

The economics agora online: Open surveys and the politics of expertise

Digital Day of Ideas 2018

Tod Van Gunten
Lecturer in Economic Sociology

16th May, 2018

“Why did no one notice it*?”



*the largest financial crisis since 1929



BRITISH ACADEMY

Her Majesty The Queen
Buckingham Palace
London
SW1A 1AA

10 Carlton House Terrace
London SW1Y 5AH
Telephone: +44 (0)20 7969
5200
Fax: +44 (0)20 7969 5300

22 July 2009

MADAM,

When Your Majesty visited the London School of Economics last November, you quite rightly asked: why had nobody noticed that the credit crunch was on its way? The British Academy convened a forum on 17 June 2009 to debate your question, with contributions from a range of experts from business, the City, its regulators, academia, and government. This letter summarises the views of the participants and the factors that they cited in our discussion, and we hope that it offers an answer to your question.

g Money Markets [Project Syndicate](#) B2B

The experts strike back! How economists are being proved right on Brexit

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Message from Minfordland

Most economists say Brexit will hurt the economy—but one disagrees

Q FINANCIAL TIMES

WORLD UK COMPANIES MARKETS OPINION WORK & CAREERS LIFE & ARTS

UK economic growth

Labour market stats to provide test for Bank of England

The BoE and the 'beast from the east'

BoE's Carr will bounce

UK economic growth [+ Add to myFT](#)

Economists still gloomy on post-Brexit economy

Why study economists?

The Queen's query implies that the public relies on the economics profession to both **diagnose** economic problems and **prescribe** policy solutions.

Economists occupy positions of institutional power in central banks, Treasury departments, international organizations, etc.

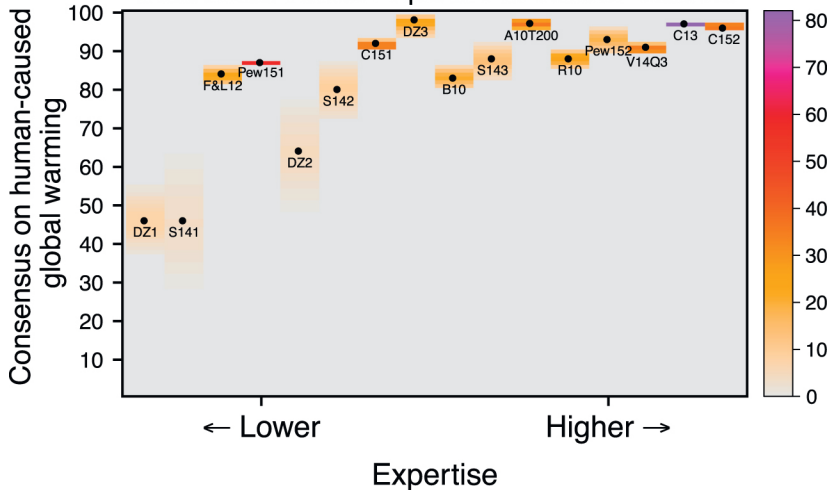
But we often rely on economists themselves to report on the state of knowledge and opinion in their field.

What kind of experts do we want?

Ideally, politically influential experts **should**:

1. Have a high level of professional consensus within the relevant community of experts.
2. Form policy opinions independently of their own political ideology.
3. Acknowledge professional debate in expressing their views.

Consensus versus Expertise in Climate Science



Source: Cook et. al. (2016). 'Consensus on consensus: a synthesis of consensus estimates on human-caused global warming. *Environmental Research Letters* 11 (4): <https://tinyurl.com/hbn8nkn>

Overview

1. Introduce data, the economics agora online
2. A painless bit of sociological theory: the cultural structure of belief spaces
3. Research findings (some old, some new)
4. Conclusions

The economics agora online

Open online surveys of economists introduced since the financial crisis.

Open = respondents are named and individual responses are public.

Survey organizers' goal is to inform the public, but the data require aggregation and analysis.

Not-so-big data also have their challenges!



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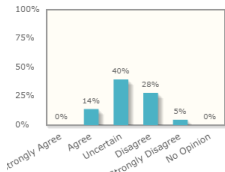
IGM Economic Experts Panel

Tuesday, May 1st, 2018 1:02 pm

Autonomous Cars

Over the next decade, autonomous cars will raise average welfare in the US by at least as much as smartphones have over the past decade.

Responses



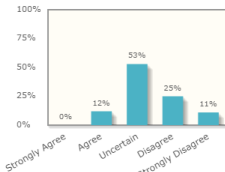
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Source: IGM Economic Experts Panel
www.igmchicago.org/igm-economic-experts-panel

See our experts votes and comments >

Click here for list of experts and their universities >

Responses weighted by each expert's confidence



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Source: IGM Economic Experts Panel
www.igmchicago.org/igm-economic-experts-panel

10 New Economic Experts join the IGM Panel

For the past two years, our expert panels have been informing the public about the extent to which economists agree or disagree on important public policy issues. This week, we are delighted to announce that we are expanding the IGM Economic Experts Panel to add ten new distinguished economists. Like our other experts, these new panelists have impeccable qualifications to speak on public policy matters, and their names will be familiar to other economists and the media.

To give the public a broad sense of their views on policy issues, each new expert has responded to a selection of 16 statements that our panel had previously addressed. We chose these 16 statements, which cover a wide range of important policy areas, because the original panelists' responses to them were analyzed in a paper comparing the views of our economic experts with those of the American public. You can find that paper, by Paola Sapienza and Luigi Zingales, [here](#). The paper, along with other analyses of the experts' views, was discussed during the American Economic Association annual meetings, and the video can be found [here](#).

The new panelists' responses to these statements can be seen on their individual voting history pages. Our ten new economic experts are:

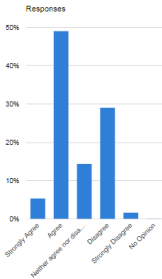
[Abhjit Banerjee \(MIT\)](#)
[Markus K. Brunnermeier \(Princeton\)](#)
[Ilan Elman \(Stanford\)](#)
[Amy Finkelstein \(MIT\)](#)
[Oliver Hart \(Harvard\)](#)
[Hilary Hoynes \(Berkeley\)](#)
[Steven N. Kaplan \(Chicago\)](#)
[Larry Samuelson \(Yale\)](#)
[Carl Shapiro \(Berkeley\)](#)
[Robert Shimer \(Chicago\)](#)

The latest thinking of European macroeconomists

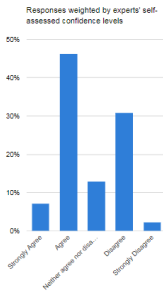
Labour Markets and Monetary Policy

Thursday, April 19, 2018

=====
Question 1: Do you agree that a strong labour market is a good indicator of building inflationary pressure?
 =====



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About the CFM Surveys

The CFM surveys inform the public about the views held by prominent economists based in Europe on important macroeconomic and public policy questions. Some surveys focus specifically on the UK economy (as the CFM is a UK research centre), but surveys can in principle focus on any macroeconomic question for any region. The surveys shed light on the extent to which there is agreement or disagreement among these experts. An important motivation for the survey is to give a more comprehensive overview of the beliefs held by economists and in particular to include the views of those economists whose opinions are not frequently heard in public debates.

Questions mainly focus on macroeconomic and public policy topics. Although there are some questions that focus specifically on the UK economy, the setup of the survey is much broader and considers questions related to other countries/regions and also considers questions not tied to a specific economy.

The surveys are done in collaboration with the Centre for Economic Policy Research (CEPR).

[READ MORE](#)

Limitations of these surveys

1. Small and non-random samples
2. Deliberately elitist samples (US survey)
3. High rate of 'softball' questions (US but **not** UK/European survey)
4. Possible hidden agendas of survey designers

Hidden agenda?

THE WALL STREET JOURNAL.

U.S. EDITION • Monday, November 21, 2011

ECONOMY | November 21, 2011

Economists Get a Platform for Policy Debates

By DAVID WESSEL

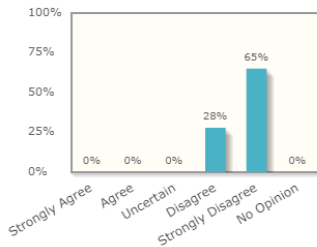
“We’re doing this because we think economists have a distorted role in policy debates...When experts fight about minor points they get much more attention than when they broadly agree about important ones. And when they disagree about big issues, the reasons don’t often come through clearly.”

'Softball' bias

“Imposing new US tariffs on steel and aluminum will improve Americans' welfare.”

IGM survey item, 12th March 2018.

Responses



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Source: IGM Economic Experts Panel
www.igmchicago.org/igm-economic-experts-panel

American Economic Review: Papers & Proceedings 2013, 103(3): 629–635
<http://dx.doi.org/10.1257/aer.103.3.629>

*WHAT DO ECONOMISTS THINK ABOUT
MAJOR PUBLIC POLICY ISSUES?*

Views among Economists:
Professional Consensus or Point-Counterpoint?

By ROGER GORDON AND GORDON B. DAHL*

“The immediate finding when examining the responses of this panel of economists is the **remarkably high degree of consensus...**”

“Surprisingly, there are **no detectable systematic differences** in views across departments, or across school of PhD. In addition, there is **no evidence to support a conservative versus liberal divide** among these panel members”

Gordon and Dahl (2013), “Views Among Economists: Professional Consensus or Point-Counterpoint.”

Economists aren't politically driven, report economists

By Dylan Matthews January 28, 2013

“Perhaps surprisingly, Gordon and Dahl find widespread consensus among the respondents...”


-*Washington Post* report on the Gordon and Dahl study.



The Conscience of a Liberal

PAUL KRUGMAN

Ideology and Economics

JANUARY 5, 2013 8:37 AM  196

I'm in San Diego for the annual economics meetings, and am starting off this morning as a discussant of a paper by Roger Gordon and Gordon Dahl on the question of agreement versus disagreement among economists. (As far as I can tell, no public version of the paper is available yet).

Competing perspectives

Polarization: “macroeconomics has divided into two great **factions:** ‘**saltwater**’ economists (mainly in coastal U.S. universities), who have a more or less **Keynesian** vision of what recessions are all about; and ‘**freshwater**’ economists (mainly at inland schools), who consider that vision nonsense.”

-Paul Krugman, ‘How did economists get it so wrong?’ (*New York Times*, September 2, 2009).

What do we mean by consensus, polarization, factions, etc.?

How do groups* of people structure their **belief systems**?

*e.g. voters, political elites, communities of experts...

The cultural sociology of belief systems

Mohr, J. W. (1998). Measuring Meaning Structures. *Annual Review of Sociology*, 24(1), 345-370.

Martin, J. L. (2002). Power, Authority and the Constraint of Belief Systems. *American Journal of Sociology*, 107(4), 861-904.

Goldberg, A. (2011). Mapping Shared Understandings Using Relational Class Analysis: The Case of the Cultural Omnivore Reexamined. *American Journal of Sociology*, 116(5), 1397-1436.

DiMaggio, P. et. al. (2017). Culture out of attitudes: Relationality, population heterogeneity and attitudes toward science and religion in the U.S. *Poetics*, In Press.

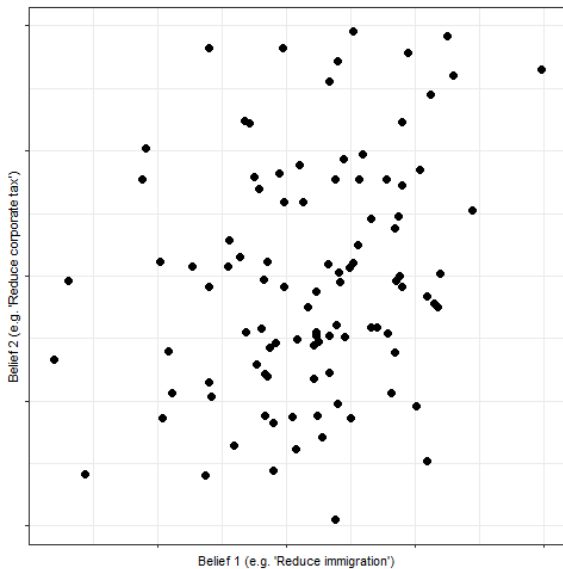
Boutyline, A., and Vaisey, S. (2017). Belief Network Analysis: A Relational Approach to Understanding the Structure of Attitudes. *American Journal of Sociology*, 122(5), 1371-1447.

Philip Converse (1964): most American voters do not adhere to a coherent political ideology.

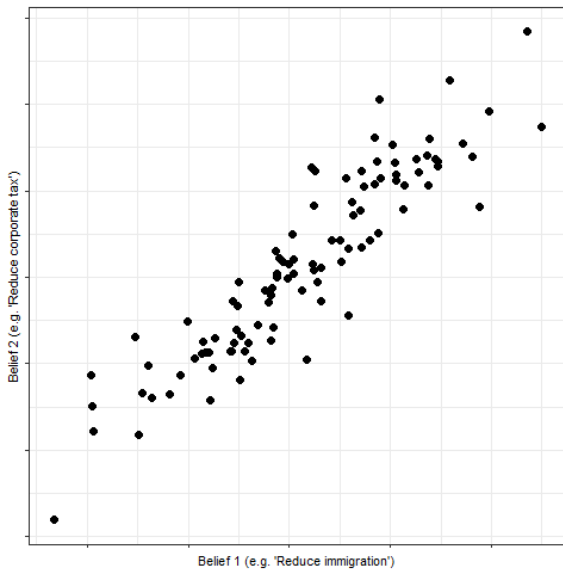
Their belief systems are disorganized or **unconstrained**.

Constraint = the extent to which knowing one one belief allows me to predict other beliefs.

Unconstrained idea space

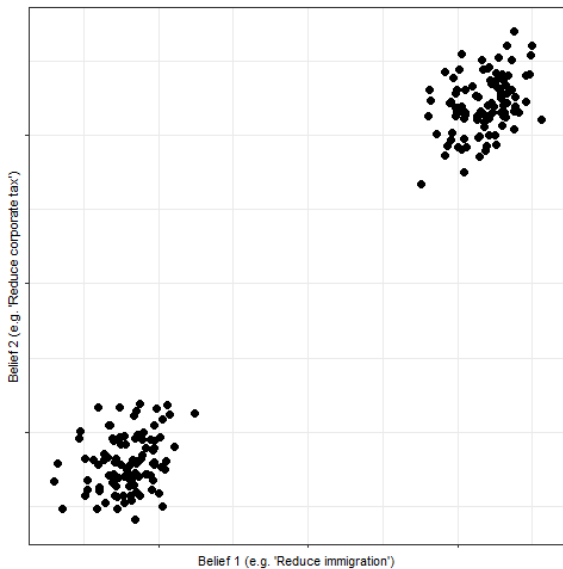


Constrained/aligned idea space



Alignment is **not** polarization.

Polarized idea space

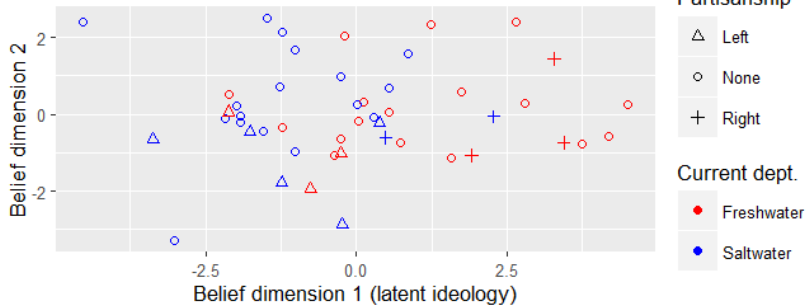


Research on consensus and debate in economics needs a theory of how belief systems are structured.

Previous research looked for polarization and failed to find it.

What if you look for alignment rather than polarization?

Latent ideology of economists



Source: Van Gunten, Martin & Tepitskiy (2016). 'Consensus, polarization and alignment in the economics profession.' Sociological Science, December 5, 2016.

<https://doi.org/10.15195/v3.a45>. Creative Commons license.

Examples of ideological beliefs

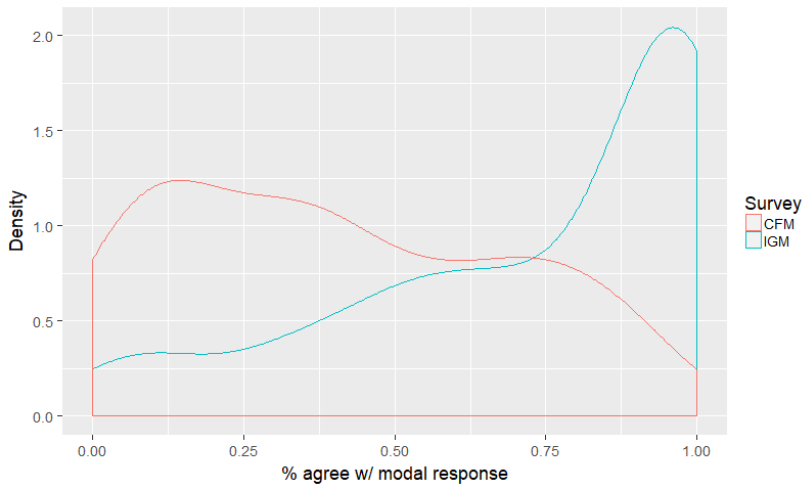
1. Raising minimum wage is desirable. (–)
2. 2009 automaker bailouts were beneficial. (–)
3. School vouchers improve educational quality. (+)
4. Public infrastructure spending has low returns. (+)
5. 2009 fiscal stimulus was beneficial. (–)

+ means agreement is 'pro-market', – means agreement is 'pro-state'

Ideological alignment is compatible with high 'consensus.'

Consensus is not the opposite of alignment.

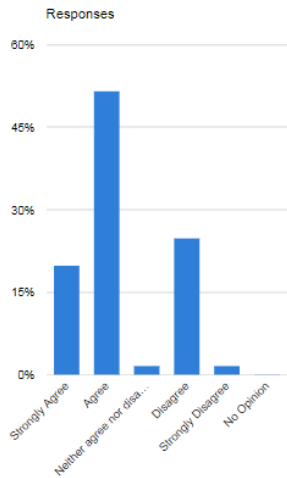
Consensus depends on what you ask.



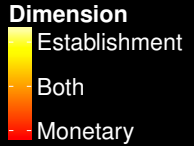
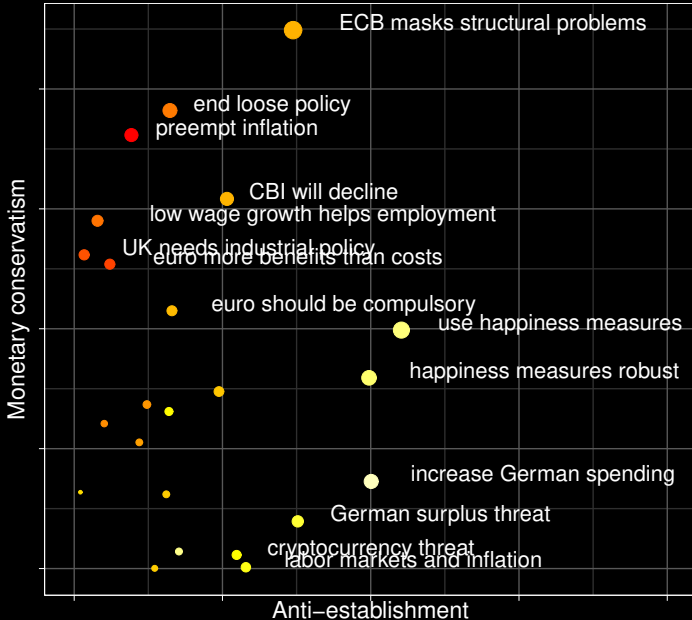
Is there more consensus of U.S.-based economists than European-based economists?

Or did the Center for Macroeconomists ask harder questions?

“Do you agree that, in a period of great uncertainty and after a prolonged period of weak real wage growth, monetary policy makers can afford to wait for greater certainty about real wage developments and building inflationary pressure before raising interest rates?”



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The UK/European survey finds lower levels of agreement but not necessarily ideology in the same sense as the US survey.

European economists beliefs are aligned along **two** dimensions.

What kind of experts do we want?

Ideally, politically influential experts **should**:

1. Have a high level of professional consensus within the relevant community of experts. → **harder to measure than it sounds**
2. Form policy opinions independently of their own political ideology. → **not really**
3. **Acknowledge professional debate in expressing their views.**

Subjective confidence

Participant

University

Vote

Confidence



Daron Acemoglu

MIT

Disagree

4



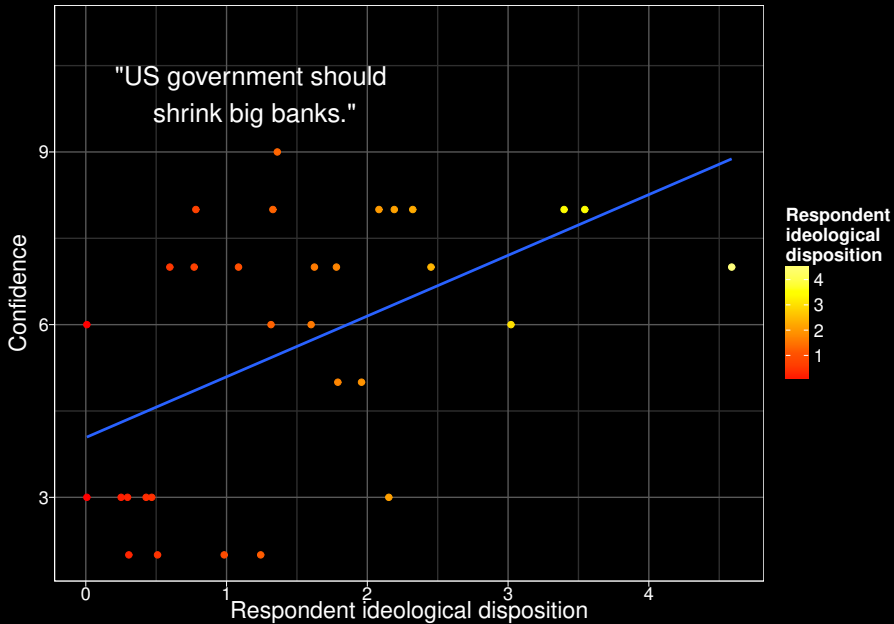
Alberto Alesina

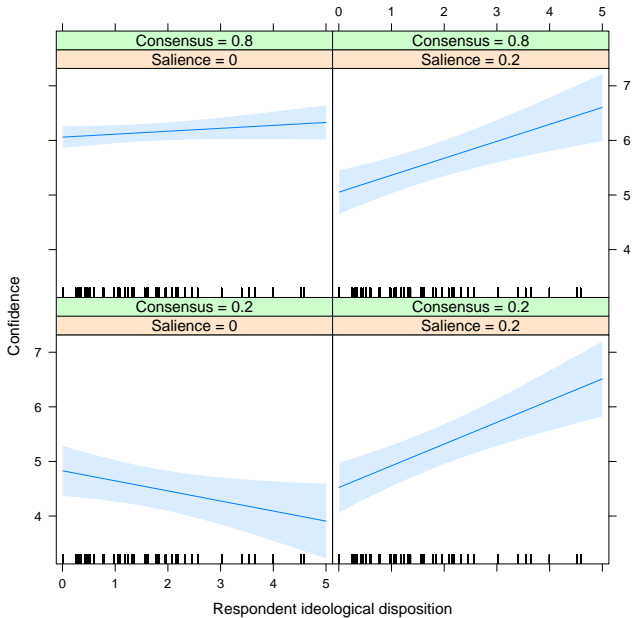
Harvard

Disagree

8

"US government should shrink big banks."





By way of conclusion

“People in this country have had enough with experts.”

–Michael Gove



By way of conclusion

If professional expertise has lost political legitimacy, then professional over-reach is not the answer.

Claiming consensus where none exists is over-reach.

Transparency about professional debate is always better than overstating consensus.

Professional legitimacy is a scarce resource: use it where it counts!

By way of conclusion

The economics agora online is a useful tool for studying the beliefs of an important community of experts.

In addition to identifying ideological debates, we can identify respondents whose beliefs are not ideologically patterned.

You need a theory of how groups form beliefs! So read sociology!

Questions? Comments?
tvangun@ed.ac.uk