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(Why) are economists different?[☆]

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Abstract

After presenting casual evidence of the difference between economists and the rest of the population, I review the survey and experimental evidence on this topic during the last 20 years. I then ask whether these results are applicable to real world situations. To consider this, examples of referenda results in Switzerland are presented where the citizens decided against recommendations of most economists. What is particular in economic theory that causes these differences in convictions? Explanations can point to aspects of positive economic theory and to normative convictions of economists. I conclude with consequences that economists might draw.

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1. Introduction: some observations

“Are economists different, and if so, why?” was the title of a paper by Carter and Irons (1991) published in the *Journal of Economic Perspectives* thirteen years ago. Are

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economists more conservative than the general public, as Stigler (1959) had asserted 32 years earlier when proposing ‘that the professional study of economics makes one politically conservative’? (p. 522.) Stigler defined ‘conservative’ in the following way: “I shall mean by a conservative in economic matters a person who wishes most economic activity conducted by private enterprise, and who believes that abuses of private power will usually be checked, and incitements to efficiency and progress usually provided, by the force of competition.” (p. 524). Economists are different, and in some respect more conservative; there is a gap in our societies between the economic elite and the other elites, especially the cultural one.¹ Let me first demonstrate this with two pieces of casual evidence.

In 2003, I participated in a public panel discussion in Vienna. The topic was the economic model of behaviour in the age of globalisation. The discussion took place in the nice and rather imperial surrounding of the Vienna city hall. It was obvious from the beginning that the organisers were rather critical of economists. I had the privilege to initiate the discussion and applied the ‘weak rationality principle’² following, for example, Homans (1961, p. 80), who wrote about the modern conception of homo oeconomicus that “the new economic man is plain man”. I set out to convince the floor of the general applicability of the economic model and that this has nothing to do with the process of globalisation; that one should not mix these two issues. A professor of political science from Innsbruck spoke after me. She presented — at least it seemed to me — rather outdated rigid traditional Marxist theses that were common among left-wingers in German-speaking countries in the years of the 1968-movement. This professor accused the capitalists, especially those in America, and also bourgeois economists who preach the capitalist ideology, of responsibility for all evils in the world, ranging from the exploitation of workers, to the “imperial” war of the United States in Iraq, to the cutting of subsidies for cultural institutions in Austria such as theatres and opera houses. But what was really astonishing was not so much that this professor was presenting such theses; there are always people who are somewhat behind their time, and some of these — sometimes rather intelligent — people are also professors. The astonishing aspect was that some half or more of the auditorium seemed in favour of this woman’s views, and this when the assembly did not at all consist of frivolous young people. On the contrary, the majority of the people in the room seemed rather distinguished, middle-aged or more, and of the cultural elite of Vienna. The discussion indicated a deep gap between two elites in our societies, the economic on the one side and the cultural on the other, and communication between the two elites seems to be rather difficult.

One might think of this occurrence as being just incidental or perhaps only typical for Austria and not for other countries. According to Frey et al. (1984), Austrian economists have been to the left of their colleagues in other countries insofar as they have been more in favour of Keynesian economic policies and state intervention than their Swiss, German, or American colleagues. The whole of Austrian society might be politically left of the

¹ In the German-speaking countries, this position is usually called ‘liberal’ but this kind of liberalism is quite different from what is meant by liberal in the Anglo-Saxon world.

² For this principle, see Kirchgässner (2005).

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