation from the earlier history of the AEA and as the historical example of medicine demonstrated, change can be achieved quite rapidly given the appropriate target and motivation. But until those further steps are taken, a comparison to accounting and engineering ethics might prove to be more apt.

As discussed above, one of the central guiding concepts of accounting ethics is that of Generally Accepted Accounting Principles or GAAP. Doing good accounting work means employing and relying on methods that are established and would be readily recognizable to one’s peers. What Hassett did was completely antithetical to such a principle. His alternative visualization was fabricated entirely from whole cloth. Had someone in Hassett’s position been educated and socialized as an accountant and/or been operating under a conception of PEE based on a comparison to accounting ethics, it is highly unlikely that they would have produced such a visualization.

Accounting ethics also dictates that accountants restrict their activities to a limited and fairly well-defined set of tasks. There is no such limitation of scope in the case of economics, which offers a partial explanation as to why Hassett saw no impropriety in his actions. Had an accountant acted in a manner similar to Hassett, there are also a variety of disciplinary measures that they might potentially face, up to and including the loss of professional license. And the history of accounting shows that education and informal codes of conduct can be very successful in instilling ethical behaviour in its
In the case of engineering, we saw the central focus that various governing bodies and professional associations place on the virtue of humility. Navarro’s declaration that he was qualified to offer analysis on matters of “medicine, the law, or whatever” clearly violates the common conception of what it means to be humble, but also many of the more specific manifestations that humility takes within the engineering profession. For example, in conjunction with the principle of humility, engineers hold public safety to be paramount. Were an engineer to find themselves in a situation that had the potential to cause public harm – such as an accelerating pandemic – the principle of humility would compel them to act with an abundance of caution and err on the side of public safety. Even if one were near-certain that an action – such as lifting lockdown restrictions – could be taken without negatively impacting the public, humility, and the possibility that one’s analysis is wrong would require that such actions not be rushed into without precautions such as safeguards, monitoring, and small-scale testing. The guiding principle of humility would prevent someone trained as an engineer and/or operating under a conception of PEE based on a comparison with engineering from acting in the way that Navarro did.

Similar to accounting, the history of engineering ethics also shows that education and enforcement mechanisms can be broadly successful in encouraging moral behaviour among its members, and engineering also closely polices the internal boundaries between different types of engineering expertise. Knowledge of chemical engineering does not and ought not to qualify one to sign off on advanced electrical schematics. This is another perspective from which one might criticize Hassett’s influence on a broad range of policy topics when he is more narrowly qualified to give expert advice on issues of taxation. Should every economist be considered equally qualified to proffer advice on every economic topic? Or like engineering, should there be more mindful internal distinctions made

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9 Although perhaps more so if such dictates are articulated as matters of law as opposed to supererogatory duties.
between types of competency?

One final consideration of what a version of PEE based on engineering might look like is to draw attention to the issue of transparency and accountability. In engineering, someone must sign off on schematics and place their seal of approval on them. If something goes wrong with the execution of those plans – whether due to simple bad luck or something more worrisome like neglectful oversight – there is an identifiable name associated with those plans. Frequently, there is no such clear authorship in the case of economic advice and the policies they influence. There are many reasons for this lack of identifiable authorship. The process of policy writing is highly collaborative and passes through many hands in the various steps of its creation and revision. And many of the most important contributions of economics and economists are broad background influences as to how issues are conceptualized.

This is one way in which the cases of Hassett and Navarro are anomalous. In most respects, I have argued that their actions are good representations of economists and economics, but economic work is frequently conducted in relative darkness and anonymity. These two cases are unusual in that we can so clearly attribute a particular document or statement to a specific source. Were Hassett and Navarro anonymous background figures, it would be more difficult to critically scrutinize their behaviours or hold them up as an informative case study. It is precisely because Hassett and Navarro are anomalous in this way that we can discuss the nature of their actions at all. It would be helpful – for the sake of both discourse and accountability – if more economic decisions carried with them this sort of identifiable authorship. For this reason, I think it would be extremely valuable if PEE were to encourage and normalize the conventions of intellectual ownership of specific ideas and policies the way they are in engineering. When a particular policy goes wrong, there should be someone accountable for that failure.
5.4 – Concluding Thoughts

This overview of a few of the different responses to the COVID-19 pandemic illustrates a number of important considerations about the possible future of PEE. DeMartino was apt to point out the distinction between academic and non-academic work and both types of work can be seen in response to the COVID-19 pandemic. But just because something is academic in nature does not mean that it is free from ethical considerations nor that it falls outside of the purview of PEE. Contrary to the “standard view” held by many economists that their work is value-free, academic economists must consider the ways in which their ideas influence nonacademic judgments, the reason that they continue to cling to such an ideal when other academic disciplines have recognized its inadequacy, and their growing reliance on human subjects research. The relevant considerations when thinking about academic economics are slightly different than those that pertain to more public-facing work, but they overlap with those topics in important ways and are no less worthy of investigation by PEE as it matures.

As examples of that more public-facing nonacademic work, I offered two contrasting examples – that of the CBO and those of Hassett and Navarro. The CBO offered a possible exemplar of humble technical advising within a more conservative understanding of the domain of economics. Hassett and Navarro offered examples of less laudatory behaviour and invited us to consider what it is about their actions that made such actions reprehensible as well as consider ways in which concepts drawn from accounting and engineering might be fruitfully employed to help rectify certain aspects of that behaviour. In cases such as Hassett and Navarro, I find recourse to the example of medical ethics to be of limited use, whereas accounting and engineering are potentially much more fruitful because of the emphasis they place on clearly defining their domain of practice, establishing commonly recognizable methods, and humbly recognizing the epistemic limits of one’s ability. These are the types of concepts
that I think should play a much more central role in the future discourse of PEE.
6.0 - Conclusion

What might a Professional Ethics of Economists (PEE) look like? That is the central question to which this thesis has attempted to contribute. Up until this point, one particular voice and vision for the future trajectory of PEE has played an outsized role in how the discourse has been structured. That voice has been George DeMartino’s, and the vision has been laid out in his 2011 book *The Economist’s Oath*. Although there is much to be lauded and preserved in *The Economist’s Oath*, there are also some flaws and omissions in that work that I argue the broader discourse of PEE would benefit from incorporating.

In Chapter 1, I provide a summary of *The Economist’s Oath* and some of its major arguments and assumptions. I conclude that there are 7 key features to DeMartino’s vision of PEE. (1) He believes that PEE can be approached as an addition to existing economic practices that leaves those practices unchanged. (2) Economists form a group of professionals that we can count, although such counting is somewhat fraught. (3) As a rough estimate, half of the economists work in academia and half in non-academic jobs (primarily with different levels of government). (4) The central aim of economics is to influence events. (5) Of all the other professions, medicine does the best job of theorizing and practicing professional ethics and can serve as a useful template for economists to follow. (6) In particular, DeMartino thinks that the biomedical concept of principlism is a useful guide for PEE to incorporate. And finally, (7) DeMartino draws a sharp distinction between codes of ethics and professional ethics. For DeMartino, codes are a narrow and restrictive way of thinking about ethics, whereas he is more interested in an open-ended and academic discussion of ideas.

Chapter 1 continues by offering my own criticism of each of these 7 features of DeMartino’s approach. I argue that PEE cannot treat economic ideas as a given, because of the role they play in public perception of important topics and because such ideas have contributed to the hostile intellectual
climate in which the topic of ethics had previously been neglected. I also call into question whether or not economics as it is currently practiced should be considered a profession at all. Under most definitions of a profession, an essential feature is a mindfulness of the ethical responsibilities of that profession. Since economists have not engaged in such discussion, it may be premature and inappropriate to grant them the designation of being a profession.

DeMartino’s attempts to count economists are also fraught because in most other professions the fight over who does and does not count as a member has been a central and existential debate in their respective histories. Economists however have been content to allow people from a wide variety of backgrounds to apply themselves to economic problems and call themselves economists. Comparing economics to other professions – such as archeology – here helps to illustrate why such permissiveness can lead to problems.

Next, I challenge DeMartino’s assumption that the central objective of economics is to influence the world because such a view does not accurately reflect academic objectives such as explanation and understanding. DeMartino’s two points regarding the applicability of a comparison to medical ethics and the use of principlism are set aside to be the topic of their own chapter (Chapter 3) and Chapter 1 concludes by arguing that DeMartino’s stance on codes of ethics in relation to professional ethics is inverted from the historical rule. DeMartino argues that professional ethics must come first, and codes may or may not follow. But in a vast majority of cases, a professional code of ethics has come first, and it is only in the event that such a code is insufficient that a more robust and academic study of professional ethics needs to emerge.

This line of historical criticism continues in Chapter 2, where I attempt to correct and expand on some of the historical background DeMartino presents in *The Economist’s Oath*. According to DeMartino, economists turned decisively away from questions of ethics in the early years of the
twentieth century with two of the key events being the rejection of Richard Ely’s proposed constitution for the American Economic Association (AEA) and the embrace of a marginalist approach to economics. I argue that both of these claims are insufficient summaries of this pivotal period in American economic history.

Ely’s view that economics and religion are tightly interwoven topics may strike a modern reader as strange, but it is important to recognize that Ely was a product of his generation and that such a view actually represents how a large portion of American Economics had been thought of throughout the nineteenth-century. As the then secretary of the fledgling AEA, Ely had been responsible for constructing a draft constitution which reflected the views of his colleagues. The draft constitution that was rejected cannot be read as a renunciation of Ely specifically, because it represented (1) only a small portion of Ely’s broader views on economics and (2) it was the view of many of his contemporaries.

Although Ely’s religious convictions did play a role in his later resignation from the AEA, that too needs to be placed in the broader context. Ely’s religious convictions as a member of the Social Gospel movement placed him in conflict with powerful political, administrative, and business interests outside of economics. His resignation was not his being “…chased out” of the profession by his peers, but rather an attempt to shield the organization from his own personal battles. Further evidence of this can be found in the fact that Ely returned to the AEA to serve as president several years later and that his textbook remained the best-selling textbook in America for several decades thereafter.

The embrace of Marginalism also omits several key details from the period. As just mentioned, textbooks such as Marshall’s did not immediately supplant those such as Ely’s. The transition to American economics being predominantly Marginalist was a gradual one. It was also unclear at the time exactly what the core tenets of Marginalism were. The Marginalism of Alfred Marshall – broadly considered to be the lodestar of the school and the one followed in America – was much less devoid of
ethics than is commonly thought.

Marshall’s textbook *Principles of Economics* also represents a pivotal moment in the transition from political economy to economics. Before Marshall’s textbook, most figures in the history of the discipline had practiced political economy. The transition from political economy to economics was meant to focus the discipline on the more measurable and scientific aspects of the topic while setting aside some of the complicating factors that could make analysis difficult such as politics. But the separation of these two previously interwoven topics was a messy and incomplete one that underwent many attempts and wore many labels (such as economic science) throughout the period.

This confusion regarding the appropriate disciplinary label continues up until one of the central figures of economic history, Lionel Robbins. Robbins is curiously absent from DeMartino’s historical summary of the discipline, and I argue that his inclusion is necessary for understanding several key features of current economics. First, Robbins is responsible for the now pervasive definition of economics as that which is the study of anything with scarce supply and alternative uses which makes it difficult to identify any type of disciplinary boundary. Second, Robbins is frequently interpreted to be advocating for economic analysis to be value-free. This interpretation is complicated because, on the one hand, Robbins was talking specifically about economic *science* being value-free (as opposed to economic or political economy). But on the other, Robbins’ subsequent career only furthered this project of rendering the discipline of economics value-free.

Chapter 3 returns to DeMartino’s analogy between economics and medicine as a potential source of guidance for PEE and assesses how useful that approach might be. One of the reasons offered as to why the two disciplines are similar is that they both deal with a high degree of uncertainty. I argue that it is important to keep separate the many different types of uncertainty that the two disciplines confront and that the uncertainty faced by economists is greater and more insurmountable than it is in
the case of medicine. There are, however, several interesting lessons that might be extracted from the recent history of medical ethics. First, it is noteworthy that medical ethics underwent rapid changes and developments in the mid-twentieth century and that its modern conventions have only been around for a few decades. This should provide optimism that rapid and dramatic change is possible. Historians of medical ethics also identify three key factors that facilitated this rapid transformation. First, was some sort of crisis event which spurred the discipline to action. Second, was a small, dedicated group that worked to implement their vision for change across the discipline. And third, was the rapid pace of technological change which rendered the old reliance on intuition unreliable. All three seem to be present in the case of economics now.

Next, Chapter 2 explores whether or not the specific approach known as principlism is a potentially useful model for PEE to incorporate. Principlism places four principles (justice, autonomy, beneficence, and non-maleficence) at the center of thinking about biomedical ethics. DeMartino thinks that the concepts of non-maleficence and autonomy should be of particular interest to economists. I disagree with this assessment because the nature of economic decisions seems to inevitably entail that some harm will be done and that it is extremely difficult to respect the autonomy of those impacted by economic decisions because of the diffuse nature of the causal chains at play. I argue that beneficence and justice offer more promising starting points, although not without their own difficulties. In the case of beneficence, that difficulty calls back to the problem of uncertainty and economists' longstanding aversion to attempting to define what the broader good or goal of an economy is. In the case of justice, I argue that the approach to justice used in principlism – which abjures any attempt at defining justice and relies variously on several competing conceptions of the term – is insufficient to the needs of economics because of how central questions of justice are to the history and content matter of economics.
Chapter 3 lays out two possible alternatives – accounting and engineering – that PEE might model itself off of if biomedical ethics is found to be an inappropriate analog. Both professions have robust ethical institutions of the type that DeMartino aspires to replicate in economics such as dedicated journals, conferences, and courses. Both professions also make extensive use of codes in the teaching and enforcing of ethics and engage in some form of monitoring of both their internal and external borders.

Accounting specifically also offers the conceptual tool of Generally Accepted Accounting Principles (GAAP) as an essential feature of how that profession approaches many ethical questions. When an accountant performs their duties, they must apply principles that would be readily recognizable as appropriate if viewed by another qualified accountant. There is still a large deal of variation and flexibility with regard to which principles to apply to a given task, but the principles themselves must rise to the level of being generally accepted in order for their use to be deemed appropriate. I argue that there is not currently a comparable level of background agreement in the case of economics, but that perhaps there should be.

In the case of engineering, we can find an alternative conception of what type of principles should be placed at the center of an ethical discourse. Unlike the four principles found in biomedical ethics, engineering holds up humility as one of its most important values and demonstrates a strong commitment to accountability. Placing humility at the center of engineering ethics leads to a number of conventions – such as erring on the side of public safety – that I argue would be readily applicable to economics.

In the final chapter, I apply some of the potential lessons from the four previous chapters to a series of recent examples from the economic profession, mostly in relation to the COVID-19 crisis and the responses to that crisis. Although many economists acted in laudable ways – conducting strictly
academic analysis or offering non-partisan assessments of proposed legislation – others acted in a manner that should be readily recognizable as inappropriate. I argue that the tools offered by accounting and engineering can help more clearly articulate why such behaviour should be the type of thing PEE aims to eliminate. Economists such as Peter Navarro and Kevin Hassett overreached the proper limits of their roles as economists and sought to refute more qualified experts on the basis of their economic expertise. Such behaviour reflects the longstanding issue of economics being an open-ended field of investigation, is not reflective of any type of generally accepted methodology and demonstrates a lack of both humility and accountability. Whatever form PEE takes, it must be able to address and discourage behaviours of the kind demonstrated by Hassett and Navarro.

I would like to conclude by returning to the metaphor that DeMartino used to describe the task of PEE at this point in its early history. DeMartino asked us to imagine PEE as being similar to cartography and attempting to map out a previously uninhabited territory. In this territory there are no roads, it is our job to make those roads by walking. This metaphor is extremely useful, and it should be retained as PEE continues to develop. I would, however, offer two small emendations.

First, there is tension between the two halves of the metaphor. Cartography as map making is a descriptive task that describes something that already exists, but in the case of PEE, very little currently exists to be described. The task of road building however is much more open-ended and prescriptive in nature. We can build whatever roads we so choose. The tensions between these two aspects of the metaphor need not be fatal if we adjust the first part – that of cartography as descriptive – to instead be a reference to the economics itself. Economics exists and we can describe it and having a reliable map of that existing terrain is essential in planning and building a successful road system. The roads in this updated metaphor would be the conceptual structures of PEE that DeMartino is attempting to establish. Thinking about economics and PEE separately in this way also allows us to reflect more broadly on
what it is that we want to achieve with PEE. What is this road system for? Which areas of the map will we provide ready access to? Which sections can be readily joined up with others? Are they all part of the same system or are there actually several overlapping and loosely defined systems here that would benefit from being developed along discreet corridors?

Second, our metaphorical cartographer commits the same mistake that real cartographers have frequently been guilty of by assuming the territory they are exploring to be uninhabited when there is in fact an Indigenous population. In our metaphor that local population would be economists themselves. Would be road builders are obliged to be respectful of the perspectives of the local population and any road systems built should be done so with a mind to the benefit of those preexisting inhabitants. But it is also worth noting that these particular locals have exhibited quite a bit of hostility towards any and all road-building activities in the past. Is the road system we are trying to build worth overriding the wishes of the current inhabitants? How might those inhabitants be brought on board with the project, or their interests incorporated into it? PEE would stand a much greater chance of success if economists were to be incorporated as active and leading participants in the discourse. This is – after all – their territory and they are the ones who will have to navigate whatever roads will build.
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Appendix A: AEA Code of Professional Conduct
(https://www.aeaweb.org/about-aea/code-of-conduct)
Adopted April 20, 2018

The American Economic Association holds that principles of professional conduct should guide economists in academia, government, nonprofit organizations, and the private sector.

The AEA's founding purpose of “the encouragement of economic research” requires intellectual and professional integrity. Integrity demands honesty, care, and transparency in conducting and presenting research; disinterested assessment of ideas; acknowledgement of limits of expertise; and disclosure of real and perceived conflicts of interest.

The AEA encourages the "perfect freedom of economic discussion." This goal requires an environment where all can freely participate and where each idea is considered on its own merits. Economists have a professional obligation to conduct civil and respectful discourse in all forums, including those that allow confidential or anonymous participation.

The AEA seeks to create a professional environment with equal opportunity and fair treatment for all economists, regardless of age, sex, gender identity and expression, race, ethnicity, national origin, religion, sexual orientation, disability, health condition, marital status, parental status, genetic information, political affiliation, professional status, or personal connections.

Economists have both an individual responsibility for their own conduct, and a collective responsibility to promote professional conduct. These responsibilities include developing institutional arrangements and a professional environment that promote free expression concerning economics. These responsibilities also include supporting participation and advancement in the economics profession by individuals from all backgrounds, including particularly those that have been historically underrepresented.

The AEA strives to promote these principles through its activities.

About the AEA Code of Professional Conduct
In October 2017, then-AEA President Alvin E. Roth formed an Ad Hoc Committee to Consider a Code of Professional Conduct, and charged it with evaluating various aspects of professional conduct, including those which stifle diversity in Economics. The ad hoc committee, composed of John Campbell (chair), Marianne Bertrand, Pascaline Dupas, Benjamin Edelman, and Matthew D. Shapiro discussed an interim report and draft code with the AEA Executive Committee at its meeting on January 4, 2018, and provided an update to the AEA membership at the Annual Business Meeting on January 5 in Philadelphia. The interim report and draft code were circulated to the membership in January 2018 with an invitation to submit comments. The draft code was revised in response to more than 200 comments received, and the AEA Executive Committee voted on April 20 to adopt the revised Code. The committee thanks all members who offered feedback on the initial draft and would like to emphasize that it read and considered carefully every comment that was submitted.
Appendix B: The Canadian Economics Association Code of Conduct

The Canadian Economics Association (CEA) fosters the advancement of economic knowledge through the encouragement of study and research, the issuing of publications such as the Canadian Journal of Economics and the CEA website and newsletters, and the furtherance of free and informed discussion of economic questions. In these pursuits, CEA endorses the following general principles of professional conduct and expects these to be upheld by its members:

- Intellectual and professional integrity
- Promotion of a diverse and welcoming environment for economic discussion
- Promotion of equality of opportunity and treatment of all members of the profession, regardless of age, gender, race, ethnicity, nationality, sexual orientation, disability, health condition, marital status, parental status, professional status or personal connections.

The CEA strives to promote these principles through all its activities. To further this purpose, the CEA developed this Code of Conduct to apply to its public events: the Canadian Economics Employment Exchange (CEEE), the Annual Meeting of the association and meetings organized by Study Groups that are funded by the CEA. All participants — including attendees, speakers, sponsors, staff and volunteers — at these events are required to abide by this Code of Conduct. These rules apply to all parts of the event, regardless of location, and sponsored social events.

CEA seeks to ensure its events are free from all forms of discrimination, harassment and retaliation. We are committed to providing an environment where all participants feel included and respected. To this end, the CEA will not tolerate harassment behaviour of any form at these events. Harassment includes but is not limited to (a) offensive verbal comments related to gender, gender identity and expression, age, sexual orientation, disability, physical appearance, body size, race, ethnicity, religion; (b) the display of sexual images in public spaces; (c) deliberate intimidation, stalking, following, harassing photography or recording; (d) sustained disruption of talks or other events; (e) inappropriate physical contact or unwelcome sexual attention.

The CEA will enforce this Code of Conduct through the events. Matters that breach the code of conduct will be addressed through the process outlined below.

Process to Address Code of Conduct Breaches

If Immediate Action is Required

For immediate help with a potential Code of Conduct violation, a representative of the CEA at the event should be notified that misconduct is occurring. The CEA will help contact hotel/venue security or local law enforcement, provide escorts, or otherwise assist those experiencing harassment to feel safe for the duration of the event. The participants will be informed of the formal process outlined below.

Formal Complaint Process
The CEA will investigate and address concerns, complaints and incidents in a fair and timely manner, while respecting participant privacy as much as possible. Such investigation may involve internal and/or external resources as appropriate.

Complaints should be addressed in writing to the Committee for Code of Conduct (CCC), appointed by the Board of directors of CEA (contact aferrer@uwaterloo.ca). Allegations should be dated and signed and include as many details of the incident as possible.

**Process**

- Upon receipt of an allegation, the CCC will initiate an inquiry to ascertain whether there has been a breach of the code of conduct. The inquiry will include, at a minimum, an opportunity for both parties (Claimant and Respondent) to be heard. Additional relevant information may be provided to the committee at this time by both parties.

- After examining the information gathered, the CCC will report to the Board on their findings. The Board will decide on whether misconduct took place and what would be an adequate response:
  - If no misconduct is found, the CCC will communicate the decision of the Board in writing to the Claimant and Respondent.
  - In the case of misconduct, the CCC will communicate the decision of the Board to the Respondent.

**Penalties**

- The Board will decide on an adequate response to allegations that have been found substantiated. This may include an acknowledgement of the allegation and an apology from the Respondent. It may also include revoking the Respondent’s CEA memberships and rights granted by said membership.