

ECONOMICS UNBOUND: A call for an independent Economics Profession.

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This paper is unusual in that was written after the conference at which it was first delivered. The conference was a joint conference of the Globalisation for the Common Good Initiative and the School of Economic Science. The conference itself was unusual in that it brought together distinguished representatives of a range of disciplines who attended because they want to make their contribution to contemporary debate and the welfare of the world outside the confines of academic careerism and political advancement. The subject matter of the conference was “The Value of Values: Spiritual Wisdom in Everyday Life”.

This paper draws heavily on the contributions of others, many of whom attended the conference. I hope they are not misrepresented but where there are errors, distortions or omissions please attribute them to the present author, and not to them.

The common ground of participants was an understanding that there is both a spiritual and a worldly aspect to human affairs, a belief that they are connected and a perception that in reality the spiritual leads, or ought to lead, the worldly. Economics, philosophy and theology are not separate subjects. Each has a bearing on the others and none is complete without the others. One feature of this paper is that it draws on many of the contributions to this particular conference both in the way that it was formulated and in the conclusion it reaches.

Laurent Ledoux¹ is President of the Belgian Ministry for Mobility and Transport. His presentation reviewed several key moments of his life. One of those was depicted by an image of an almost blind Japanese archer with drawn bow. Despite his blindness he was said never to miss his target. When asked how he managed this he replied: “I do not shoot: ‘It’ shoots”.

Faced with the prospect of delivering a paper that was not yet written to a distinguished and competent audience, the question that arose was: “I wonder if ‘It’ speaks as well, and if so, what does ‘It’ say?” Many voices contributed to the

¹ Laurent Ledoux: Letting “It” lead through us – a brief account of the first spiritual steps of an ordinary manager.

conference from numerous perspectives but in reviewing them it was possible to pick out what seemed like a coherent route to a clear conclusion.

The spiritual perspective is neatly expressed in the view that spirituality is a way of thinking that originates from deep and personal experience of inter-connectedness². Such a feeling of inter-connectedness can be cultivated through prayer and meditation that draws subjective human experience into an inner world of unity that transcends the multifarious differentiations of the physical and material world. Here, principles that are common to human experience everywhere are found: love, beauty, wonder, awe, respect are all universally recognized as aspects of what it means to be human. So is a sense of our common humanity. These are the foundations of true religion and they are also deeply personal experiences.

Indeed, the essence of religion has been described as dissolving oneself in oneness³. Because this is a deeply personal experience, the deepest religion cannot be institutionalised, although religious institutions can point the way to deeper religious experience. But its importance in worldly affairs is that it translates into a feeling of 'outrage'⁴, that is to say, a call to action when that sense of inter-connectedness is violated, distorted or defied in day-to-day human affairs. It is not enough to retreat into contemplation of one-ness. It is also necessary to return to the world and deal from day to day in the spirit of inter-connectedness that the experience of one-ness evokes.

In this light, economics is a series of relationships between people in society that can and should be guided by justice⁵. The sense of justice is itself an aspect of the sense of unity, or one-ness, that recognises the value of every being sharing common characteristics of life and existence. In this light, everything has a right to be itself and to be recognized and respected as such. The ordinary relationships of economics – debtor and creditor; landlord and tenant; buyer and seller; worker and employer; occupier and land – all depend on this sense of justice for effective and humane regulation.

Conventional contemporary economic theory misses this entirely. It is governed instead by the theory of rational choice based on the concept of *homo economicus*⁶. It is astonishing that any theory, let alone one that has governed

² Luc Bouckaert: Can Spirituality Save the World

³ Prof. Farhang Johanpoor: Walking the Mystical Path with Practical Feet: Iran's Mystical Legacy.

⁴ Bouckaert *supra*

⁵ Dr Peter Bowman: The Value of Values in Economics

⁶ Prof. Steve Szeghi: Economics without Homo Economicus: Why it is needed and what it should look like.

most of the world's population for half a century or more, should be based on such a distorted view of what matters about being human. *Homo economicus* (it could only be a man) is an unfeeling, clinically rational, pleasure maximizing automaton devoid of altruism, self-sacrifice, or self-control, and consequently also devoid of love, religion or values. He is a creature of the market and consequently completely subservient to the demands of the market place.

This has led to the supremacy of the market theory of economics, according to which economics is all about the allocation of scarce resources through the mechanism of supply, demand and price based on the rational choices of innumerable *homines economici*. No wonder it is called 'the dismal science'.

The result is a sort of market fundamentalism, better described as market totalitarianism⁷, that has become the dominant religion of the Western world.

What has prompted many of these reflections is the perception that the economics profession has somehow lost its way in the modern world. The events since summer 2007 have thrown into sharp relief the inadequacies of a profession that failed to predict the imminent financial collapse and has since failed to give a coherent account of the reasons for it. Not only that, it has become clear that much of the purpose of contemporary economic research and study is to preserve and maintain the very economic systems that led to the collapse and also that the economics profession itself is in thrall to those interests which are most concerned to maintain the status quo whatever its consequences for others.

Economics: An independent profession

In the light of this it has become obvious that the teaching and practice of economics is in sad disarray. In addition, the exposure of many influential economists as the creatures of employers and paymasters has undermined respect and confidence in the economics profession leading to demands for more principled and ethically informed approaches to the teaching and practice of economics.

How then can confidence be restored? It is commonplace among learned professions such as law and medicine to be guided by professional codes of conduct and over-riding principles that are recognized by the whole profession as constituting a higher obligation than the immediate duty to client or patient.

Although no longer as widely invoked as it once was, the Hypocratic Oath that has guided the medical profession for centuries includes (at least in one version) the following:

⁷ Szeghi: *supra*

"I will use treatments for the benefit of the ill in accordance with my ability and judgment, but from what is to their harm and injustice I will keep them".

A more modern version includes:

"...it may also be within my power to take a life; this awesome responsibility must be faced with great humbleness and awareness of my own frailty. Above all, I must not play at God";

and also:

"I will remember that I remain a member of society, with special obligations to all my fellow human beings, those sound of mind and body as well as the infirm."

Reference to principles like these is the essence of professionalism and provides the ethical foundation for professional practice.

In a similar way, legal professions the world over are bound by professional codes and rules of conduct. In the UK the judicial oath taken by all those who are appointed to even the lowliest judicial office is:

*"I, _____, do solemnly sincerely and truly declare and affirm that I will well and truly serve our Sovereign Lady Queen Elizabeth the Second in the office of _____, and I will do right to all manner of people after the laws and usages of this Realm without fear or favour, affection or ill will."*⁸

This simple oath is the essence of the independence of the judiciary which is so vital a feature of the rule of law in free, democratic societies. Note the two aspects to it. First there is a clear reference to a higher loyalty than the interests of the parties to any legal proceedings. That loyalty to the Queen (judges also swear an oath of allegiance) is to her in her capacity as representative of the common good. Secondly, the promise is to "all manner of people" without, in effect, any bias in favour of or against any of them. It is an expression of a well-known principle of English law: "Be you never so high, the law is above you"⁹.

No-one will argue that it always works perfectly in practice, but it does set a standard to which both the profession and the system aspire.

This approach is reflected in the Codes of Practice of practising lawyers. Every lawyer knows that his duty to his client is subject to a higher duty to the court and to the interests of justice. It is a professional disciplinary offence to depart from these standards, for example by concealing evidence that ought to be disclosed or by failing to mention aspects of the law that do not favour a client's

⁸ Source: <https://www.judiciary.gov.uk/about-the-judiciary/the-judiciary.../oaths/>

⁹ Gouriet v Union of Post Office Workers.

case.

All this leads to the inevitable conclusion that it is time to consider the profession of economics in a similar way. A voluntary Code supported by professional disciplinary procedures could free the profession of economics, especially in its teaching and advisory capacities, from its dependence on paymasters. Such a Code could be centred on something like this:

“I promise, to the best of my ability and understanding to advise truthfully and to act always in the interests of the common good of human kind in harmony with nature and in accordance with law and justice.”

Such a promise would require the support of a more detailed Code of Practice, and also of accrediting professional bodies, membership of which would be an indication to the public of adherence to basic professional standards, including the obligation to exercise independent judgment and not to conceal relevant facts.

It may not be the place of a mere lawyer to suggest it, but perhaps there is a place for the formation of a voluntary International Institute of Professional Economists for economists willing to adopt such professional standards and make public their intention to conduct their professional lives in accordance with them.

Professionalism implies independence of judgment in the provision of professional services. A professional oath or promise for economists, supported by a professional Code rigorously applied by appropriate professional bodies could offer a route out of the mire in which the practice of economics now finds itself.

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