

What constitutes ethical conduct for economists?

Riccardo Baldissone

And the Real Butchers, Brewers and Bakers? Towards the Integration of Ethics and Economics

The difficult dialogue between human rights and business shows that neither the adoption of codes of conduct nor the hypothetical enforcement of legal norms would overcome the supposed incompatibility of ethics and economics. I contend that such a general supposition is the effect of a narrow understanding of economic activities, which in turn is the result of both neoliberal ideology and the traditional externalising approach of economics. I stress the necessity of the integration of ethics and economics, which would require not only the broadening of the economic horizon, but also the redefinition of the status of economic theories.

Keywords: economics, ethics, externalities, Galtung, human rights, Polanyi, politics, Sen

Stuart Birks

No ethical issues in economics?

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. An additional section relates to the application of economics. It focuses on two aspects, 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.

George De Martino

Professional Economic Ethics: Why Heterodox Economists Should Care

This paper is the written version of a verbal presentation to the 2011 conference of the Association for Heterodox Economics, held at Nottingham Trent University, 6-9 July 2011. It presents the case for the ethical scrutiny of the economics profession, and some of the issues surrounding this issue, following the publication of 'The Economist's Oath' (DeMartino, 2011, OUP) and the release of Charles Ferguson's outstanding film Inside Job.

For 125 years since the AEA was founded, the economics profession in the US and beyond has consistently and successfully sought influence over public policy—influence that it believed that it deserved as a consequence of its expertise. Today, economics is certainly among the most important of professions in terms of its impact on the world. But in all that time the profession has never attended to the ethical burdens associated with influence over others. In the US in particular the profession has been dismissive of the idea that it faces ethical duties that require any serious attention. I'm aware of no other profession that has been so cavalier regarding its responsibilities.

The profession's dismissiveness with respect to its ethical challenges is, I argue, ethically indictable. When a profession seeks influence over others, it necessarily takes on ethical obligations—whether it recognizes them or not. The profession should have established a tradition of careful inquiry into its ethical obligations 125 years ago, and these obligations should have been a central concern of the profession ever since. Curiously, this idea has met as much skepticism on the left, from heterodox economists, as from the mainstream. This paper sets out a broad enquiry into the case for ethics in economics, and the way this case might be pursued, with the aim of provoking wider discussion.

Sheila Dow

Codes of Ethics for Economists: A Pluralist View

Within the discussion of ethics and economics some have considered designing a code of ethics for economists. But the idea of such a code is potentially problematic from a pluralist standpoint. Some possibilities are discussed here to show that any code concerning the behaviour of economists presumes a view of human nature and thus of professionalism. Further, issues of socio-economic power in the profession pose problems for the interpretation and implementation of some possible principles, notably those referring to standards of competence and truth-seeking. It is therefore concluded that any code of ethics should be kept general and should concentrate on the ethics of pluralism: tolerance, even-handedness and open-mindedness, on which the interpretation of all other ethical considerations rests.

Peter Earl

Real-World Economics and the Ethics of Teaching

This paper explores a number of ethical issues that need to be addressed appropriately if real-world economics is to achieve a larger and enduring presence in the economics classroom. Attention is given to the slack permitted by the ambiguity of course descriptions and the possibility that this will end up being used to the benefit of the academic economist rather than result in the cause of real-world economics being pursued as vigorously as it might have been. Processes that operate to remove cognitive dissonance mean that economists are likely to be able to rationalise behaviour that short-changes real-world economics as being ethically acceptable. The paper therefore concludes that a charter specifying appropriate behaviour is needed. The paper also examines ethical issues involved in attracting students to courses that take a real-world perspective, and the potential for including ethical perspectives in economics teaching and thereby promoting behaviour that is more socially and environmentally responsible.

Alan Freeman

Towards an assertive pluralist code of conduct for economists

The idea of a code of conduct for economists has been under discussion in heterodox economic circles for several years. It was raised by George De Martino (2008) and re-iterated by Freeman (2010) in a contribution on the reform of the 'Subject Benchmark Statement' for economics (SBSE) – the guidelines drawn up for teaching economics in UK Higher Education institutions by the UK Quality Assurance Agency (QAA).

Economics is quite distinct, among professional institutions, in having no formal internal regulatory standards of conduct. Such standards – accompanied by means of enforcement including withdrawal of recognition – are commonplace among professions whose members are frequently contracted for public and also private service: lawyers, accountants, medical practitioners, engineers, social workers, teachers, and many others.

Yet economists' decision and judgments have a major impact on the lives of millions of citizens, arguably greater than that of many much more highly regulated professions. This paper, originally presented to the Association for Heterodox Economics (AHE) 2011 conference, sets out possible guidelines for a formal code of conduct for the economics profession by means of which the profession may offer safeguards to the public against malpractice, together with guidelines for internal conduct in publication, appointment, research and funding to raise the general standard of the output of economics, primarily through the mandatory application of consistent pluralism. These guidelines were included in the AHE's formal submission to the 2011 UK parliamentary selection committee on the journal peer review system.

The root problem lies, we argue, in the adverse selection procedures which economics treats as 'normal'. These in fact select, not for quality, but for conformity. The standard corrective proposed by most wings of heterodox economics do not address this, in that they merely propose the substitution of a new orthodoxy for the old orthodoxy. The solution, we argue, is an end to all orthodoxy; that is to insist on pluralism as a requirement of economic practice. This involves in effect a new contract between decision-makers and economists, in which the duty of the economist is seen, not as providing the 'one correct answer' but the range of answers that are offered by the different relevant approaches and assumptions to the problem. This radical shift of perspective would place the responsibility of making decisions back into the hands of the decision-makers, who have been party to the system that has produced 'systemic failure' of economics, by treating economists as technical experts and thereby absolving themselves of the duty to make decisions and to be accountable for them.

We argue against the external imposition of a formal code by a regulatory body, which would not solve the root problem. Instead, we propose that the code of conduct should act as a 'kitemark'; as a sign of quality, to be verified by anyone who makes a contract with an economist be it a university, business, or public body. This should in particular apply to bodies such as journals which act as the elemental gatekeepers of the profession which leads to selection for conformity.

Tom Walker

Crisis, Credit and Credulity: the incredible circulation of a counterfeit idea

Even as the first warning signs of the global credit crisis were emerging in 2008, the IMF published a working paper that sought to analyze the youth employment effects of early retirement schemes in Belgium but ignored the historical context of those policies as part of the response to an earlier crisis – the "steel crisis" of the 1970s and 80s. Instead, the authors dwelt on a dubious but well-worn fallacy claim that advocates of early retirement policies believe there is a "fixed amount of work to be done", a "lump of labor." In the context of the astonishing history of the fallacy claim, what might seem a questionable paradigm choice for the paper's authors constitutes an inexcusable ethical lapse for the economics profession. Not only is the fallacy claim notoriously unsubstantiated, it originated as a propagandist's forgery and gained currency as a viciously partisan polemic against trade unions. Subsequent textbook versions of the fallacy claim may have toned down the vitriolic rhetoric but their ad hoc rationalizations neglect to offer any substitute for the original's fabricated evidence for the alleged belief. Financial credit depends on trust and today that foundation of trust extends to the scientific knowledge and technical analysis of experts. What does the enduring credulity of economists toward a demonstrably counterfeit fallacy claim suggest about the prospects for the economics profession to confront and remedy its ethical failures?

Should economics have an ethical content?

Manuel Couret Branco

Economics for human rights

The Subprime Crash that started capitalism's latest crisis was mainly a proxy for an inexistent housing policy which would benefit many impoverished middle class families. Housing being clearly recognized as a human right, the behaviour of markets and its critical consequences could lead us to say that the Subprime Crash is above all the dramatic and global expression of the incapacity of markets to meet human rights. More than that, it could also be the demonstration of the counterproductive effects of the neglect of human rights by the market and by economics itself, the crisis being a result of this neglect.

Human rights are assuredly one of the most influential and fruitful concepts of modern times in the human quest for dignity. Economics has developed a considerable amount of tools especially designed to overcome, or at least mitigate, scarcity, probably the most tormenting spectre that haunts the deprived. Human rights and economics, thus, have contributed immensely to free human kind, human rights from fear and economics from want. Despite this convergence it seems that economics regards human rights as competing rather than as completing.

I have argued that mainstream economics discourse is often contradictory with promoting human rights. What are the changes economics must undergo in order to promote human rights? These changes will be examined in four aspects concerning specific economic, social and cultural human rights. First, on the right to work, second on the right to social security, third on cultural freedom, and finally on substantive democracy.

Key words: Economics; Human Rights, Work, Cultural Freedom, Democracy JEL classification: A13; H42; H55; I00; J00; K00; P16

Victoria Chick

Economics and the Good Life: Keynes and Schumacher

It is, I think, interesting to compare the views of E. F. Schumacher and J. M. Keynes on the ethical aspects of economics – both the economic systems of which they were a part and economics as a subject. Both agreed that economics (as commonly understood and taught) applied to only a limited sphere of life. They agreed about the role of profits, the market and the love of money. And they both believed that there was much more to life than getting and spending. For Keynes, economic activity was the means to bring society to a position where the good life could be enjoyed. Schumacher was even more ambitious: he thought economic activity should be made part of the good life.

Angelo Fusari

Economics and Society. Freedom-creativity and social justice

This essay discusses some important ethical and organizational problems associated to the relations between the economy and society. It explores the logical possibility and, in some sense, the growing necessity to build up an economic and social system more appropriate to modern world than the current ones. In fact, if such possibility exists and is proved, sooner or later it will be carried out.

The paper starts from an important ethical question for the analysis and government of societies and the understanding of growth process: the relations between diversity and equality and hence between freedom-creativity and social justice. It follows a historical perspective on important civilizations and the advent of capitalism. Afterward the essay concentrates on economics and its relations with social system.

A main purpose of the analysis is to show the existence, in principle, of a large autonomy of income distribution from production, except the necessity of material incentives. This implies the possibility to largely subtract production to the conditioning power of distribution - a power that capitalism weakens through unemployment and hence depression - and a large possibility to perform social justice.

The topics above are strictly linked to the character of the financial system and its relation with production, mainly the paradoxical and ruinous hegemony of great finance on production, instead of being at the service of this.

We set out a schematic model on income distribution and finance devoted to overcome the drawbacks that the paper underlines.

Christian Kellermann, Sebastian Dullien, and Hansjörg Herr

A Decent Capitalism for a Good Society

A Good Society needs to be built on an economic system that differs significantly from the current finance capitalist models around the world. In light of the claim of personal freedom, emancipation and choice within and through a Good Society, a market system is the most functional, dynamic and feasible alternative on the table. However, a number of national, regional and global changes would be necessary to provide for the economic preconditions for a Good Society based on stable growth, equality and sustainability. In the following, we will sketch out the main arguments and pillars for a reformed capitalist model, which we labelled "Decent Capitalism".

Juan Carlos Moreno-Brid and Martín Puchet Anyul

Ethics and Macroeconomics

[The current financial crisis has created a consensus among the population in favour of strengthening the ethical dimension in economic and financial regulation and policy making. The paper argues that, even though the root of the crisis lies in the inherent dynamic functioning of capitalist system and not in the unethical behaviour of key agents say bankers or government officers, it is urgently need to pay much more attention to the ethical dimension in decisions related to economic and financial regulation. By this we suggest that a good basis to do so would be the Hippocratic principle of first do no harm or, in more modern term, the precautionary principle. We then give some examples of how this principle could be used to improve macroeconomic policy design and implementation in Latin America and, in general, emerging markets.

Avner Offer

A Warrant for Pain: Market Liberalism c. 1970-2010

Bad ethics make for bad economic outcomes. Bad ethics are defined hedonically and narrowly, as the infliction of pain on others for private advantage. The infliction of pain is often justified by "Just World Theories", which state that everyone gets what they deserve. Market liberalism (and its theoretical underpinning in neoclassical economics) is one theory of this kind. In The Theory of Moral Sentiments Adam Smith has a model which explains the reluctance to inflict this kind of pain. It is premised on reciprocity. This model depends on innate virtue, which is unrealistic, and an alternative model is proposed, which is based on signalling and is more pragmatic. Finally, the micro and macro failure of the American health system c. 1970-2010 is explained in terms of the shift in policy norms from "first do no harm" to "let the buyer beware" (caveat emptor).

Elena Sapir

Ethics in Economics and the Goeconomy as a Synthetic Approach

The very understanding of market economy and the approaches to modeling it in Russia were seen as quite simple and linear, that is to carry out denationalization, to make a lot of proprietors and let them trade freely. But when market-style reforms did not bring the expected economic progress in a short time we came to realize that market economy and free trade are not the same.

The author develops the idea of market economy as a socio-economic system with its specific institutions, norms, values, and relations that are beyond economic processes and relations in their narrow sense. The interrelation of economy and ethics bases upon ethical imperatives, civil behavior, social responsibility, liberal values, democracy, and respect for human rights based on the principles of humanism and justice. The geo-economic atlas is described in short as a multidimensional theoretical model of the world economic. Basic approaches to the inner relations of the economy and ethics are shaped.

A new type of a local system needed for the innovation economy of Russia based on the synthesis of economic and non-economic factors is identified. Terminologically this type is described as "an intellectual valley". An intellectual valley is a large local organisational population of an innovative type, able to develop dynamically according to its own inner laws absorbing geo-economic, socio-cultural, civilizational, and spiritual spheres of a geo-economic space in unity.

Institutional aspect of an intellectual valley includes the whole system of organisations and institutions involved in the R&D process.

Structural-functional aspect of an intellectual valley includes all the aspects and parts of the economy structure that influence the R&D process: product companies, marketing system, etc.

Scale-spatial aspect of an intellectual valley includes all the localized parts of the system placed in a certain region but integrated into a global system.

An intellectual valley is the form of the productive-intellectual-cultural synthesis of technological, economic and ethical values, behavioral patterns, relations, rituals and so on. Professionalism in the newest areas of science and technology really ensures a strategic role of intellectual local structures of the world growth.

Is Economics really a Positive Science

Howard Aylesworth

Human – Nature

Economics places human activity outside of nature and nature devoid of man. The Enlightenment enabled the industrial revolution. Electric processors have brought about the post-Industrial revolution, and whilst science flourished the social sciences failed to explore its implications and significance. What is called for is an ethos based on integrating the human-made environment into the natural environment and developing an economic framework looking through the lens of human impact.

Geoff Davies

Bad Theory, Bad Practice: Bad Ethics

A profession that claims to understand economies, and that has gained power over the greater part of our societies, has big responsibilities. The fundamental responsibility is to ensure its perception of economies gives some useful guidance to the behaviour of real economies. Here mainstream economics fails utterly, and has been failing for a long time. Worse, it actively resists alternative views that might overcome its failings. Ethics do not come much worse than that.

The failings of mainstream economics are multiple. Its central theory, the neoclassical theory, is based on absurd assumptions and its central prediction of equilibrium is plainly contradicted by real economies. It counts the wrong things in the wrong way, using Gross Domestic Product quite inappropriately to measure well being. It is blind to the dominant roles of money and debt in the dynamics of economies. The banking and monetary systems it presides over are highly destabilising. The financial markets it venerates are also destabilising, and have become parasitic. It assumes a base parody of human beings and undermines social relationships and the health of society. It has become fixated on an impossible goal - eternal growth of GDP - that is rapidly degrading the planet and will soon bring about the collapse of global industrial society.

The term "mainstream economics", as I use it here, thus refers to more than the neoclassical stream of economic theory. It refers also to those who preside over finance, banking, public policy and public accounting and drawing on an array of ancient arcane practices, rules of thumb, habits, ideology and untested beliefs, with some presumably sensible methods and ideas mixed in. It includes academics and managers in the public and private sector. It does not include a diverse array of alternative views and people that is sometimes called "heterodox economics".

Since about 1980 this form of economics, also known as free-market economics or market fundamentalism, has been imposed on much of the world. I will refer to this period as the neoliberal era.

Gerald Gutenschwager

Is Economics a Value Free Science?

Does economics merely study society or does it play a decisive role in creating it? If it does play an important part in creating it, as phenomenology has long maintained and as quantum physics is now claiming about human consciousness and intention in relation to all of nature and society, it is hard to see how economics can claim that it is merely observing and explaining. It is within such a framework that uncertainty rears its ugly head. If we actually construct reality with our thoughts and actions rather than "uncovering" laws that have appeared from we know not where, then we all have a quite different moral responsibility for what we say and do. Prior to science religion confronted this responsibility by referring to scriptures and personal revelations. Scientists, including economists, show similar signs of religious fervor in defending their paradigmatic assumptions, as Kuhn has shown so clearly in his study of the history of natural science. Rather than denying involvement, economists will have to accept moral responsibility for defending theories and policies that support a predatory system based on greed and fear, and even more important in the long run, a system that ignores the ecological effects of its thoughts and actions. This should lead to an economic science that recognizes the importance of other efforts to understand the society and nature that we all participate in constructing, and help foster a cooperative, holistic framework that seeks to maximize all human needs both material and non-material.

Karey Harrison

Ontological Commitments of Ethics and Economics

This paper examines the 'concrete analogies' underpinning the ontological commitments of dominant conceptions of ethics, politics and economics to show that the content of economics is implicated in conceptions of ethics, and that these conceptions cannot be separated from questions of research and professional ethics.

Arun G. Mukhopadhyay

Corruption of Economics, Growth Fetishism, and Maldevelopment

Classical economists had their vision of a stationary state--the ontological destination of economic growth and development vis-à-vis population exploration, finiteness of arable land and the exhaustibility of nonrenewable resources. Neoclassical Economics has taken the necessary process of abstraction and thus excludes leaving essential aspects of the world out of the analysis. The corruption of Economics was initiated by nineteenth century American railroad oligarchy by influencing the founding members of newly formed American Economic Association. Technical progress seemed to offset any tendency towards diminishing returns. Frederick Soddy observed in 1920s that economics is a pseudoscience requiring a paradigm shift and offered an alternative perspective, rooted in the laws of thermodynamics. Contrary to mainstream belief, economy used to draw energy from outside itself and thus incapable of generating infinite wealth. Vanguard of capitalist globalization also promote the pseudoeconomics to sustain the growth fetishism undermining its ecological limits. Fossil-fueled global warming or anthropogenic climate change leads to biophysical transformation on the global scale engendering localized stresses in the forms of ice melt, sea-level rise, barren land and deteriorating water sources. The most daunting task emerged to confront the hegemony of neoclassical economics according to which structural stability is achieved through continued consumption growth. Foucauldian wisdom reminds us if the values and political implications underlying the .growth business as usual. do not ensure how to protect the society, we can refuse to accept their imperatives and develop alternative epistemology.

Robert Nelson

Economics versus Environmentalism: Core Belief Systems in Conflict

In recent years economists and environmentalists have often found themselves on opposite sides of important policy debates. In some cases the differences have reflected narrow and technical disagreements. But the conflicts have often also related to basic ways of perceiving the world -- to the core belief systems that shape the thinking of economists and environmentalists. The thinking of economists and environmentalists typically reflects certain fundamental assumptions about the world that cannot be defended exclusively on "rational" grounds. In some cases the advocates for belief systems may misleadingly seek to defend them in exclusively "scientific" terms, perhaps hoping to appeal to the great prestige of science in our times. They may not even be fully aware of the powerful normative assumptions shaping their own ways of thinking. Both economics and environmentalism, for example, have their own ways of understanding the relationship of human beings and nature. For economists, the perception of nature typically is as a "natural resource" that is a factor of production to be used to advance human welfare. Environmentalists often see nature as having an "intrinsic value." Rather than using resources to maximize benefits minus costs, public policy should seek to minimize negative human impacts on nature. Wilderness "cathedrals" are thus places of minimal human impact. The criteria of "natural" and "unnatural" play a normative role in environmental thinking similar to that of "efficient" and "inefficient" in economic thinking. Many policy disagreements between economists and environmentalists are so difficult to resolve because they simply reflect the fact that much different criteria are being applied to obtain policy conclusions. This paper briefly summarizes the key differences between the core belief systems -- the secular religions -- of economics and environmentalism (recognizing that each in fact covers a considerable range). It then examines the challenge posed for analysis of public policy making when the participants may be separated by basic differences in belief systems of a virtually religious character.

Susumo Ono

Economics as a Moral Science and an Economics of Virtue

Moral science is a science concerning human nature which is not as exact as natural science and is more complicated than it. One of the methods of moral science is value judgment. Normative value judgment is associated with justice, virtue, equity, fairness, and equality. From this, a distinction between positive and normative economics is derived. While moral scientists accept a distinction between positive and normative economics, they perceive that both-, facts and values- are deeply entangled in actual human life.

In any case, ethics, and morals are not normally an object of economists' consideration. I think economists should consider whether, in addition to their specialties, they should be servants of ethics. Capitalism through profit-making and money-loving drives economic efficiency and rationality, and produces the "excellent" economic performance.

Following the ethics of Utilitarianism, right conduct means to increase pleasure, and wrong conduct to decrease pleasure. However, this ethic makes people think much more about profit, and much less about justice, and under financial capitalism and its love for money they will care much more for money than for character.

In principle, the ethics of Confucianism puts the ethical life above the economic one. Of course, food is the primary means of building up society, but faith is the final end in maintaining society. Economists have to study more whether in the promotion or checking economic development they are putting ethical life above economic life.

When economists consider a desirable socio-economic system, it is important to discuss questions of how the relationship between government and market should co-exist. An economics of virtue says that government is the greatest of human institutions, the relationship between government and market is but one phase of the many relationships, and the government as an institution has a bigger function than its relationship to the market. This is against a theory of the free market. An economics of virtue defers to economic freedom

Under lots of social relationships and networks although it does not receive as much economic freedom. Following this logic, the role of government is extremely important. Government has a great duty to govern its country with the spirit of virtue and justice for the people. In the normative sense, that is called Keisei-Saimin (Japanese) and JingShi-Jiming (Chinese) which share the same Chinese letter in East Asia. This means that good leading people have to have the noble mission of devoting themselves to raising people's living standards and to improving their economic welfare. Keynes' Harvey Road presuppositions may be similar to Keisei-Saimin and JingShi-Jiming. Keisei-Saimin and JingShi-Jiming are compatible with democracy.

Alice Puyana

On Ethics and Economics

This essay discusses some of the effects of the evolution of economics as discipline. The orthodox economy evolved within the frames of perfect competition, decreasing returns and modelled men as totally self centered and the automatic return of the economy to the equilibrium. Using the "physics metaphor" allows neoclassical economics to present itself as a discipline with inherently scientific rationality and as such politically and morally neutral. The experiences of Latin American countries after three decades of the instrumentation of the liberal economic shows a rather negative overall balance in terms of growth, productivity, employment and reduction of poverty and income concentration.

The theory and practice of ethics

Wendy Olsen

The Ethics of the Economics of Working Time of Couples: Theory and Applied Statistical Methods.

Introduction: I am working on applying new statistical methods to study paid weekly working hours of both spouses in a couple, using 'hours' as a dependent variable in regression models. For example, in heterosexual couples, a man's decision about labour supply is influenced by the characteristics of his partner, and vice versa. Trials show clear asymmetry of these effects. Education, other caring duties, age of the youngest child, and marital status all have different effects for UK men and women in couples. For those who leave couples, too, the effects of these variables suddenly change and we might want to know about this rather than assuming each worker provides labour independently of their household structure and their divorce experience. The direct impact of dependent children in shaping working hours tends to be negative for women and positive for men. This descriptive statement plays the role of a 'fact' and in this short paper I trace several ethical aspects of such statements. The statistical work continues by using structural equation modelling (SEM), an alternative to more traditional econometric methods. We find interactions of the gendered pattern of doing childcare with people's education and household wealth.

Irene Sotiropoulou

Short Stories of Dependency 2.0 - Ethics in Economics Research Three years later

The paper describes how the idea of reflexivity has been used throughout the author's PhD research in order to organise and set "ready for answers" the ethical issues which have arisen during the research project. The paper as well as the issues explored are divided for analysis purposes, into three categories: the first deals with ethics concerning the terminology, vocabulary and narratives during or after research; the second, discusses the ethical issues connected to the interaction with participants, especially two issues: their acceptance to participate in the project and the information exchange; and the third part, discusses the extent to which the researcher can be involved in the activity which belongs to the object of the research, while that activity was expanding beyond any expectation during the time the research project was taking place.

Keywords: ethics, field research, reflexivity

John F. Tomer

Brain Physiology, Egoistic and Empathic Motivation, and Brain Plasticity: Toward a More Human Economics

The brain physiology research of leading evolutionary neuroscientist, Paul MacLean, has important implications for human economic motivation. Gerald Cory in his research has admirably utilized MacLean's findings and has persuasively explained that humans have two dominant motivations: 1) ego or self-interest and 2) empathy or other-interest, which our brains attempt to balance. This view is clearly important and at odds with mainstream economics in which self-interest is the dominant motivation. The MacLean-Cory view, also known as Dual Motive Theory (DMT), represents a serious challenge to mainstream economics and has begun to attract considerable interest. However, the DMT leaves something to be desired. While understanding the promise of the perspective deriving from brain physiology, some scholars have expressed dissatisfaction with how the three level modular brain model has been used to explain economic behavior. Accordingly, the purpose of this paper is to integrate DMT with the concept of brain plasticity.

Brain plasticity refers to the ability of the brain to change structurally and functionally as a result of input from the environment. Some of this plasticity is no doubt genetically determined but some brain change is a product of individual effort and represents the individual's investment in intangible capital (standard human capital, social capital, personal capital, and so on). In this revised view, the balance that individuals, groups, and societies strike between ego and empathy orientation is to a great extent determined by these intangible investments, not simply by brain physiology. In other words, it is the plastic aspect of the brain that determines how the capacity associated with brain physiology gets expressed.