

# **Improving Professional Ethics in Economics in the Aftermath of the Last Crisis: Hype, Lip-Service, or Progress?**

**Jan 07, 2012; 2:30 pm, Hyatt Regency, Stetson Suite FG**

**Session Organizer:** Deirdre McCloskey, University of Illinois-Chicago, and Chair, AIRLEAP Board of Directors

**Presiding:** George DeMartino; University of Denver and AIRLEAP Board Member

Farhad Niami; President, Society of Government Economists; and District of Columbia Office of Revenue Analysis

## ***Ethics in Economics: Government Service***

Susan Offutt; Government Accountability Office

Discussed by Brooks Robinson; US Pacific Command, and AIRLEAP Board Member and Director of BlackEconomics.org

## ***Creating Humble Economist***

David Colander, Middlebury College

Discussed by Deirdre McCloskey; University of Illinois-Chicago and Chair, AIRLEAP Board of Directors

## ***Contributions of Economists to the Housing-Price Bubble***

Martha Starr; American University

Discussed by Edward Leamer; University of California-Los Angeles

## ***Pandering to Power: The Economist as Apologist for Elite Frauds***

William Black; University of Missouri-Kansas

Discussed by Bryan Roberts; Nathan Associates, and AIRLEAP Board Member

## Session Participants



**William K. Black** is an Associate Professor of Economics and Law at the University of Missouri – Kansas City (UMKC). He was the Executive Director of the Institute for Fraud Prevention from 2005-2007. He has taught previously at the LBJ School of Public Affairs at the University of Texas at Austin and at Santa Clara University, where he was also the distinguished scholar in residence for insurance law and a visiting scholar at the Markkula Center for Applied Ethics.

Dr. Black was litigation director of the Federal Home Loan Bank Board, deputy director of the FSLIC, SVP and General Counsel of the Federal Home Loan Bank of San Francisco, and Senior Deputy Chief Counsel, Office of Thrift Supervision. He was deputy director of the National Commission on Financial Institution Reform, Recovery and Enforcement. His regulatory career is profiled in Chapter 2 of Professor Riccucci's book *Unsung Heroes* (Georgetown U. Press: 1995), Chapter 4 (“The Consummate Professional: Creating Leadership”) of Professor Bowman, et al’s book *The Professional Edge* (M.E. Sharpe 2004), and Joseph M. Tonon’s article: “The Costs of Speaking Truth to Power: How Professionalism Facilitates Credible Communication” *Journal of Public Administration Research and Theory* 2008 18(2):275-295.

George Akerlof called his book, *The Best Way to Rob a Bank is to Own One* (University of Texas Press 2005), “a classic.” Paul Volcker praised its analysis of the critical role of Bank Board Chairman Gray’s leadership in reregulating and resupervising the industry. Professor Black teaches White-Collar Crime, Public Finance, Antitrust, Law & Economics (all joint, multidisciplinary classes for economics and law students), and Latin American Development.



**David Colander** is the Christian A. Johnson Distinguished Professor of Economics at Middlebury College, Middlebury, Vermont. He has authored, co-authored, or edited 30 books and over 100 articles on a wide range of topics. These include *Principles of Economics* (McGraw-Hill), *History of Economic Thought* (with Harry Landreth) (Houghton Mifflin), *Macroeconomics*(with Ed Gamber)(Prentice Hall), *Why Aren't Economists as Important as Garbagemen?* (Sharpe), and *MAP: A Market Anti-Inflation Plan* (with Abba Lerner) (Harcourt Brace Jovanovich). His books have been, or are being, translated into a number of different languages, including Bulgarian, Polish, Italian, Spanish, and Chinese.

He received his Ph.D. from Columbia University and has taught at Columbia University, Vassar College, the University of Miami, and Princeton University as well as Middlebury College. In 2001-2002 he was the Kelley Professor for Distinguished Teaching at Princeton University. He has also been a consultant to Time-Life Films, a consultant to Congress, a Brookings Policy Fellow, and a Visiting Scholar at Nuffield College, Oxford.

He has been on the board of numerous economic societies and has been Vice President and President of the Eastern Economic Association and Vice-President of the History of Economic Thought Society. He is currently on the editorial boards of the *Journal of the History of Economic Thought*, *Eastern Economic Journal*, and *Journal of Economic Perspectives*. He is also series editor, with Mark Blaug, of *Twentieth Century Economists* for Edward Elgar Publishers. His latest work focuses on economic education, complexity, and the methodology appropriate to applied policy economics.



**George DeMartino** is a Professor of international economics at the Josef Korbel School of International Studies of the University of Denver. He has served on faculty of the School since 1993. Prior to that, he taught at Dickinson College (Carlisle, PA), and Trinity College (Hartford, CT). He earned his BA at Harvard University; an MA in Industrial Relations at Warwick University (Coventry, England); and his PhD in Economics at the University of Massachusetts.

Professor DeMartino's research interests include global political economy, industrial relations, the ethical foundations of economic theory and policy, and political

economy theory. He has published widely in these areas, including his book *Global Economy, Global Justice: Theoretical Objections and Policy Alternatives to Neoliberalism* (Routledge, 2000). Over the past several years he has explored professional ethical questions that arise in the context of the practice of economists. He has advocated for the creation of the new field of professional economic ethics in several articles, and in January 2011 he published a book-length treatment of these issues—*The Economist's Oath: On the Need for and Content of Professional Economic Ethics* (Oxford University Press).



**Ed Leamer** is Director of the UCLA Anderson Forecast, which provides quarterly economic projections for the nation and the state of California. Dr. Leamer holds the Chauncey J. Medberry Chair in Management at UCLA Anderson, along with joint academic appointments in the departments of statistics and economics, where he served as chair from 1983 to 1987.

On the faculty of Harvard until he joined UCLA's Economics department in 1975, Dr. Leamer came to UCLA Anderson in 1990. He has published more than 100 articles and four books. His research has been supported by continuous grants from the National Science Foundation, the Sloan Foundation and the Russell Sage Foundation.

Dr. Leamer's research papers in econometrics have been collected in *Sturdy Econometrics* and published in the Edward Elgar Series of *Economists of the 20th Century*. His research in international economics and econometric methodology has been discussed in a chapter written by Herman Leonard and Keith Maskus in *New Horizons in Economic Thought: Appraisals of Leading Economists*.

Dr. Leamer is a research associate of the National Bureau of Economic Research, a fellow of the American Academy of Arts and Sciences and the Econometric Society, and was a visiting scholar at the International Monetary Fund and the Board of Governors of the Federal Reserve System. He has served on the California Council of Economic Advisors of both Governor Pete Wilson and Governor Arnold Schwarzenegger.



**Deirdre N. McCloskey** has been since 2000 UIC Distinguished Professor of Economics, History, English, and Communication at the University of Illinois at Chicago and was Visiting Tinbergen Professor (2002-2006) of Philosophy, Economics, and Art and Cultural Studies at Erasmus University of Rotterdam. Trained at Harvard as an economist, she has written [fourteen books and edited seven more](#), and has published some three hundred and sixty articles on economic theory, economic history, philosophy, rhetoric, feminism, ethics, and law. She taught for twelve years in Economics at the University of Chicago, and describes herself now as a "postmodern free-market quantitative Episcopalian feminist Aristotelian." Her latest books are *How to be Human\* \*Though an Economist* (University of Michigan Press 2001), *Measurement and Meaning in Economics* (S. Ziliak, ed.; Edward Elgar 2001), *The Secret Sins of Economics* (Prickly Paradigm Pamphlets, U. of Chicago Press, 2002), [The Cult of Statistical Significance: How the Standard Error Costs Us Jobs, Justice, and Lives](#) [with Stephen Ziliak; University of Michigan Press, 2008], and [The Bourgeois Virtues: Ethics for an Age of Capitalism](#) (U. of Chicago Press, 2006).

Before *The Bourgeois Virtues* her best-known books were *The Rhetoric of Economics* (University of Wisconsin Press 1st ed. 1985; 2nd ed. 1998) and *Crossing: A Memoir* (Chicago 1999), which was a *New York Times* Notable Book.

Her scientific work has been on economic history, especially British. She is currently writing a book, second in a series of four initiated with *The Bourgeois Virtues*, on Dutch and British economic and social history, 1600-1800, [Bourgeois Towns: How Capitalism Became Ethical, 1600-1800](#). She has written on British economic "failure" in the 19th century, trade and growth in the 19th century, open field agriculture in the middle ages, the Gold Standard, and the Industrial Revolution.

Her philosophical books include *The Rhetoric of Economics* (University of Wisconsin Press 1st ed. 1985; 2nd ed. 1998), *If You're So Smart: The Narrative of Economic Expertise* (University of Chicago Press 1990), and *Knowledge and Persuasion in Economics* (Cambridge 1994). They concern the maladies of social scientific positivism, the epistemological limits of a future social science, and the promise of a rhetorically sophisticated philosophy of science. Recently she has turned to ethics and to a philosophical-historical apology for modern economies.



**Farhad Niemi** is the Director of the Economic Affairs Administration and Acting Deputy Chief Financial Officer for the Government of the District of Columbia. He is also the current President of the Society of Government Economists. He received a doctoral degree in Resource Economics from Oregon State University in 1988, and then completed a postdoctoral program at Louisiana State University. He has about twenty two years of combined managerial, research and teaching experience in the field.

Prior to his involvement with the District Government he served as the State Economist in Louisiana and also as an advisor to the Governor's Office. He was also the Chief Economist responsible for the Office of Economics and Rates Analysis of the Louisiana Public Service Commission. In addition, he served as the Division Chief for the State's Wildlife & Fisheries agency, responsible for conducting economic impact analysis of alternative policy decisions related to the state's natural resources. He has been an active member of the Graduate Faculty of Economics at Louisiana State and Bowie State Universities, and has taught economics at both graduate and undergraduate programs at Western Oregon and Oregon State Universities.



**Susan E. Offutt** is Chief Economist of the Government Accountability Office. From January 1996 to December 2006, she was Administrator of the U.S. Department of Agriculture's Economic Research Service. Prior to becoming Administrator of ERS, Dr. Offutt was the Executive Director of the National Academy of Sciences Board on Agriculture, which conducts studies on a range of topics in agricultural science. Before taking over at the Board in January 1992, she was chief of the agriculture branch at the Office of Management and Budget in the Executive Office of the U.S. President.

Dr. Offutt served as assistant professor from 1982 to 1987 at the University of Illinois, where she taught econometrics and public policy in the agricultural economics department. She is a past President and a Fellow of the American Agricultural Economics Association and edited the *Review of Agricultural Economics*. In 2002, she was named a Distinguished Executive of the United States Senior Executive Service. Susan received a B.S. degree from Allegheny College, and an M.S. and a Ph.D. from Cornell University.



**Bryan W. Roberts** is a Senior Economist with Nathan Associates in Arlington, VA. Dr. Roberts is currently working with Nathan Associates as a member of the Global Trade Analysis Project. Prior to joining Nathan Associates in January 2011, Dr. Roberts was the Assistant Director of the Office of Program Analysis and Evaluation at the U.S. Department of Homeland Security. At DHS he supervised a team that collaborated and coordinated closely with other DHS offices to analyze key resource allocation issues of interest to top DHS leadership. His team helped develop the program structure of the DHS budget, linking it to DHS missions. His team also conducted research on issues related to border security and the immigration system. Prior to this position, Dr. Roberts was an economic consultant on international development projects for Price Waterhouse Coopers, KPMG, Barents Group, and the World Bank. In 1990 he was part of Jeffrey Sack and Associates serving as advisors to the Soviet and Polish Governments on macroeconomic and foreign trade policy.

Dr. Roberts is currently an Adjunct Professor in Public Policy at George Washington University and from 1993 to 1998 was an Assistant Professor of Economics at the University of Miami. He has written many articles on economic development and immigration, and co-edited (with King Banaian) the book, *The Design and Use of Political Economy Indicators: Challenges of Definition, Aggregation, and Application*. He has served as the Vice President of the Society of Government Economists and as a Board Member of the Armenian International Policy Research Group. He received his doctorate in economics from Massachusetts Institute of Technology in 1993.



**Brooks B. Robinson** has been an Economic Advisor for the U.S. Pacific Command since 2008. For the previous two decades, he was an economist with the U.S. Department of Commerce, Bureau of Economic Analysis (BEA)—the nation’s national accountant. During 2002-2006, he was Chief of BEA’s Government Division, directing the work of over 30 economists engaged in measuring federal and state and local government economic activity. From 2000-2002, he was Chief of BEA’s Income Branch, directing the preparation of income measures for the U.S. economy. During his early years at BEA, Dr. Robinson developed expertise in national investment in structures and in construction prices.

During 1998-2000, Dr. Robinson took a two year hiatus from BEA to serve as Director of Market Research for the U.S. and Foreign Commercial Service (US&FCS) in New Delhi, India. US&FCS is a Commerce Department agency that facilitates international market access for U.S. business. During the final year of his stint in India, he was Acting Director of the U.S.-Asia Environmental Partnership program, which developed opportunities for U.S. firms to introduce environmental products to Asia.

Dr. Robinson served on federal interagency committees and groups in Washington, D.C. and represented the U.S. on the International Task Force on the Harmonisation of Public Sector Accounting. From 1998-2006, he taught Business Economics, Managerial Decision Making, and Business Statistics courses for the Keller Graduate School of Management. He received a bachelor’s degree from the University of Wisconsin-Madison and doctorate in economics from George Mason University.



**Martha Starr** is an Associate Professor of Economics at American University in Washington, DC, where she has been teaching since 2002. From 1992 to 2001 she served as Senior Economist at the Federal Reserve Board, and has worked as well at the World Bank and the US Agency for International Development. Dr. Starr is currently serving, as well, as the President of the Association for Social Economics and as the Acting Executive Director of the International Confederation of Associations for Pluralism in Economics. She has taught and written in the areas of

macroeconomics, money and banking, consumption, saving and wealth, inequality, social economics, globalization, transition economies, and the economics of war and peace. She received a B.A. from McGill University, Montreal, and a Ph.D. in Economics from Boston University.

Professor Starr’s most recent book, *Consequences of Economic Downturn: Beyond the Usual Economics*, “argues that the financial crisis and ensuing recession reflected not just a malfunctioning of the financial system -- but also inequalities and insecurities in access to livelihoods that favor well-off groups and leave ordinary people shouldering undue burdens of downside risk. This book, a collection of original papers by leading social economists and scholars in related fields, examines social, distributional, and ethical dimensions of the downturn.” ([Amazon.com](http://Amazon.com), 2011). She has also co-edited, with Robert Garnett and Erik Olsen, *Economic Pluralism* (Routledge 2009).