Ethical Economics Support

AIRLEAP

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September 25, 2007

LATEST NEWS / UPCOMING EVENTS

This FIRST ISSUE of *Ethical Economics Support,* AIRLEAP's newsletter, was approved at our last monthly meeting on September 25, 2007.

Mark Your Calendars! AIRLEAP's **next monthly meeting** is on **Tuesday, October 23, 2007**, Happy Hour at 6:00, Dinner ($20) at 7:15. Come to one or both at our usual place (Mai Thai Restaurant, 1200 19th St., Wash., DC). See www.airleap.org/meetings.htm for more details.

Our First AIRLEAP Presentation will be given by Doug Palo, one of our Directors, on **Monday, October 29th, 2007**, 12:00-1:00 PM to the USDA Economists Group. Steve Payson will also be there to assist Doug. The group meets in the USDA Cafeteria on 14th and Independence Avenue, Washington, DC. See www.usdaeconomists.org/ for more details and if you would like to attend but are not a USDA employee contact us to help you get into the building as a visitor (at Airleap_news@airleap.org).

We are now planning for our presence at the annual meetings of the **Allied Social Science Association / American Economic Association** (AEA), on **January 4-6, 2008** in New Orleans. We will have the first annual Board of Directors meeting there; all AIRLEAP members are invited to attend. More details on our planned activities during the conference will be provided in upcoming editions of this newsletter.

As new members of International Confederation of Associations for Pluralism in Economics (ICAPE), we are sharing their booth at the AEA meetings. There we will distribute AIRLEAP promotional materials (like t-shirts!).

We need volunteers for these activities—please contact Airleap_news@airleap.org if you plan to attend the AEA meetings and would like to help.

Welcome George!

AIRLEAPers welcome George DeMartino — our newest member to our Board of Directors. Professor DeMartino is about to release a new book, entitled *I Do Solemnly Swear': On the need for and content of professional economic ethics.* See www.airleap.org/BoardOfDirectors.htm for more information about Professor DeMartino and our other AIRLEAP Directors.

Annotated Bibliography

We have just recently improved our ability to expand and revise our annotated bibliography. (See http://www.airleap.org/bibliography.cfm.) Stay tuned for the expanded bibliography!

AIRLEAP Survey: IF you haven't already, *PLEASE* TAKE THE SURVEY! It is important to our mission, and your opinion matters. (http://www.airleap.org/Survey/)

Essays on Ethical Economics

AIRLEAP invites essays (and book reviews) from its members for possible publication in *Ethical Economics Support*, subject to review and approval by AIRLEAP's Newsletter Committee. Such essays may include editorial comments or rebuttals to previously submitted essays. Authors may choose to remain anonymous in the publication, but they are asked to let the Newsletter Committee know who they are to verify their membership. The Committee will honor the anonymity of authors who choose this option. Authors are offered considerable latitude in expressing critical or provocative ideas; however, essays must not critically accuse any particular individuals or organizations of wrong doing. The motivation of the essays is to exchange ideas and learn from each other — not to point fingers. For additional information about submitting essays see the instructions at the end of this section.

The essays presented here reflect only the opinions of the authors, not the opinions of AIRLEAP.

AIRLEAP's Greatest Dilemma: Walking the Line Between Study and Action

Anonymous AIRLEAP member

AIRLEAP is a rather unique organization that does not fit into any well defined category, or, as the expression goes, "it is neither fish nor fowl." And so it will always be challenged in its efforts to define itself before the public. Unfortunately, in spite of these efforts, the public, or the community of economists in particular, will tend to place the organization into some well established category to which it does not belong.

In many respects AIRLEAP is a scholarly society, committed to understanding and contributing to discourse on integrity and responsible leadership in economics. At the same time, AIRLEAP is also committed to "making a difference" through education and opinionated appeals for improvements in the way economics is studied and practiced. In essence AIRLEAP's motives combine both study and action; it is a hybrid organization that strives to contribute to interesting literature *and* significantly influence the way things are done.

As the organization proceeds to grow, a metaphor for its situation is that of a traveler on a mountain trail, where the trail is surrounded by steep, slippery slopes on both sides (see the picture above). Slipping off the
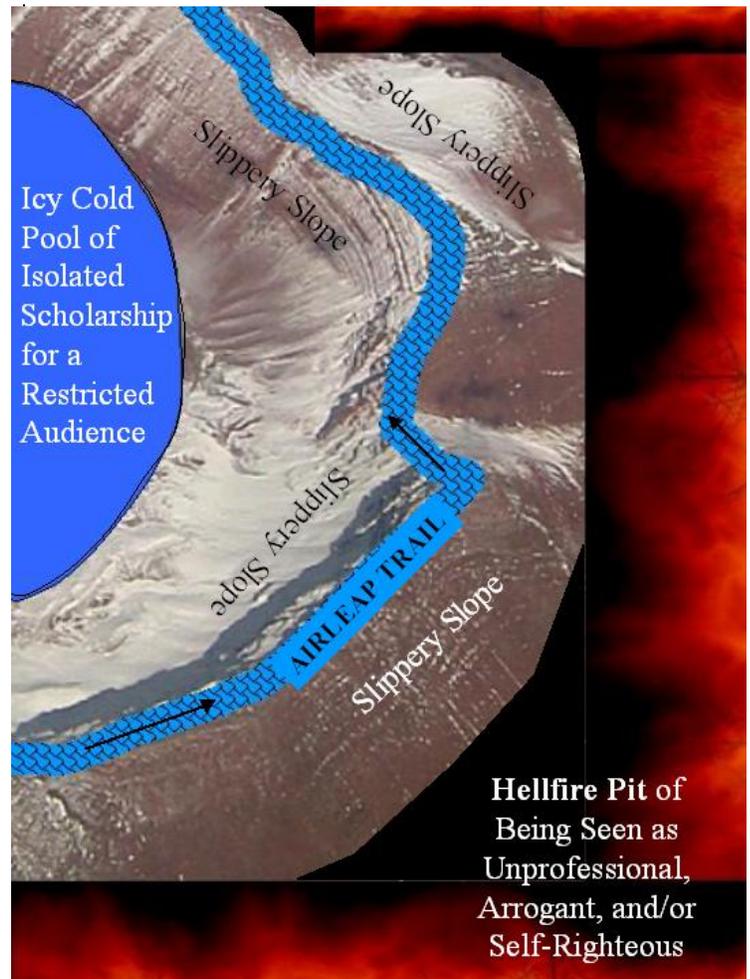
AIRLEAP's Hazardous Trail

path, and falling down either of these slopes, could mean peril for the organization.

The danger on one side of the trail is falling into an "icy cold pool of scholarship for a restricted audience." Here, the organization would be condemned to an existence of inward-looking, purely intellectual discussions

that would be seen by others as peripheral to any positive actions that could be taken to improve the profession. While stuck in this icy pool, the organization would be immobile. At best, it would proceed to produce conference papers, technical journal articles, and perhaps occasional books, within its own isolated and highly restrictive universe, having no real effect on economics and related disciplines.

In this role, AIRLEAP would then be largely ignored by the rest of the profession, which is already known to pay little attention to topics falling under the "history of economic thought" — the label that would be assigned to AIRLEAP's work. Thus, the organization would be of little interest to those who want to see positive change taking place in economics, and would be of most interest only to those who want to add their authorship to the scholarly literature. As a worst-case scenario, the organization would be guilty of a type of self-serving, obscure existence that AIRLEAP was originally designed to discourage in the profession. AIRLEAP's very existence, in this sense, would be hypocritical.

Yet, as bad as this danger may sound, it pales in comparison to a more likely, and more horrifying fate: the "hellfire pit "of "being seen as unprofessional, arrogant, and/or self-righteous." That is, AIRLEAP could slip down the path of appearing to be a watchdog organization — a "60-Minutes" of the economics profession. In this case, it would face the wrath of the masses of "insulted economists" who, in retaliation, might brand AIRLEAP as a small band of witch-hunters, or band of disgruntled economists with an axe to grind. In a profession where leaders rarely ever "criticize others for 'how they make a living'," and where having an axe to grind is nearly as heinous a crime as committing murder or high treason, it is not hard to see how the tiniest slip off the path could lead to such doom.

If AIRLEAP *is* ever branded as group of disgruntled witch-hunters, then people would surely be afraid to join AIRLEAP, except, perhaps for those few individuals who may, indeed, have an axe to grind, and who might even be proud to admit it. In this way, AIRLEAP would be condemned to an existence even worse than that of a scholarly pastime; for it will be seen as hostile toward the profession, and the entire rest of profession, in turn, would be hostile toward it. The profession might effectively ask, "How dare AIRLEAP throw the first stone, when only those who are free of sin have that right! And how dare AIRLEAP insinuate that they are *better* than the rest of us."

The solution to avoiding these horrible fates for AIRLEAP is two fold: (1) AIRLEAP must, obviously, be very careful where, and how, it steps. (2) AIRLEAP should continue to be clear about its true motives and how it plans to pursue them, so that it can fend off any accusations that it is either a self-serving group of intellectual idealists, or a watch-dog organization looking to point fingers. In this way, AIRLEAP may be able to stay on its path, and help promote integrity and responsible leaders in a positive manner, with both intellectually interesting *and* real results.

The Asian Game of 'Go' as a Metaphor to Describe the Survivability of Esoteric Subfields

Anonymous AIRLEAP member

Introduction

The subject of this essay is the "esoteric subfield" which we define here as a scholarly and/or technically prohibitive school of thought in any field of study whatsoever; i.e., the sciences, social sciences, arts and humanities, etc. By the esoteric subfield being prohibitive, we mean that it contains discourses that most people—even most highly

educated people—would be unable to understand without advanced study on the specific subject matter itself. As defined in this essay, the esoteric subfield has its own leaders and literature, and is primarily self-directed and self-regulating. It typically contains between 10 and 50 leaders worldwide who are major contributors to its thought and literature. Groups significantly larger than that may be seen as having esoteric subfields within them, or one may adopt a stricter definition of "major leader" to reduce the number to within 50. For ease of exposition, for the remainder of this essay, we will simply use the term "subfield" to mean "esoteric subfield."

Of course, subfields could overlap greatly in terms of subject matter, where it might be difficult to separate where one ends and another begins. However, it is important to note that we are not partitioning all areas of human inquiry into subfields — most of human inquiry, in fact, would probably not be esoteric enough to fit into subfields. Thus, while some subfields do overlap, most might be thought of as being surrounded, not by other subfields, but primarily by bodies of thought, and by individuals, who are approaching related topics in a simpler and less prohibitive manner.

Subfields typically generate discussions and literature that are designed for, and understood by, a very small audience. Moreover, the audience consists primarily of the same individuals who contribute, themselves, to the discussions and literature of the subfield. The only major exception to this would be students who are preparing themselves to enter into the subfield--or are at least open to that possibility.

For these reasons, subfields may appear to some critics as existing for their own purposes, thus calling into question their relevance and usefulness for the rest of society. Yet, this begs a more pointed question: "If a subfield's contribution to society is marginal at best, then how could that subfield continue to survive scrutiny?" This essay provides an abstract discussion of how such self-fulfilling disciplinary subfields can remain *viable* for perhaps an indefinite period of time, even when there may be no concrete evidence to suggest that society benefits from them. Viability in this case may be regarded as the ability for the subfield to flourish in terms of financial resources, recognized credibility from surrounding scholarly communities, and continual rejuvenation from the entry of new, young scholars willing to follow in the footsteps of the subfield's existing leaders. In simpler terms, we ask, "What can keep a particular, esoteric subfield going strong, even if there is no evidence that the subfield is accomplishing anything useful?"

For reasons that are quite deliberate, this essay itself has been specifically designed to be outside any esoteric subfield that exists currently. One might argue that the subject of the essay might fit somewhere in the area of "social epistemology," which may be regarded as a subfield within the field of sociology.

We are not going so far as to pass judgment on subfields as being unwarranted and illegitimate, or even "parasites" on society's resources, though we are not ruling out that possibility for some subfields. For a variety of reasons, such judgments would be difficult if not impossible to make. For example, subfields that might appear to be unjustified under present circumstances may become useful if circumstances change. Thus, society may be seen as possessing, in some sense, a "reserve army" of esoteric subfields that may be called upon if they are ever truly needed under new events or circumstances. There is also the perspective that esoteric subfields may be the byproduct of core research in areas that are generally seen as highly relevant. In this sense, subfields layer around the core within a broad field of study, but together the entire field creates a critical mass of research efforts that maintains the larger field's overall

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viability. The critical mass, for example, brings in more promising students to be leaders in the field than would be the case if the subfields around the core did not exist. Those students, though they may initially follow the work of professors in esoteric subfields, may rise to contribute substantially to the core of the overall field. In this argument, the discussion has deviated from a social epistemology framework to perhaps a discussion on science policy. In any case, our point is simply that no general assessment is being made here regarding the overall effect of subfields. What is being explored, though, is the question already presented: "How can a subfield remain viable in the absence of any clear contribution to society?"

One obvious factor that must be recognized at the outset is that there are three general motives that drive individuals to participate in the subfield: (1) The personal, intellectual interest they have in the subject matter (and perhaps the belief that their approach to the topic is, indeed, useful and beneficial); (2) the financial rewards; and (3) prestige-oriented psychological rewards from their achievements.

The Asian Game of Go

The viability of subfields implies that a "game" of some sort is being played, and indeed, a game may be a heuristic metaphor that would shed light on this topic. For reasons that will unfold in the discussion that follows, a particular game was chosen for this metaphor — the ancient, Asian game of "Go." As one source puts it, "For possibly the last four thousand years, Go has enthralled hundreds of millions of people, making it the world's most often played game."[1] Among Western culture, it is fairly unknown, though some Westerners may remember seeing it at various times. For example, it played a key role in the recent movie "A Beautiful Mind"

[1] Peter Shotwell, *Go! More than a Game* (Boston: Tuttle Publishing, 2003), p. ix.

where the main character, John Nash (a Nobel laureate in economics) lost his temper upon losing the game to a friend in college.

The game is played by two people on an extremely simple board that is a 19 by 19 matrix, where one player has identical black stones, and the other identical white stones. In contrast to chess, black goes first in Go, where players simply take turns placing one stone on any unoccupied intersection on the matrix. The object of the game is to control more space on the board than your opponent; the player with the most controlled space in the end is the winner.

In the remaining discussions, we will simply be looking at the game from the standpoint of the person playing the black stones. For ease of illustration here, a smaller (11X10) matrix will be used in the figures presented. (See figure 1.)

Figure 1. Spaces and Liberties in Go
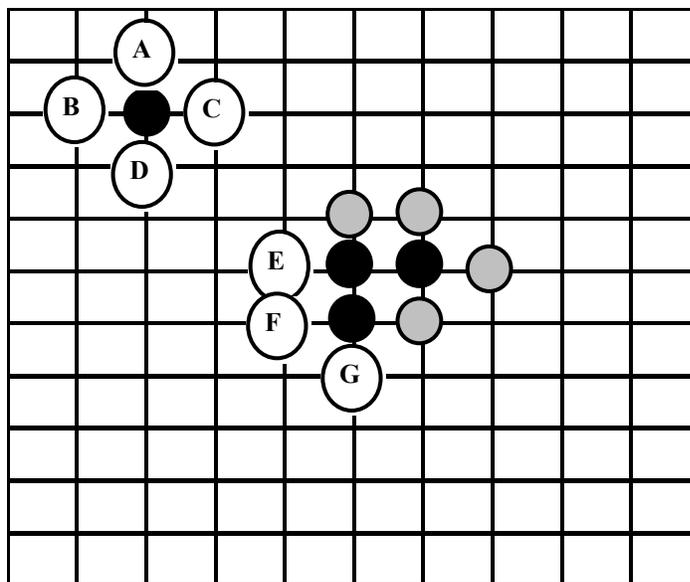
In the figure we see that a player can place a black stone in the upper left corner of the matrix, occupying the intersection of the second row and second column. The stone in that position is said to have four "liberties" which are depicted in the figure as the

intersections labeled A-D. This means that the stone has access to any of these four open areas. If any stone were placed in these areas, however, then that area would not be open, and the black stone would have lost a liberty.

Now consider the situations displayed in the center of Figure 1. There are three black stones that are considered to be "connected" to each other. Any two stones are connected to each other if there is an explicit line between them, i.e., they are either adjacent to each other horizontally or vertically (but not diagonally). Thus, among the three black stones shown in the center, the one on the bottom is connected to the one directly above it, which in turn is connected to the black stone to its right. In this sense, all three of the stones are regarded as connected to each other, and constitute one group. The group's survival in Go is contingent upon the group always being connected to liberties. As we see in the figure, that group is partially surrounded by white stones, which eliminated some if its liberties. It has three remaining liberties, however, depicted by spaces E,F, and G in the figure. If E, F, and G were then all filled by white stones, the group would have no liberties left, and would "die." In that case, those black stones would be removed from the board as being "captured" and would score as points for the opponent. Hence, the way the game is played, each player tries to surround the other player's groups, depriving them of liberties, until the entire board is defined by controlled territory. At that point, each player "passes" on the opportunity to add another stone on the board, and the player with the most points (in controlled area and captured "prisoners") wins.

Let us look at the Go board in a different light, where each intersection on the board represents a particular thread of discourse, i.e., a possible area of thought, or a "topic" of some kind that could be researched in any discipline. For short, let us now call each intersection a "topic." Two topics that are adjacent to each other (either horizontally or vertically) are seen as topics that relate or connect to each other, where many ideas easily apply to both.

When a black stone occupies a topic on the board, this reflects the idea that members of a particular subfield have extensively analyzed a topic, and made it their own. They, therefore, largely control the topic in the literature. When a white stone occupies a topic, on the other hand, then it is denying the subfield from controlling the topic. This might be interpreted, for example, as a discourse that conclusively proves that it would be inappropriate for the subfield in question to control the topic. For example, suppose a particular mental disorder where previously treated by psychoanalysis, but it was later found to be the consequence of a bacterial infection that could be cured by an antibiotic. The subfield of psychoanalytical treatment of similar disorders would then be denied the topic of this one disorder, which was clearly found to be treatable through completely different methods (or effectively assignable to a different subfield).

Go and Subfields

Let us now regard the group of interconnecting black stones in this metaphor as a subfield, which is now seen as a group of interconnected topics which the subfield already controls and has already extensively analyzed. The subfield's legitimacy may now be seen as being supported by its liberties — it's access to uncontrolled topics that it could explore. Looking again at the three connected black stones in the center of Figure 1, we can think of them as a subfield that may potentially do research in areas E, F, or G. In other words, the subfield is legitimate because it has demonstrated good reason to explore new areas, which were not blocked, or discredited, by opponents to the subfield. However, if areas E, F, and G become all occupied by white stones, and are all then disallowed, the subfield is starved for new topics, and it is left isolated with the topics that it has already

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explored extensively. In this isolation and starvation, the subfield will eventually die.

Any open spaces (or open topics) that exist adjacent to a subfield's controlled topic serve as justification for the subfield's existence. If the open topic, however, can be attacked and defeated, by a counter-argument against the subfield, where the opponent then occupies those spaces, then the subfield cannot remain alive. However, as soon as any counter-argument is made, that counter-argument may, itself, be "surrounded" by the subfield's dominance over the subject matter of the counter argument. Thus, the counter-argument could die first, killed by the subfield, unless the counter-argument, itself, leaves the entire subfield surrounded and captured.

Admittedly, this metaphor thus far seems to offer little insight into the viability of subfields. One might argue, for instance, that the most relevant question for the subfield's survival in this framework is simply whether it will be able to occupy adjacent topics and prevent opponents from occupying those topics. Such would depend on which group is better suited to control such adjacent topics, which is not at all explained in this game of Go, which depends only on "whose turn it is." Of course, whose turn it is would be highly irrelevant to the real issue of who might control the topics adjacent to an existing subfield.

The game does shed light on these issues, however, in its rules regarding how groups are captured. Consider, now, the groups appearing in Figure 2. Since a stone (or topic) cannot have access to topics outside the board (or topics that do not exist), the black stone in the upper left-hand corner of Figure 2 is fully captured, and that small subfield is dead. The same is true of the group of three stones near the same corner of the figure.

However, the situation is different for the seven connected black stones near the center of

the figure. Although these seven subfield-topics are surrounded on the outside by the opponent's control of adjacent topics, inside them there is a blank area, designated as "H." In Go, those seven stones are not automatically captured because of the liberty they have inside them. Here, now, is an interesting dilemma: Can the opponent place a stone in H, i.e., can the opponent control the H topic, thereby denying the subfield any liberties, and thereby capturing the subfield. Or, is this not impossible for the opponent, because its capture of H will make it completely surrounded by the topics controlled by the subfield, and thus, that white stone will be captured automatically, leaving the subfield intact.

Figure 2. Captured Groups and Live Groups
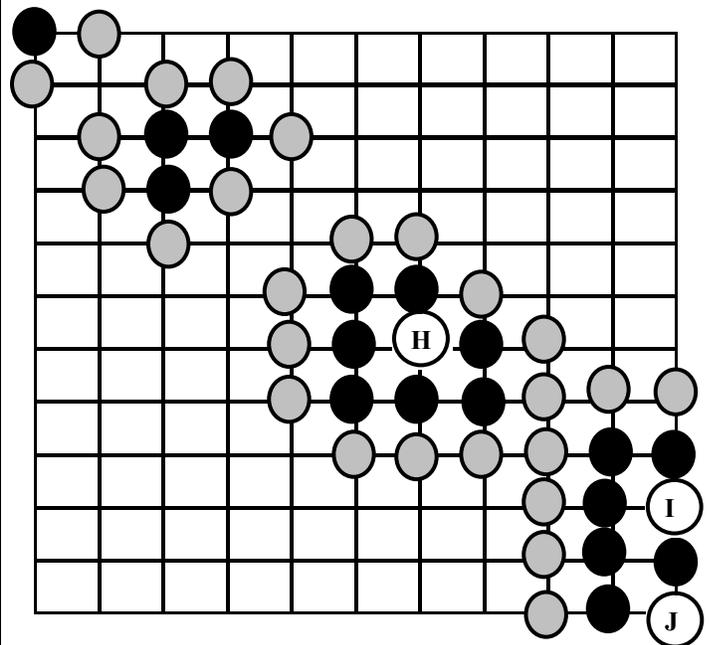
According to the rules of Go, the space denoted by H is called an "eye" and the group is said to have "only one eye." In this situation, we may understand how the game is played by assuming that a player cannot capture an opponents stones until it is that player's turn. Thus, if it is the opponent's turn, and a white stone is placed in H during that turn, then that white stone cannot be captured by the subfield until it is the subfield's turn.

However, in the process of placing that white stone in H, the opponent does capture the seven black stones and kills the subfield.

These rules offer a heuristic into the true survival in subfields. If a subfield has only one uncontrolled topic that relates to the topics it already controls, and that one uncontrolled topic can, at least for the moment, be controlled by opponents to the subfield, then at that moment the subfield has lost its legitimacy and validity. On the other hand, if the subfield can survive long enough to destroy part of its opponent's control over surrounding topics, then the subfield will live. Since the subfield does control all the topics around H, it would need the time to disallow the opponent's control of H in order to get H back. It does not have this time if the seven stones are captured the moment the white stone is placed in H.

Consider the very different situation that exists in the bottom right-hand corner of Figure 2. Here there are six stones that are surrounded on the outside by white stones, but now the subfield has two eyes — areas I and J. If the opponent moves to control topics I or J, that control will itself be negated because the subfield will have the time to challenge the legitimacy of that control. For instance, if a white stone is placed in area I, none of the black stones could be removed at that time, because the group is still legitimized with its access to open area J. However, the opponent's stone in area I will be removed by the subfield, through its control of all of the adjacent topics. The white stone in area I could be looked upon as an "attack on the subfield that was beaten off." In Go, the group in the lower right-hand corner of the board is regarded as a "live group" that can never be captured and will stay intact throughout the game.

The metaphor of this essay can now be stated more precisely: "A viable subfield is a group of connected stones in Go that has acquired at least two eyes." The opponent may be seen as simply not having the resources to fill both eyes at the same time, or, as another analogy, to attack the subfield in two areas simultaneously. Any single attack would be defeated, so the subfield can never be invalidated.

In other words, the subfield with two or more eyes will defeat any counter-argument by virtue of it being able to have viability elsewhere. In another sense, the justification for the subfield is that it "outlives" any counter-argument made against it. A subfield has to be large enough to not be surrounded and defeated by a specific counter-argument, regardless of how strong that single counter-argument is.

The perceived main benefit of this metaphor is the fact that the two (or more) open topics of the viable subfield essentially "belong" to the subfield by its ability to defeat any attempt by others to capture that open topic. Another way to look at it is to think of the subfield as controlling all surrounding topics, and is so doing, controlling the peer-review circles that could eventually isolate and discredit any critiques that opponents might make against the subfield.

As a simple example, suppose a given subfield espoused a particular theory that could be closely tied to empirical evidence. Its one open topic, then, was the continual collection of empirical evidence supporting its theory. But then the subfield's opponents are able to collect, study, and publicize strong empirical evidence that is diametrically opposed to the subfield's evidence. With such empirical studies being the only open topic for the subfield, the opponents would essentially challenge the entire legitimacy of the subfield through its capture of the topic, and the subfield would not be able to survive the scrutiny.

Now consider the same subfield having, instead, two open areas: The one just

mentioned, plus a highly theoretical exploration into abstract, mathematical models of the phenomena it studies. Discourse within the subfield on these mathematical models has taken on a life of its own, generating papers that are purely mathematical. These papers, for instance, might ask such questions as which models have the most ideal properties in terms of generating unique, as opposed to multiple, equilibria.

Under this scenario, the opponents' disproof of the subfield's empirical work would not be enough to question the entire subfield's legitimacy, since its theoretical work would still remain in high regard. The subfield, however, would counter-attack on the "empirical front" using its control over all of the topics that relate to the empirical work. The opponents' critique will be dismissed by the subfield's influence over the topic, through peer review processes and other means. Of course, the real world is more complicated than this, where, for example, individuals within the subfield, itself, could change sides, and the opposing opinion would survive. Nevertheless, the metaphor here is meant to convey what *tends* to occur in the real world, not, necessarily, what *will* occur in all situations.

The Mature Territories of a Subfield

The metaphor could be carried further by considering four general territories on the board that subfields (and their topics) can occupy. Topics can be divided among those most discussed in: (1) The development of the core logic underlying the subfield (such as material presented in basic textbooks); (2) published articles in technical journals; (3) applications for research grants; (4) procedures followed by employed practitioners; and (5)

advocacy for particular policy decisions. Presumably, the subfield will always control topics associated with its core logic and development, and may well control topics associated with any one of the other territories. Figure 3 provides a method for understanding how the control of topics relate to the viability of subfields.

Figure 3. The Territories of a Subfield
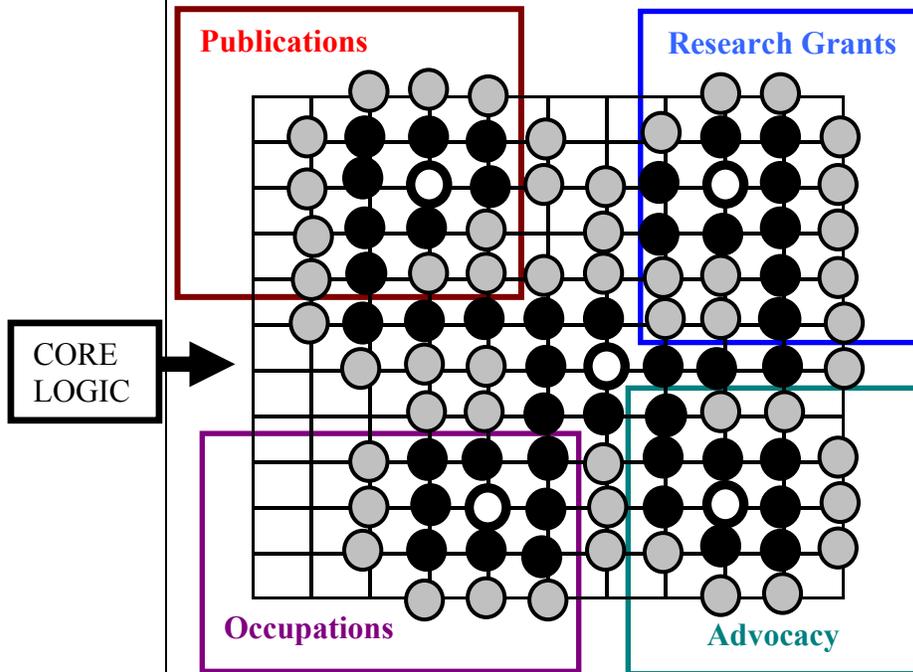
If the subfield does have publications, for example, then it probably is able to control enough topics to surround and control an open topic for continuous publications, as shown in the upper left-hand corner of Figure 3. The same is likely to be the case for topics associated with the other three territories just mentioned. In the figure, opponents were able to surround the outer surface of the subfield completely, yet the subfield maintains as many as five eyes in its topics associated with its core logic, publications, grants, occupations, and advocacy. Even if we bend the rules of Go, and allow the opponents to place two, or even three stones at the same time in one move, it would be impossible to capture the subfield. As many as five stones would be needed to attack all five territories at the same

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time, and this would never be possible. One might also imagine that, even if the subfield were completely illegitimate in all five areas, such an attack might be interpreted as an unfair conspiracy lodged against the subfield, and would be dismissed by the public for this reason alone.

Conclusion

It might appear from the above metaphor that we are adopting an entirely defeatist perspective that allows for the perpetual existance of subfields that may make no useful contribution to society. However, such pessimism derives only from the fact that we have assumed a particular game, and given that game's set of rules, such subfields may automatically win.

Of course, this has only been a metaphor— the real game that keeps esoteric subfields alive and well, including those that may, in fact, have a parasitic relationship with the rest of society, surely involve a more complicated set of rules. Nevertheless, the main point being made is that criticisms of esoteric subfields have generally been made within the framework of playing the existing game (whatever it may be) by its rules. To what extent, we might ask, have the rules, themselves, been challenged? Can new rules, or even a new game, be established to give the greater interests of society "more points" to limit the existence and the costs of self-serving, esoteric subfields? Let us first ask ourselves if there is any organization, or group of individuals, to even address this broad issue of rewriting the rules. If there is not, should one be created?