

# No Ethical Issues in Economics?

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## Abstract

For much economics research, ethics committee approval is not required. This is seen by some as indicating that there are no ethical issues in economics research. However, ethical research requires more than simply meeting regulatory requirements. If economics research has an impact on perceptions and resulting decisions, then there may be concerns about the nature of the research and its impact.

There are a number of arguments that could be raised as to why economics does not describe the real world. What we see is shaped by how we see, so it is important to consider context. This paper considers the simplification that is an inevitable aspect of research. Implications for economic approaches are described, recognising that criticisms can apply to heterodox as well as mainstream approaches. Subjectivity is then discussed, questioning the traditional positive-normative distinction. An additional section relates to the application of economics. It focuses on the significance of rhetoric and the differing roles played by economists, each of which may have their own obligations and expectations. A theme throughout the paper is that of groups and group membership shaping perceptions and behaviour. The paper concludes that there are ethical issues in relation to both how and why economists undertake their work.

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University human ethics committee requirements generally relate to research that directly involves human subjects. For example, approval is commonly required for interviews, surveys and experiments. Many economists, on the other hand, undertake research that is either theoretical modelling or quantitative analysis using existing data. Consequently we have come somewhat late to the experience of externally imposed ethical criteria. The implicit presumption has been that there are no ethical concerns if one applies economic reasoning and analysis according to the accepted conventions of the discipline.

This paper attempts a broader view. Might our perspectives or our methods be questionable? Should we be concerned about the influence that economics may have? Looking back, there are indications of disquiet by economists in some quarters, and certainly developments outside economics (and often among critics of economics) suggest grounds for concern.

Three broad concerns which could be considered are incompleteness, subjectivity, and rhetoric and roles. The first refers to a tendency, in heterodox as well as mainstream economics, to present simplified structures as if the findings apply directly as accurate representations of phenomena in the real world. In reality, analyses are incomplete, describing alternative, analogous structures rather than the real world. On the second, what we see is shaped by how we see. Choices are made, commonly without clear objective justification. This indicates a subjectivity in the simplification process, undermining 'positive' analysis. Third, the ways in which we choose to look at things are influenced by the environment and the views and actions of those around us. Economists do not work in isolation. We are judged by our peers and we function in the wider society, playing our part as economists in academic, political, legal and other

social and institutional activities. The nature of these activities and methods of effectively working in them also shape what we do and what is expected of us. This may mean that there is no single set of ethical principles that would apply to all economists under all circumstances. These three concerns are discussed in the following sections.

## 1. Incompleteness

As economists, perhaps we should consider ourselves to be telling stories based on abstract, imaginary worlds. Our models are not reality, the graphs and equations are basic skeletal structures which, for all but those convinced to the contrary, leave a great deal to the imagination. They are the means by which many economists tell their stories, often hoping to convince an audience that the conclusions are as applicable in the real world as in their abstractions. The drive to mathematisation in economics is widely recognised and, at least in relation to its current form, strongly criticised by Lawson and others (Hodgson, 1997, 2001; Hoffman, 2012; Lawson, 2003; Lipsey, 2001). However, this could be seen as an illustration of a broader problem, namely a failure to acknowledge the limitations of our approaches. This is not unique to economics, but that does not justify it.

Inevitably, theoretical approaches involve simplifications. This raises an ethical issue. Should a simplified representation be presented as a description of reality, or should the findings be qualified. Keynes made this point:

[I]n ordinary discourse, where we are not blindly manipulating but know all the time what we are doing and what the words mean, we can keep “at the back of our heads” the necessary reserves and qualifications and the adjustments which we shall have to make later on’ (Keynes, 1973, pp. 297-298).

Without these added reserves, qualifications and adjustments, we are overstating the explanatory power of our findings. A similar point is made in literature on framing, which recognises that an explanation involves subjecting information to a process of ‘selection, emphasis, exclusion, and elaboration’ (Severin & Tankard, 1997, p. 320). This theme is also developed in writings on postmodernism:

‘We are no longer confident that we can build intellectual structures upward from firm epistemological and ontological foundations. We suspect...that, while there may well be somewhere a “world” underlying all our disparate versions of it, that world is finally inaccessible, and all we have are the versions’ (McHale, 1992, pp. 4-5).

McHale’s audience may lack that confidence, and Lawson (1997, 2003, 2004) is aware of the problem in economics but is searching for a solution. However such reservations are not so common in the utterances of economists. Students new to economics are treated to a supremely confident description of ‘Ten Principles of Economics’ in the opening chapter of Mankiw (2012). McHale’s point is valid nevertheless. Our simplified structures are shaped by, among other things, the definitions of concepts, the choice of information and our interpretation of that information, and there are many structures that could be chosen. As Goodman presents this:

‘Frames of reference...seem to belong less to what is described than to systems of description...If I ask about the world, you can offer to tell me how it is under one or more frames of reference; but if I insist that you tell me how it is apart from all frames, what can

you say? We are confined to ways of describing whatever is described. Our universe, so to speak, consists of these ways rather than of a world or of worlds' (Goodman, 1978, pp. 2-3).

A similar point is made by others in other contexts. In discussing science, Gillies (1993, p. 146) suggest that '...ordinary, everyday observation is in fact theory-laden'. This could be seen as another example of the process of understanding being based on existing knowledge or perspectives. What we see is shaped by how we see, which may be influenced by the theoretical structures that we have learned.

In the philosophy of language, Lakoff and Johnson emphasise the importance of metaphor, where, 'The essence of metaphor is understanding and experiencing one kind of thing in terms of another.' (Lakoff & Johnson, 2003, p. 5). New things are interpreted through assumed similarity with the familiar. They later elaborate:

'In all aspects of life...we define our reality in terms of metaphors and then proceed to act on the basis of the metaphors. We draw inferences, set goals, make commitments, and execute plans, all on the basis of how we in part structure our experience, consciously and unconsciously, by means of metaphor' (Lakoff & Johnson, 2003, p. 158).

Dow has a particular interest in economic thinking. She emphasises the importance of the researcher's 'world view'. How we see shapes what we see:

'Decision-makers organise their perceptions and their expectations around worldviews or paradigms. Such behaviour is rational in the sense of reasoned, according to the theories adopted by each decision-maker' (Dow, 2012, p. 49).

She goes further, identifying methodological constraints on perceptions and understanding across groups, referring to 'representations of reality', and suggesting, '...the exclusiveness of each overall methodology to its paradigm precludes neutral synthesis between paradigms' (Dow, 2012, p. 17).

### **1.1 Limitations in Mainstream Economics**

All theories emphasise certain aspects and exclude others. These limitations should be acknowledged. Critics of mainstream economics have pointed out many of the limitations to that body of knowledge. We should be equally aware that alternative approaches will have their own limitations. This is an inherent characteristic of the process of theorising, rather than a fault of a particular approach.

Mainstream economics develops key findings, such as the optimality of perfect competition and the nature and undesirability of market failure, in a context of static and comparative static analysis. There is an inevitable focus in static analysis on equilibria and optima. Where the focus is on equilibria, there is a requirement (an unspoken assumption) that these are points of interest. This requires stability and rapid adjustment when out of equilibrium. The approach cannot handle dynamic aspects such as process of and time required for adjustment. One recent initiative to address this is NESS ('The Non-Equilibrium Social Science group,' 2011).

Comparative static analysis compares two static positions. These are independently determined from two stand-alone analyses. It ignores any issues that might arise as a result of one analysis describing the starting point (i.e. the initial use of, not the initial allocation of, endowments) and the other the end point. For example, a theoretical comparison of an economy with protection and under free trade may indicate quite different production patterns. The transition from one to the other may then require many workers to retrain, their existing skills no longer being of value. Some older workers may not work

again. There may be similar implications for capital and for land uses. Such costs may be acceptable, but we would not know from the basic analysis because they are not considered. In other words, the starting point in a comparative static analysis may affect the attainability or the desirability of the end result, but this would not be revealed by an analysis which just compares two static equilibria.

There is a heavy focus on marginalism, but this requires infinite divisibility and the ability to substitute between factors and between goods. It is a poor representation in the face of, for example, lumpiness, limited substitutability, or fixed factor proportions and a limited number of production technologies. Similarly, marginalism may not be a useful representation of real world behaviour when, for example, a large proportion of the retail price of goods is based on percentage mark-ups in the distribution sector. Moreover, market structures may be determined less by the number of producers and consumers, and more by the nature of distribution and the number and type of players in the distribution sector.

As has been suggested above, many sources suggest that the variables chosen, their definitions and associated data, play an important role in shaping the perspectives that are taken and hence the questions posed and the answers found. A notable example is GDP, the emphasis on which has received much criticism (alternative measures are proposed in the Better Life Initiative, OECD, Undated). More broadly, criticisms have been raised on many other aspects of mainstream economics, including the focus on market activity, market prices as measures of value, discount rates for comparing values over time, the use of static optimality criteria, the assumption of exogenous preferences and the concept of individuals acting independently.

Additional criticisms have been raised on the basis of the separation of economics from other important influences, not least those of politics. To quote two sources, Dixit and Johnson:

‘...the traditional dichotomy of markets versus governments, and the question of which system performs better, largely lose their relevance. Markets and governments are both facts of economic life, and they interact in complex ways. We cannot find feasible improvements by wishing away one of the components’ (Dixit, 1996, p. xv).

‘[W]e must acknowledge the intimate, inseparable relationship between politics and economics’ (Johnson, 2012).

The concept of a purely ‘market economy’ sector in western countries is hard to support, given the size of government and the public sector. In addition, an approach which focuses on market-based transactions overlooks many allocation decisions within large organisations, including those within multi-national firms.

A possibly more fundamental line of criticism is propounded by Lawson. This focuses on the limitations of the mathematics used in mainstream economics, using concepts of ‘atomism’ and ‘closed systems’. Lawson is critical of what he terms the ‘dominant mainstream tradition’ which insists ‘that economics necessarily relies on techniques of mathematical modelling’ (Lawson, 2003, p. xvii). He distinguishes between the relationships required for the use of this technique and those which might be observed in the real world. To use his words, ‘...any presumption of the universal relevance of mathematical-modelling methods in economics ultimately presupposes a ubiquity of (strict) event regularities.’ And further, ‘...the dependency of mathematical-deductivist methods on closed systems in turn more or less necessitates, and certainly encourages, formulations couched in terms of (i) isolated (ii) atoms’ (Lawson, 2003, p. 13). By atoms he means ‘items which exercise their own separate, independent and invariable (and so predictable) effects (relative to, or as a function of, initial conditions)’ (Lawson, 2003, p. 14).

Lawson defines a 'closed system' as one in which 'an event regularity exists', a requirement for predictability. Hence his closed atomistic systems give full explanation of the behaviour of units that are independent and predictable. He then questions the value of applying these tools of analysis (or frames) to real world issues. He argues that the real world is comprised of open and highly inter-related social systems, as are the economic phenomena that we observe. Consequently the methods used in mainstream economics are of limited value. At the very least, we cannot rely solely on mathematical formulations to analyse economic phenomena.

All these points have been raised as criticisms of mainstream economics, but this does not mean that alternative bodies of theory are necessarily better. Rather, it should be taken as an illustration of the limitations that are necessary in any theoretical approach. The limitations may differ, but they will always exist. On the ethical level, a failure to recognise these limitations (in this or any other approach) would mean that we are misrepresenting and overstating the value of our results and recommendations.

### **1.2 Analogy - Not the Real World**

There is one perspective on theory that might avoid an inflated impression of our degree of understanding. That is to base our understanding on the position that theories are analogies, not direct representations of the real world. The perspective of paradigms (Kuhn, 1970) suggests that theories are ways of seeing reality. Instead, the term 'analogy' stresses that the theoretical representation is distinct from the phenomenon in the real world, although it is hoped that the representation may provide insights that are of value. Lucas describes a theory as (my emphasis), 'an explicit set of instructions for building a parallel or *analogue* system' (Lucas, 1980, p. 697). Klamer says a model is (my emphasis):

'An explicitly, and in economics often formally, articulated *analogy*. A model is typically characterised by "as if" reasoning' (Klamer, 2007, p. 123).

Any claim that theoretical findings are facts on which real world decisions can be based directly is rhetoric, unsupported by logic. The ethics are questionable, and the existence of other, relevant determinants is one reason why some such as Lawson (2003) have challenged the ontological validity of theories which assume 'closed' systems. A similar point has been made for the natural sciences, 'Natural scientists work constructing highly abstract, imaginary worlds and narrate conjectural stories of how the earth or the whole universe developed' (Ingrao, 2009, p. 31). Regularity is perhaps more likely there than in systems where outcomes are influenced by the decisions of many human participants, as are the objects of economic investigation.

To summarise, our perspectives and analyses are incomplete. Incompleteness is introduced at many levels. At the general level, it arises from the constraints of classification due to language and our 'world view'. It is further constrained by the limitations of the methodologies that we use and the disciplinary boundaries that we impose on ourselves. Such issues are not unique to economics. They should be recognised and resulting reserves, qualifications and adjustments incorporated into our analyses. This can be done by considering representations of economic activity to be in the form of analogies, with additional steps to be taken to relate the results to the real world.

## **2. Subjectivity**

For decades it has been impressed on economics students that the discipline is based on a strong core of objective thinking. The concepts of positive and normative statements and Milton Friedman's (1953) methodology of positive economics have been highly influential. How valid is the positive-normative distinction?

The above section on incompleteness presents a simple way to question purportedly positive findings. If analyses are incomplete, what can we say about the choice of simplification? Is it objective or subjective? If positive statements are seen as objective, adherents to this classification may feel confident in the validity of their claims and assert them with authority. If so, they are unaware of the limitations of their thinking and some of the alternatives that are missed.

Discussing world views and methodology, Dow (2012) stresses the extent to which particular approaches are constrained, often without recognition of available alternatives. The choice is subjective because, 'there is no independent basis for deciding on one methodology' (Dow, 2012, p. 137). Dow draws for support on Caldwell (1986), who emphasises the difference in evaluative criteria used by different methodologies, suggesting that the criteria from one methodology may be unsuitable for assessing analyses using another.

It may be limiting at the level of theory also, so choice of theory is also important as a constraint on objective understanding. Minsky (2008, p. 109) writes:

'In all disciplines theory plays a double role: it is both a lens and a blinder. As a lens, it focuses the mind upon specified problems, enabling conditional statements be made about causal relations for a well-defined but limited set of phenomena. But as a blinder, theory narrows the field of vision.'

The suggestion that there is an objective basis for economics has long been questioned. For example, economics has been likened to religion. There was a debate on whether basic assumptions are testable, or a matter of 'faith'. This was described by Joan Robinson (1970), and also critically stated by Sumner Rosen:

'Long ago economists opted for a separation of their studies from fundamentals. In so doing they adopted a prevailing American view that the fundamentals are not in question. The older fashion of joining economic and political concerns into political economy passed from the scene' (Rosen, 1972, p. 417).

The theme was developed further by Nelson (2001), with additional speculation in the foreword to Nelson's book, where Max Stackhouse summarised Nelson's suggestion that crusading zeal might have influenced the framing of economics:

'[T]he profound religious tradition that shaped Western culture framed, inevitably, the intellectual contours of economics...[and] unacknowledged religious assumptions pervade the commitments of currently distinguished and influential figures' (Nelson, 2001, pp. x-xi).

However, positivism has been strongly challenged both outside economics and from within (Mäki, 2009; Mosini, 2011). The concept of framing has been instrumental in this regard, emphasising the subjectivity of what and how we see. Framing involves decisions, including the choice of variables and relationships to be included. These decisions are important. In the political sphere there is clear awareness of the importance of language, with choice of words and labels setting the framing and the persuasiveness of arguments (Curran, 2006; Fairclough, 1995, 2001). Economists may passively accept this as outside information that is 'given', especially if they are unaware of its significance.

These concerns are of universal relevance. Lakoff and Johnson discuss subjectivism and objectivism, exploring the extent to which there are constraints in both directions. They argue that objectivism misses the fact that understanding depends on how the world is framed, and subjectivism

misses the fact that frames, or a 'conceptual system' 'is grounded in our successful functioning in our physical and cultural environments' (Lakoff & Johnson, 2003, p. 194). This last point is important for economics, and especially the application of economics to policy issues. It may be possible for people to see if a perspective aids 'successful functioning' where decisions are repeated and have a direct impact on the individual. It is not clear for complex policy issues and distant, unusual events. Grounding may be harder for such matters, in which case plausible arguments may be enough to create and maintain beliefs.

This may be why we continue with one assumption in mainstream microeconomic theory which is not often explicitly stated. The theory is assumed to describe both how people actually behave and how, as rational individuals, they should behave, with the added understanding that this is desirable behaviour for the real world. It is by no means clear that all these assumptions are justified. It may be appealing to have a monolithic theoretical structure which offers a complex, interlinked representation of the economy. However, we may be better served by 'a range of partial analyses which together add weight to argument, rather than one complete formal model as the whole argument.' (Dow, 2012, p. 8)

In summary, either by default, through the influence of others, or by choice, decisions are being made which affect the selection of economic issues and the ways they are analysed. Not only are we simplifying, but this simplification is the result of a subjective, not an objective, process.

### 3. Rhetoric and Roles

There is a distinction to be drawn between the formation of a person's understanding of economics, as discussed above, and the choice of information to present to others. If, as economists have been known to assume, people act according to their objectives and the constraints and incentives that they face, then economists will also be subject to such influences. This section will consider the economist playing a role in the news media, in policy debate and advocacy, and in the economics profession itself.

Consider first the economist who is a news media commentator. The news media, and television in particular, is keen on the 'sound bite', the short comment which conveys a clear point and can be readily understood. Bourdieu uses the term 'fast-thinkers', whom he describes as 'specialists in throw-away thinking' (Bourdieu, 1998, p. 35). People who can operate in this way have quick, confident responses using commonly held beliefs that do not challenge listeners' opinions. They fulfil the role better than others who may be more controversial, or more cautious and circumspect. Bertrand Russell, in his essay, 'On being open-minded', made a similar point decades before. He wrote of the relative ease with which one can appear intelligent by presenting the accepted position (Russell, 1950, pp. 65-70).

The requirement works against those who are challenging a dominant view. The problem is described by Chomsky (Achbar & Wintonick, 1992). He points out that statements representing the norm can be made and not challenged. In contrast, those presenting alternatives will be required to provide extensive evidential support, the opportunity for which is not always offered. It would seem that success for an economist in the role of a news media commentator requires a certain type of presentation and content.

In contrast to the news media, policy debate and advocacy may present different requirements. Policy debate has been described as a power play between groups competing for dominance (Birkland, 2011; Cobb & Ross, 1997; Considine, 2005). This may at least describe the perceptions of those active in the policy sphere, as is indicated by the interest in issues having political traction. If so, phenomena discussed in that literature may well be relevant. Cobb and Ross describe agenda setting and denial, whereby the aim is to be the one to set the agenda, while excluding the issues and options of other groups. This involves strategies quite distinct from straight presentation of information. An understanding of rhetoric and persuasion is important. An illustration of the distortions that might arise in public debate

on policy issues can be found in Cook and Lewandowsky (2011). They suggest that common ways to provide evidence to counter a false belief may actually result in reinforcement of that belief.

Eleven 'Modes of argumentation' are described by Dunn (2004, pp. 394-418). Two of these include presentation of theoretical or empirical findings. However, the use of the findings is described (perhaps justifiably) as means of adding authority or persuasive power to points being made, rather than as providing facts for consideration in decision making.

Economists attached to a politically active group may be expected to provide persuasive arguments and evidence in support of that group's position. This is not impartial, but it does not necessarily make it wrong. Consider the position of policy analysts in the public sector. They are advising politicians. If they consider only the policy options which may be acceptable to the current government, it could be argued that they are not giving impartial advice. If they consider a wide range of options, this could be seen as a waste of resources given that many will never be considered for implementation. It could even be seen as acting against the government of the day.

Whatever we might conclude about desirable behaviour, those who see the policy environment in terms of competing groups will see this power play as determining the 'rules of the game'. Rhetorical stratagems and other practices may be considered acceptable, although ethically questionable in an alternative context of logical debate and a search for 'truth'. If this is the environment in which economists are working, it will influence the expectations of them, as well as their behaviour. It may then be necessary to have context-specific ethical rules which recognise the role and the constraints.

The issues are apparent in adversarial systems where people are engaged in advocacy roles. In the legal sphere, lawyers are expected to advocate for their clients, presenting the most favourable case and using a range of techniques to undermine the opposing position. Rather than being considered unethical, success in such action is seen as a sign of a 'good lawyer' (but note Dodson and Fogg in *Pickwick Papers*, Dickens, 1986). Similarly, some economists may be expected to advocate for their clients or employers. Consider those working for political parties, unions, or employer or producer organisations, for financial institutions, lobby groups, or news media reliant on advertising revenue. There is even a term, advocacy research, defined as 'studies that seek to measure social problems, heighten public awareness of them, and recommend possible solutions' (Gilbert, 1997, p. 101). Gilbert acknowledges that advocacy research can be ethically done, but there is a clear objective to bring about change. This commonly involves the development of a persuasive case. Gilbert notes that researchers have been known to make exaggerated claims to support their chosen causes.

It should be recognised that there may be political forces also within academia and within the economics profession which affect what is done and how it is perceived. A rhetorical dimension to economics has been highlighted by McCloskey (1998), not necessarily in terms of persuasion, but at least in relation to the promotion of unsupported positions. The application of statistics to economics has also been criticised by Cartwright:

'...much of what is done with the use of statistics in social science is gibberish. Our false idealisation papers over a glaring hole in our methodology' (Cartwright, 1995, p. 350).

With statistical criteria as with theoretical and methodological, group membership involves a large degree of adherence to group rhetoric.

Institutional incentives which result in support for a 'conventional wisdom' in economics are described in Galbraith (1999, Chapter 2). Galbraith contends that people in key roles owe their position to a past willingness to expound, and are under an obligation to perpetuate, the 'conventional wisdom':

'The high public official is expected, as is indeed to some extent required, to expound the conventional wisdom. His, in many respects, is the purest case. Before assuming office,



he ordinarily commands little attention. But on taking up his position, he is immediately assumed to be gifted with deep insights. He does not, except in the rarest instances, write his own speeches or articles; and these are planned, drafted and scrupulously examined to ensure their acceptability. The application of any other test, e.g., their effectiveness as a simple description of the economic or political reality, would be regarded as eccentric in the extreme' (Galbraith, 1999, p. 10).

Galbraith also describes how apparently vigorous debate can be narrowly focused and simply reinforce the acceptability of the familiar, even in academic circles. Further grounds for such phenomena can be imagined as a consequence of group membership and group behaviour (Birks, 2011).

A requirement for group membership is acceptance of some common conventions, language, body of knowledge and traditions. A widely accepted perspective talks of paradigms (Kuhn, 1970). This commonality should not be surprising if we consider Hardin's description of the way much knowledge is conveyed. He presents a concept, 'street-level epistemology', whereby people take their knowledge from others without much individual critical assessment (Hardin, 2002). We could ask how critical economics students are expected to be when building up their knowledge of the discipline. An objective of the instruction is to guide students into thinking as economists.

In this context it is understandable that one approach may come to be seen as definitive to the exclusion of others. Some might argue that this is the situation with 'mainstream economics'. Such a possibility has been described using the term 'ideological-discursive formation' (IDF), or way of framing debate that is favourable to a particular perspective (Fairclough, 1995). Where one IDF becomes dominant, to the exclusion of others, it is seen as knowledge. Alternatives will then be viewed as biased and ideological. Leamer has stated this point more bluntly:

'Economists have inherited from the physical sciences the myth that scientific inference is objective, and free of personal prejudice. This is utter nonsense. All knowledge is human belief; more accurately, human opinion. What often happens in the physical sciences is that there is a high degree of conformity of opinion. When this occurs, the opinion held by most is asserted to be an objective fact, and those who doubt it are labelled "nuts"' (Leamer, 1983, p. 36).

This is not to say that all economists conform. There are many alternative views, but they do not generally have traction. The World Economics Association was established to broaden the focus in economics. Hence its manifesto includes a commitment to plurality and 'the free exploration of economic reality from any perspective that adds to the sum of our understanding'.

In summary, economists contribute to debate in many areas. These include the news media, policy debate and policy implementation, and in academia. To be effective, contributions must meet the requirements of the areas in which they are made. These requirements also serve as constraints. Ethical behaviour may therefore be context-specific. Even if broad, universal ethical principles can be identified, their interpretation may be dependent on specific circumstances. This is not unique to economics.

#### **4. Conclusion**

Certain requirements must be met for there to be confidence in mainstream economic theory and resulting policy recommendations. It is necessary to have an underlying belief that there is an attainable system or structure under which a society can 'work well'. This belief may be a consequence of the central position of a theoretical 'ideal'. However, its persistence is hard to fathom given the numerous examples in history and plausible illustrations in literature indicating the contrary.

Is it then ethical for academic economists to present the results of such a theoretical exposition, or of an empirical analysis based on theory or models, as if they are representing the real world? It is important to identify and explore the additional reserves, qualifications and adjustments that are required. As indicated in this paper, some consider that the mainstream approach has fundamental flaws, whereas others see value in a broader, more pluralistic approach. In either case, critics have argued that economists have paid inadequate attention to the limitations of their analyses. This is in part due to a framing which suggests that economic analysis can be objective, or positive. Other literature, much of it from outside economics, highlights inherent distortions and subjective aspects which influence what we see and how we interpret economic phenomena.

The ethical issues that this raises are not straight forward because there is not a single context in which economists operate. Rhetoric recognises that messages vary according to the beliefs and perceptions of the audience. These serve as constraints. They determine the incentives, rewards and penalties that economists face in the different roles. They also affect the way in which information is treated, and hence the impact that it has. Economists do not operate in a vacuum. Ethics are important. However, any meaningful ethical criteria must reflect the various circumstances which may apply. Economists may then be subject to alternative ethical requirements, and the reality is that deliberation, public debate and news media coverage is influenced by these factors.

These are just a few of the many ethical issues that could be raised by economists. In brief, they relate to the nature and limitations of theory and techniques in general, and economic theory and techniques in particular, recognising real world phenomena that shape decisions and outcomes and the various roles that economists may play within the institutional structure. It is important that economics be seen in this wider context if its contribution to society is to be understood.

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