Professional Economic Ethics: Why Heterodox Economists Should Care[1]

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Abstract

In presenting the case for professional economic ethics over the past two years, since the publication of *The Economist's Oath*, I've encountered more scepticism among heterodox economists on the left than from those on the right. Left-leaning economists argue *inter alia* that the project to establish a field of professional economic ethics is *naïve*, since economists are hardly to be dissuaded from doing wrong by the existence of a code of conduct; *off target*, since professional ethics doesn't address the main failures of economics and economists; and as a consequence of all that, that professional economic ethics is *wrong-headed*, at least for heterodox economists, since it deflects our attention away from the real problems in our profession.

The left's scepticism regarding professional economic ethics, while not lacking merit, is mistaken in central respects. Not least, heterodox economists hold too narrow a view of the scope of professional economic ethics; and they tend to conflate the field with a code of conduct. Once we correct these errors, we come to see that heterodox economists should be at the forefront of the push for professional ethics in economics. The paper concludes by examining what professional economic ethics might imply for economic pedagogy.

Introduction

The past two years have been marked by new interest in the matter of the ethical conduct of economists. In particular, Charles Ferguson's film *Inside Job*, which explored the causes of the global financial crisis, alerted the business press to the fact that academic economists sometimes face conflicts of interest in their extra-curricular activities that they do not always disclose. The film led economists (Carrick-Hagenbarth and Epstein 2010; 2012) and journalists (Flitter, Cooke and da Costa 2010) to explore systematically the frequency with which economists fail to report their conflicts of interest when giving testimony before the U.S. Congress or otherwise taking public positions on vitally important public policy issues. Ultimately, the pressure on the American Economic Association (AEA) to take up the matter of conflict of interest was sufficiently strong to induce the AEA leadership to appoint an Ad Hoc Committee to investigate whether the Association needs some sort of ethical code or guidelines. The Committee report, which called for a strengthening of AEA guidelines on conflict of interest disclosure but failed to

[1] Presented at the Annual Meetings of the Association for Heterodox Economics (AHE), Nottingham Trent University, 6-9 July 2011

address any broader ethical issues, was adopted by the AEA Executive Committee at its annual meetings in January of 2012.[2]

The ethical scrutiny of the economics profession is long overdue. The AEA was formed just about 125 years ago. Ever since the economics profession in the US, UK and beyond consistently has sought influence over public policy—influence that it believed that it deserved as a consequence of its expertise. And it has been tremendously successful in its campaign for influence. Today, economics is certainly among the most important of professions in terms of its impact on the world. But in all that time the profession has never attended to the ethical burdens associated with influence over others. Even worse, the profession has been largely dismissive of the idea that it faces ethical duties that require any serious attention. I'm aware of no other significant profession that has been so cavalier regarding its responsibilities.

In my view, the profession's dismissiveness with respect to its ethical challenges is ethically indictable. When a profession seeks influence over others, it necessarily takes on ethical obligations—whether it recognizes them or not. The profession should have established a tradition of careful inquiry into its ethical obligations 125 years ago, and these obligations should have been a central concern of the profession ever since. This is particularly true today, when the profession has secured such enormous influence, and when even its academic members are able to enrich themselves through consulting and other for-hire work outside the university. We are all in Charles Ferguson's debt for his having shaken the leadership of the profession from its ethical somnambulism.[3]

In presenting the case for professional economic ethics over the past two years, since the publication of *The Economist's Oath*, I've encountered more scepticism among heterodox economists on the left than from those on the right. Left-leaning economists argue *inter alia* that the project to establish a field of professional economic ethics is *naïve*, since economists are hardly to be dissuaded from doing wrong by the existence of a code of conduct; *off target*, since professional ethics doesn't address the main failures of economics and economists; and as a consequence of all that, that professional economic ethics is *wrong-headed* since it deflects our attention away from the real problems in our profession.

In what follows I will make the case that the left's scepticism regarding professional economic ethics, while entirely understandable and certainly not lacking merit, is mistaken in central respects. Heterodox economists should be at the forefront of the push for professional ethics in economics. I'll conclude with a few words about what taking professional ethics seriously might imply for economic education. All of this is treated more extensively in *The Economist's Oath*; here I can only touch on arguments that deserve much more attention.

Misperceptions Among Economists Surrounding Professional Economics

My first claim is that mainstream and heterodox economists alike tend to make a series of errors when thinking about professional ethics. These errors have led the profession as a whole to unwarranted scepticism. It is imperative to correct these errors if we're to have a useful discussion of whether economics needs professional ethics, and what should be the content of that ethics, were it to exist.

[2] It is noteworthy that the establishment of the committee marked the first foray by the AEA into professional ethics since 1958, when an economist whose work had been rejected by the *American Economic Review* alleged wrongdoing by the journal's editors. That case was concluded several years later with no finding of malfeasance.

[3] In commentary on this paper Gary Mongiovi points out the paradox that though economists preach the universality of self-interest, economists believe themselves to be largely unaffected by any inducements to bias in their extra-curricular work (such as their research-for-hire). I think the paradox can be resolved by recognizing that many economists don't think of themselves as the egoistic actors that they presume in their modelling. Instead, they see themselves as missionaries in service of the public good—secular priests whose job it is to promote a religion of efficiency. This is the view of Robert Nelson who has written extensively on economics as a theology rather than a playground of self-interest (Nelson 2003). Economists have come to see themselves as operating on a terrain far above the hoi polloi that populate their models; a terrain of ethical purity far removed from the impulses and seductions of ordinary men and women.

The first error is this: Economists tend to view professional ethics as primarily addressing matters of explicit wrongdoing. Examples include corruption, plagiarism, and self-interested deception (such as distortion of data to advance one's career). But since these are obvious issues, we don't really need to invest time in professional ethics to know what's right and what's wrong.

In reply I must emphasise that professional ethics should be understood as an enterprise that seeks to enable well-meaning professionals to do good; it is not just or even largely about preventing crooks and charlatans from explicitly doing wrong. Explicit wrongdoing is an important issue in any profession, of course, and it's what gets most of the attention—e.g., when we learn that a doctor who has published research in favour of a new drug is in fact financed by the pharmaceutical company that produced it; or when we learn, as in Ferguson's film, that economists are working as hired guns for business interests without revealing their funding.

But the real substance of the field of professional ethics concerns what it means to be an ethical professional, and what it means for a profession to be an ethical profession. It presumes that many or most professionals want to do good in their work, even if and as they also attend to their own interests. But in the professions, as elsewhere, good intentions do not suffice to ensure ethical conduct. Why? In part, because it's not always or even generally clear how to manage the burdens associated with professional expertise. These burdens are complex and subtle, and they require careful and sustained investigation if we are to avoid making errors that harm those we purport to serve. Even worse, there is now persuasive evidence from research in the field of behavioural ethics that altogether well-meaning people not only fail to act in accordance with their own deepest ethical beliefs, they also fail to recognise their ethical lapses after the fact, or to learn from these failures. As the title of a leading text on the subject announces, we are all flawed actors who face ethical 'Blind Spots' (Bazerman and Tenbrunsel 2011; see also Sommers 2011). A chief take-away from the research is that acting ethically requires substantial adjustments in the processes by which both individuals and institutions consider options and make decisions. And this, surely, is an area where economists of many sorts might have something of value to offer to the field of professional ethics while they also seek to improve their own behaviour.

The second error relates to the first. Economists tend to reduce professional ethics to a code of conduct, where a code is thought to be legislation for the profession on narrow matters like conflict of interest and corruption. Economists in particular then take a second step, arguing that to have any effect at all a code must be backed by sanctions so that those who violate its provisions can be punished. And this, in turn, requires certification and even licensing by the state. But licensing is particularly dangerous for heterodox economists. Especially in a profession that is as closed minded and regimented as is economics, a code may serve as a yet another means by which the mainstream, which would surely control the licensing process, can exclude those with unconventional views. At stake is nothing less than freedom of thought. In this view, then, professional economic ethics would generate even more intellectual conformity and closure within economics than we now encounter.

I certainly share this concern about a binding code of conduct for economics. But in my view, this concern is off-point because professional ethics is not reducible to a code of conduct, binding or otherwise.

The conflation of professional ethics with a binding code of conduct is perhaps the most frequent and damaging error among economists. This is not surprising: most professions have codes of conduct of some sort or other, and many of them are dead letters that everyone happily ignores. So I must emphasise that I am not advocating a code of conduct for economics. I am advocating the establishment of professional ethics. But if professional ethics is not a code, then what is it?

Professional ethics refers to a broad tradition of critical inquiry into the myriad ethical issues that arise in the context of a profession's practice, and into the drivers of ethical and unethical behaviour. Framed in this way, professional ethics encompasses intellectual and pedagogical practices and traditions, *no*t a list of rules that can be tacked to the cubicle wall. It comprises and indeed requires careful and sustained attention to the full range of ethical matters that arise as a consequence of a profession's status and influence, and the nature of its work. And so it ranges over the power, privileges, responsibilities, and challenges facing the profession, and the institutional and epistemic milieu that mark the profession's place in the world.

Professional ethics draws attention first and foremost to the *complexities that arise out of relationships* — among the members of a profession, between professionals and their profession, and between these individuals (and their profession) and those who populate the communities in which the profession operates and that are affected (for better or worse) by the profession's work. Ethical duties stem from the professional's relationship to clients and/or the institutions that pay for the professional's services, of course, but also to third parties who may bear the consequences of the profession's service to others.

I do not mean to deny that professional ethics also concerns itself with the kinds of issues that appear in codes of conduct. Certainly it does. But it goes far beyond these matters, to comprise issues that are more likely to be complex, ambiguous, and contested. For instance, and to raise a thorny problem that will recur below: what are the ethical implications of expertise and the associated intellectual barriers that prevent those whom economists serve from assessing economists' advice? Another is the question how forthcoming economists should be about their confidence in their science when they engage in advising, forecasting, blogging or other professional practice? Are economists ethically warranted in exaggerating their expertise in order to expand their influence in the world in order to bring about what they take to be good economic outcomes? Or should the imperative to truth telling trump their pursuit of authority and influence?

Professional ethics also speaks to the duties facing the profession as a whole rather than to any individual member of the profession. This is an important yet vexing area within professional ethics theory. An example that is particularly salient in economics is the duty to promote pluralism. To whom does this duty apply? Does it require that each economist be sufficiently respectful of alternative theoretical perspectives that s/he finds unpersuasive or even dangerous? Or does the duty apply to the profession as a whole and not to any particular individual member—to the profession's journals and university departments and funding agencies? Perhaps the duty to sustain pluralism lies there—with the institutions that structure and to some degree even govern the profession. Another example is the duty to warn the public about the dangers associated with economic interventions, and with the limits of economic expertise. If individual economists oversell their knowledge in the public arena, perhaps the profession ought to publicize over and over again that economics remains a domain of uncertainty, and that economic interventions always entail an experimental quality that puts society's members at substantial risk.

The final point to be made in this regard is that professional ethics necessarily entails debates and controversies. The questions that arise in professional ethics do not submit easily to simply rule-based or formulaic resolution. This point is fundamental: the challenges of professional practice entail ethical ambiguity and aperture, not clarity and closure. They are not well met through what one medical ethicist (Radest 1997) calls 'moral geometry'. We should not presume nor look for axiomatic solutions in this domain. To put the point in economic terms, *there is no ethical equivalent of Pareto optimality that can help us sleep well at night*. If professional economic ethics is not keeping us awake with worry, it's not doing its job!

Professional ethics at its best involves perpetual interrogation of professional conduct; perpetual probing about how a profession does or does not bear its ethical burdens. Professional economic ethics would entail new debates, texts, journals, curriculum and training; it would seek elucidation and education, and perhaps agitation, rather than legislation. Hence, it does not necessitate a code, licensing, or anything of the sort. Whether a code is required for economics is something that should be determined within the field of professional economic ethics, not before its establishment.

It bears noting that if we define professional ethics in this way, relatively few professions have full-blown professional ethics. Medicine, law, journalism and social work come to mind. In contrast, many professions have codes of conduct but no professional ethics. It is important that economics not add its name to that list.

The third error may be encapsulated simply in the claim ‘It’s Ideology, stupid!’ In this view, the chief problem in economics, the elephant in the room, is ideology—not ethics. Paraphrasing Marx, one might put the critique this way: the dominant professional ethics of an era reflect the interests of the dominant class. And if that’s so, what good could professional ethics be to any left project of resisting oppression or promoting genuine emancipation?

This critique raises complicated issues that ought to be taken seriously even if not as a definitive rebuff to professional ethics. From the left perspective, which I share, there is something right about the claim that professional ethics is not the appropriate intellectual tool that can undermine any particularly damaging ideological standpoint (though, what is?). We would indeed be naïve to believe that professional economic ethics is going to undermine mainstream economic thought, or the economic interests it often serves. It is probably best to view the field of professional ethics as largely politically agnostic**.** Like technology, it is neither inherently emancipatory nor enslaving. Professional ethics should not privilege one theoretical perspective over another. This implies that one can be an ethical neoliberal just as one can be an ethical Marxist; and one can be an unethical Marxist just as easily as one can be an unethical neoliberal. To my mind, that’s a virtue rather than a cause for concern. That said, professional ethics does say much about *how* one goes about advocating one’s perspective. We’ll return to this matter momentarily, since it is a key point.

If the claim that professional ethics is politically agnostic is correct, it might be asked, then why risk it? What is the point, if it can’t slay the neoclassical beast, and if there’s a real danger that it could be turned against heterodox economists? I’d argue that we really don’t have any ethically viable choice but to engage our ethical duties. To sustain this argument I will examine the positive case for professional economic ethics.

The Positive Case for Professional Economic Ethics

In the book I advance a four-step, escalating case for professional economic ethics. In my view, each step on its own implies the need for professional ethics. The four taken together cement the case. It is a very simple case, which can be summarised quickly:

> 1. Economists enjoy an intellectual monopoly over a body of knowledge that is vital to social welfare. This is fundamental to the case: economic expertise of this sort yields authority and power over others.
>
> 2. Today, economists also enjoy institutional power by virtue of their institutional affiliations. Economists are embedded in leadership positions in vitally important public, private, and multilateral organisations, where they can leverage substantially the influence that flows to them by virtue of their expertise.
>
> 3. Economic interventions generally have uneven effects on society’s members. This is why the Kaldor-Hicks compensation test is so important in economics. Without it, mainstream economists would be able to say very little about the most pressing policy debates since almost always some members of society are harmed by economic interventions.

> 4. Economists operate in a context of epistemic insufficiency. We cannot know in advance what will be the full effects of our interventions. There are always unintended and unforeseeable consequences, and sometimes these are more substantial than the intended and foreseen consequences. And so it should be said that economists exert *influence without control*. They cannot ever be sure that even the best designed economic interventions will achieve their purposes.[4]

These four claims ought to be of concern to heterodox economists. For the sake of brevity, I'll examine here just the first.

On Economic Expertise, and the Power of Economists

There is enormous epistemic distance today between economists and the communities they purport to serve.[5] This condition yields to our profession authority and influence over the lives of others. Epistemic distance inheres in expertise in any form. But making matters worse, our profession cultivates economic ignorance even as it promotes economic literacy. It does this not least (and as many have now argued) through the excessive formalisation of economic science. Moreover, the profession cultivates awe through our teaching—awe for the daunting nature of economics, and for the expertise of economists.

Epistemic distance gives us power over those we purport to serve. We presume we know best, and we seek the influence that we believe is our due. We feel warranted in having our vision realised in public policy, even when—or perhaps, especially when—those who are the purported beneficiaries of the policy oppose the measures that we offer.

In the extreme, the economics profession aspires to the role of social engineer. The role of Jeffrey Sachs and like-minded development economists in Latin America or Russia comes to mind in this connection. As wise and benevolent social engineers, economists have come to believe themselves ethically licensed to shape institutions and affect economic flows and outcomes that will affect decisively the life chances of those who populate the economy. This drive has been on full display in particular over the past thirty years, as the most influential economists pressed the neoliberal project with fervour across the global south and in the transition economies.

This history begs the question whether the impulse to exert influence is just a mainstream or right-wing tendency in economics. I don't think it is, though it would make for an interesting research project to investigate the historical evidence to ascertain whether there are salient differences in how economists on the left and right have conducted themselves in advancing their agendas. William Barber is of the view that the profession as a whole is at fault. He puts it this way:

> Economists operating within distinctly different analytic traditions have been willing to deploy their talents under conditions in which democratic processes were held in abeyance… The phenomenon on display here is thus not Chicago-specific, but (to borrow a Marshallian phrase) is a 'specie of a larger genus.' And the central characteristic of that genus is an attitudinal one: namely, an absolute conviction in the validity of one's doctrinal position and an unquestioning faith that its teachings will uplift the human condition (1995, 1947–48).

[4] Making matters worse still, and as Erik Angner (2006) argues insightfully, central features of economic practice (as opposed to other professional practice) shield economists from their failures, promote 'confirmation bias', and thereby prevent learning.

[5] I take up the matter of the salience of epistemic matters for professional economic ethics in greater detail in DeMartino (2013). Suffice it to say here that the issue is of tremendous import. Economists know more than others about the subject matter of economics, but they don't know nearly enough to sustain the projects they often advocate, or nearly as much as they tend to think that they do. In turn, overconfidence born of naïveté and, often, ideology, breeds group-think and intolerance to unconventional ideas, as heterodox economists who are generally dismissed by the profession know all too well. When the lives of others are at stake it is an ethical imperative that a profession cultivate and sustain open-mindedness and pluralism. Knowing more than others but not nearly enough—and not recognising one's epistemic limitations—makes our profession very, very dangerous (see DeMartino 2011; Angner 2006).

I would argue that the aspiration to achieve extraordinary authority without attending to the ethical duties associated with it has been facilitated by the consistent, explicit neglect of professional economic ethics. Absent concern for even the most basic principles that inform professional ethics across the professions, we've had no qualms about directing the lives of others—and we've done it with shocking disregard for the ethical entailments of our work. I am not speaking here of the relatively straightforward issue of conflict of interest or corruption. I'm speaking of our neglect of what it means to position oneself as the 'expert' with authority over the lives of others.

On Maxi-Max

To make this case in the book I argue at length that in the absence of professional ethics, leading economists have implicitly applied a decision rule in their work—the decision rule of maxi-max. Maxi-max is a decision rule that instructs us, when confronting alternative courses of action, to choose that course of action that has among its possible payoffs one that is higher than the highest possible payoffs of the other alternatives. Under maxi-max we consider only the one desideratum of maximum possible payoff. Think of lotteries in this connection—under maxi-max, one should always invest all of one's savings in lottery tickets since, on the infinitesimal chance of winning, the payoff would be much higher than that of any other investment strategy. Under maxi-max we neglect not only the risk of failure, but also the harm that will occur if the strategy does fail, and the distribution of those harms across the population. Indeed, we discount the possibility of policy failure entirely when deciding which policy to advocate. Furthermore, we ignore the stated values and aspirations of those whom we purport to help.

It should by now be clear that maxi-max has been the primary decision rule in the most important economic interventions over the past 30 years—those interventions that have sought to impose the neoliberal model in the developing and transition economy contexts—even though no sane economist would ever speak its name. Leading economists advocated neoliberalism on the grounds that its payoff would exceed the payoff of any alternative regime, full stop. We find no consideration here of the possibility of policy regime failure, nor any planning for failure. These were naïve utopian planners, 'men of system' of the sort that Adam Smith (1976 [1759]) warned about, whose professional arrogance led them to believe they could achieve the impossible, and so were warranted in seeking it (DeMartino 2011).

Maxi-max is entirely inconsistent with all existing bodies of professional ethics, from across the professions. Indeed, I think we are on safe ground in arguing that the application of maxi-max is inconsistent with any imaginable body of professional economic ethics, were the field to exist.

Why is maxi-max ethically untenable? Maxi-max violates two central principles that are now central to virtually all bodies of professional ethics. These are the duty to avoid harm (the principle of beneficence, which comprises non-malfeasance) and the duty to respect the autonomy of those whom the professional serves. Autonomy is reflected widely today in the requirement that those on whom the professional acts must be afforded the opportunity to provide informed consent before the professional takes action. The principle presumes that the person or group being served (and not the professional) ought to be recognised as the rightful architects of their life plans.

As concerns harm, it is difficult to imagine a more dangerous decision rule than maxi-max. If anything, it maximises exposure to potential harm in its discounting of intervention failure. None of us alive today has applied maxi-max in our own lives—the evidence is that we are here, alive, whereas had had we embraced maxi-max, we'd be long dead. In regards to autonomy, maxi-max does no better. It leaves it to the professional to decide which course of action is best. It does not require informed consent before imposing dangerous economic experiments on communities that would never give consent, were they to be empowered to decide for themselves. Indeed, in the professional context maxi-max draws its moral backing from paternalism, which explicitly denies the autonomy of those whom professionals purport to serve. Maxi-max puts the professional squarely in charge.

If the argument that the profession has implicitly adopted the maxi-max decision rule is correct, then it ought not be surprising that in the name of social welfare the profession has committed professional atrocities, attended by gross violations of human rights and substantial economic suffering and even death, all the while purporting to do what's best for others. The profession presumes that its warrant for acting in these ways is given by its expertise, which has been taken as justification for exploiting professional authority to advance social welfare. Underlying these claims is an ethical naïveté, systematically cultivated by a profession that has dismissed its ethical responsibilities.

I'd suggest that if we understand professional ethics properly, as engaging these matters, then it becomes clear that professional ethics should be a concern of heterodox economists. A consistent concern of those on the left is economic democracy, by which is often meant the economic empowerment of working people and the dispossessed. This idea pertains to governance within the workplace, and it pertains to economic governance at the level of society (and policy). But at the moment, the economics profession has positioned itself in a manner that interferes with the attainment of that goal. The language and methods of economics preclude meaningful assessment of our work by outsiders. And that manoeuver, of cultivating authority and power over others, even if with the best of intentions, has the effect of undermining economic self-governance.

From an ethical perspective, economic expertise is inherently fraught. It is at once necessary, and deeply problematic. The problem is that the cultivation of economic expertise also produces relative economic ignorance of those we purport to serve—and this ignorance gives us power. And yet, we tend to overlook this dilemma. The field of professional economic ethics would place these issues squarely on the agenda. The questions 'what does it mean to be an ethical economist, and for economics to be an ethical profession?' turn out to shine a light on fascinating, difficult and vitally important issues that we as a profession have no right to ignore.

Professional Ethics and Economic Education

How might a tradition of professional economic ethics alter our thinking about economic teaching? It follows from the foregoing that ethical economic training would work to reduce the expertise gap between economists and others, while illuminating the limits to economic science and practice. Undergraduate economic education, where we confront both economics majors and those students who will take just a course or two, provides the opportunity to foreground the mysteries surrounding economic phenomena, and that infuse economic science. It could and should emphasise what we don't know today and what we can't know in principle—especially about the future effects of economic policy interventions. Training might encourage our students to learn 'the way of ignorance', as Wendell Berry (2005) describes it. Berry urges us to recognise rather than repress the limits of what we know and can know, and to face the difficult challenges associated with acting ethically in a world that defies our control. In that kind of world we stand to do much harm as we try to do good. Berry's way of ignorance requires us 'to be careful, to know the limits and the efficacy of our knowledge' (Berry 2005, ix–x). Awareness of the limits of our knowledge directs us to consider carefully the scale on which we ought to work:

> By propriety of scale we limit the possible damages of the risks we take. If we cannot control scale so as to limit the effects, then we should not take the risk. From this, it is clear that some risks simply should not be taken. Some experiments should not be made (ibid, 66).

At present, economics cultivates arrogance as a professional virtue. We reward intellectually aggressive 'hedgehogs' who know 'one big thing' and seek, 'under the banner of parsimony, to expand the explanatory power of that big thing to "cover" new cases'—even though research shows that across the professions and disciplines this kind of professional does a very poor job of explaining the world (Tetlock 2005, 20). Teaching that is informed by professional ethical sensibilities to others would keep in view always that we are instructing future consumers of our services, and it is our duty to train them not to expect too much of us—and to be ever wary of economic hedgehogs. Emphasis must be placed on the limitations to mainstream economics, to be sure, but to heterodox economics as well. In policy discussions, for instance, we might advocate what David Colander calls the 'muddling through' approach rather than the 'economics of control' approach to policy (Colander 2005). Muddling through entails being honest with ourselves and those who rely on our expertise that we can't know in advance just what outcomes will follow from any particular policy intervention, and so we'd better be prepared to learn from our mistakes and adjust accordingly.

Ethics-inspired recognition of the limitations to economic science provides strong ethical support for the demand for genuine pluralism in economics—in the classroom, and beyond. When we have influence over others, but when we cannot be sure that our interventions will bring about the goals they seek, we face a duty to promote multiple voices in our field. To do less—to present our preferred approach as the only possible approach—is to deny the autonomy of those we serve. Autonomy requires confrontation with genuine choice when that is available. Closed-mindedness and hubris close off the appearance of genuine choice, and thereby substitute paternalistic judgment for self-determination.

Graduate Level Training

Graduate economic education ought to seek to produce 'ethical economists'. These would be professionals with technical expertise of all sorts, to be sure, but also with deep awareness of the ethical landscape of the field. Graduate training would seek to enhance *phronesis*, or practical wisdom, *empathy*, and *humility*. A good economist would be defined by these virtues and not just by his/her mathematical prowess.

How might this be achieved? Many ways come to mind. For instance, graduate training might include extended, deep immersions in the communities that economists in training hope to serve. Immersions would seek to cultivate intimacy with others, not professional detachment. One existing example is the 'exposure and dialogue programmes (EDPs)', which place development economists in the homes of the very poor, so that they can begin to understand both the people they target in their policy work, and the context in which these policies will be implemented. One important ongoing EDP project involves members of India's Self Employed Women's Association' (SEWA), Women in Informal Employment: Globalizing and Organizing (WIEGO); and the economists from Cornell University. EDP members have written about the extent to which the EDP has altered the worldview of the Cornell economists who have participated (Kanbur 2001; Chen et al 2004; DeMartino 2011). Moreover, the profession might give serious consideration to the introduction of internships and especially apprenticeships, under direction of professional ethicists and others, as a regular feature of PhD training. Field assignments of this sort might help to cultivate alternative ways of knowing economic actors and economic practices and institutions, while highlighting the virtues of ethnographic research; and allow more generally for leaning from fields that economists tend to ignore, like anthropology and sociology. They might also give students a chance to learn-by-doing in situations where their work is overseen by others, to prevent their causing harm as they gradually develop the hard and soft skills needed to be a competent, ethical economist.

Conclusion

Economists have always taken the view that professional economic ethics would be a nuisance—a hindrance to its project of promoting social welfare. My sense is that the mainstream in economics very much wants to restrict the focus of professional ethics to narrow questions like conflict of interest disclosure. After all, the mainstream of the profession risks a substantial loss of authority, autonomy and influence over others, were professional economics as I've described it here to flourish.

Heterodox economists on the left and the right have an opportunity and even a duty to do better. We can begin to flesh out the field of professional economic ethics by subjecting many aspects of economic practice to ethical critique. We can work to narrow the expertise gap to expose the primary fraud in our profession—the intellectual fraud that is perpetrated whenever economists pretend or presume to know more than they do know, or possibly can know; and when they claim the authority provided to them by their science to dictate how others must live.

As economists, we have a duty to undermine the power over others that economic expertise now affords us. It is a duty not to replace the orthodoxy with heterodoxy in the halls of power—but to diminish our standing by democratising economic governance; by altering the relationship between economist and community. Professional economic ethics would provide a firm footing for advancing that project.

Acknowledgements

Thanks to Gary Mongiovi for insightful comments on the previous draft, and to Galen Smith and Patrick Sutherland for research and editorial assistance.

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