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## CONSENSUS, DISSENSION AND IDEOLOGY AMONG ECONOMISTS IN VARIOUS EUROPEAN COUNTRIES AND IN THE UNITED STATES

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The paper analyzes consensus and dissension among economists on the basis of surveys conducted in Belgium, France, Germany, Switzerland and the United States. The outcome of the analysis is that there exists a considerable amount of consensus, but substantial differences across countries. In Europe, and especially in Belgium and France, the views of 'left' and 'right' economists differ; these differences are strong, as expected, on propositions which have a clear ideological content. However, it also appears that economists are not always willing to distinguish 'technical' and 'political' aspects of an economic issue.

### 1. Introduction

Economics, so it may be argued on the one hand, is an irrelevant and confused science, because it does not provide answers to social problems which are both clear and widely approved. On the other hand, economics can also be taken to be the most advanced of all social sciences because of its capacity to explain facts and to suggest policies in a rigorous way.

These two opposing views may be subjected to empirical testing: issues for which there is an unambiguous answer may be identified and contrasted to those for which there is no consensus. One would, for example, expect that economists share to a large extent the view that 'tariffs and import quotas reduce general economic welfare', because an intervention with the price system is taken to lead to inefficiencies. In contrast, one would expect more divergent opinions on the proposition that 'the distribution of income in our country should be more equal', since this is a matter of personal preferences and ideological views.

The purpose of this paper is to analyze consensus and dissension among economists on the basis of surveys made in the United States and in four European countries, Belgium, France, the Federal Republic of Germany and Switzerland. The American survey was conducted in 1978, the European

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Table 1  
The propositions and the responses in five countries (in percentage shares).

Propositions	Belgium		France		F.R. of Germany		Switzerland		United States						
	Yes but	No	Yes but	No	Yes but	No	Yes but	No	Yes but	No					
1. Tariffs and import quotas reduce general economic welfare.	32	47	21	27	45	28	70	24	6	49	41	10	81	16	3
2. The government should be an employer of last resort and initiate a guaranteed job program.	14	43	43	29	29	42	8	27	65	15	37	48	26	27	47
3. The money supply is a more important target than interest rates for monetary policy.	34	31	36	46	29	25	42	36	22	64	26	10	48	23	29
4. Cash payments are superior to transfers-in-kind.	38	24	39	52	26	22	50	28	22	41	36	23	68	24	8
5. Flexible exchange rates offer an effective international monetary arrangement.	17	39	44	12	41	47	64	31	5	53	39	8	61	34	5
6. A minimum wage increases unemployment among young and unskilled workers.	29	24	47	17	22	61	45	25	30	36	31	33	68	22	10
7. The government should index the income tax rate structure for inflation.	60	27	13	51	30	19	24	21	55	31	27	42	41	27	32
8. Fiscal policy has a significant stimulative impact on a less than fully employed economy.	29	52	19	56	39	5	33	54	13	45	43	12	65	27	8
9. The distribution of income in the developed industrial nations should be more equal.	34	33	34	47	31	22	25	32	43	25	37	38	40	31	29
10. Antitrust laws should be used vigorously to reduce monopoly power from its current level.	57	33	10	57	37	6	56	34	10	37	45	18	49	36	15

11. Inflation is primarily a monetary phenomenon.	15	32	53	11	19	70	25	31	44	31	36	33	27	30	43
12. The government should restructure the welfare system along lines of a 'negative income tax'.	25	38	37	19	35	46	22	28	50	19	26	55	58	34	8
13. Wage-price controls should be used to control inflation.	42	40	18	26	30	44	2	5	93	9	30	61	6	22	72
14. A ceiling on rents reduces the quantity and quality of housing available.	55	25	20	22	32	46	73	21	6	47	33	20	78	20	2
15. The central bank should be instructed to increase the money supply at a fixed rate.	16	31	53	35	35	30	10	27	63	16	37	47	14	25	61
16. Effluent taxes represent a better approach to pollution control than imposition of pollution ceilings.	42	26	32	28	28	44	35	31	34	22	35	43	50	31	19
17. The level of government spending should be reduced (disregarding expenditures for stabilization).	50	24	26	34	27	39	49	31	20	39	33	28	34	23	43
18. In the short run, unemployment can be reduced by increasing the rate of inflation.	12	32	56	20	35	45	28	33	39	34	28	28	31	33	36
19. 'Consumer protection' laws generally reduce economic efficiency.	9	22	69	5	17	78	10	24	66	18	26	56	24	28	48
20. The economic power of labor unions should be significantly curtailed.	51	27	22	20	23	57	21	35	44	19	28	53	32	38	30
21. Public enterprises are, in general, less efficient, than private enterprises.	48	22	31	33	22	45	63	26	11	58	28	14	—	—	—
22. Industrial self-management increases labor productivity.	20	46	34	35	48	17	14	40	46	17	41	42	—	—	—

ones in 1980 and 1981. The number of respondents is 664 for Belgium, 162 for France, 273 for Germany, 199 for Switzerland, and 211 for the United States. The response rates ranged from 36% for France to 57% for Germany. Each of the country surveys has been the object of a particular study.<sup>1</sup> In this paper, we concentrate on differences among countries in the response pattern to over twenty common propositions. Table 1 reproduces these propositions and the percentage of respondents who 'generally agree' (Yes), 'agree with provisions' (Yes but), and 'generally disagree' (No). The appendix lists the age occupational and educational characteristics of the respondents.

While great care has been given to translating the original American propositions into Dutch, French and German, it cannot be excluded that they are not understood in the same way in the various countries for purely linguistic reasons. Another possible bias may be due to the fact that the surveys were not conducted at the same time.

Section 2 of this paper analyzes the degree of *consensus* in the various countries, and section 3 deals with *dissensions*. Section 4 inquires whether there are discernable differences with respect to *ideology*, and some concluding remarks are made in section 5.

## 2. Consensus among economists

One of the main findings of the U.S. study is the considerable consensus on many issues, particularly on those dealing with the working of the price system. Table 2 lists those propositions on which 55% or more of the *American* respondents share the same opinion, i.e., for which 55% or more of the answers fall into the categories 'generally agree' or 'generally disagree'.<sup>2</sup>

Table 2 shows that the areas in which U.S. economists have similar opinions are not necessarily those in which Europeans have a particularly high degree of consensus. While American economists have an average degree of agreement of 68% on these nine propositions, the European countries with the highest degree of agreement only reach 57% (Germany) and 44% (Switzerland). Economists living in countries belonging (in the case of Belgium partly) to the French speaking world have an even lower degree of agreement: Belgian and French economists are at the bottom with 33% and 31%, respectively.

<sup>1</sup>Kearl et al. (1979) for the United States, Boute et al. (1982) for Belgium, Bobe and Etchegoyen (1981) for France, Schneider et al. (1982) for Germany and Frey et al. (1982) for Switzerland. The individual country studies contain many more propositions, e.g., in the case of the United States 30, and in the case of Germany and Switzerland 44.

<sup>2</sup>The category 'agree with provisions' is disregarded in this context because it reached in no case 55% or more of the answers (only in two out of the one hundred cases did it reach somewhat more than 50%).

Table 2

Response to propositions on which American economists have a high degree of consensus (percentage of 'generally agree' or 'generally disagree').

Proposition (abbreviated)	United States		F.R. of		Switzerland
	Belgium	France	Germany		
<i>Percentage of 'generally agree' (Yes)</i>					
1. Tariffs reduce economic welfare	81	32	27	70	49
4. Cash are superior to in-kind transfers	68	88	52	50	41
5. Flexible exchange rates are effective	61	17	12	64	53
6. A minimum wage increases unemployment	68	29	17	45	36
8. Fiscal policy is stimulative	65	29	56	33	45
12. A negative income tax should be introduced	58	25	19	22	19
14. Rent ceiling hurts housing	78	55	22	73	47
<i>Percentage of 'generally disagree' (No)</i>					
13. Wage-price controls to fight against inflation	72	18	44	93	61
15. Fixed money supply rate	61	53	30	63	47
<i>Average</i>					
	68	33	31	57	44

The differences in views are large. More than 60% of American economists think that flexible exchange rates are efficient, but only 12% of the French and 17% of the Belgians share this view. There are similarly large differences on whether a minimum wage increases unemployment, whether a negative income tax should be introduced, whether rent controls reduce the quantity and quality of housing, and whether wage-price controls should be used to control inflation. In most cases (except for the negative income tax which receives little support in all European countries) a similar pattern appears: Economists in German speaking countries (81% of Swiss economists belong to the German speaking part of that country) propound rather similar views to the Americans. French speaking economists<sup>3</sup> strongly deviate from that pattern.

<sup>3</sup>In Belgium, approximately 45% of the population is French speaking, while the rest speaks Dutch. It can be checked in Boute et al. (1982) that the answers of the Belgian French speaking economists are close to those of the French, while Dutch speaking economists react more like their German, U.S. and Swiss colleagues.

It may be interesting to consider those propositions on which French economists (which according to table 2 deviate most from the American pattern) have the highest degree of consensus. As may be seen from table 1, there are six propositions with an agreement or disagreement of 55% or more: economists do agree on the propositions on fiscal policy (8) and the use of antitrust laws (10), while they strongly reject the idea that the economic power of labor unions should be curtailed (20), and the views that 'consumer protection' laws reduce economic efficiency (19), that inflation is primarily a monetary phenomenon (11), and that a minimum wage increases unemployment (6). Globally, there is a lower degree of consensus among economists in France than in the United States. In Belgium, Germany and Switzerland there are, respectively, four, nine and four propositions with a degree of agreement or rejection of 55% or more. Belgian economists have thus a particularly low degree of consensus, while German economists have the same degree as Americans (though on other propositions).

As a general rule, economists seem to agree that government intervention should be reduced; it is not felt that the government should be an employer of last resort; except in Germany and Switzerland, economists think that the income tax rate structure should be indexed for inflation; with the exception of France, where they have been successful, it is felt that public enterprises are less efficient than private corporations and that the regulatory power of the government should be diminished; less than 30% of the European respondents think that government spending should not be reduced.

### 3. Dissension among economists

We take the view that dissension exists if the answers to a particular question show little structure. Table 3 lists those propositions for which each response possibility 'Yes', 'Yes but' and 'No' collects at least 25% of the answers.

Rather surprisingly, the table shows that in France, Switzerland and the United States there is a somewhat larger number of propositions on which economists dissent than in Germany and Belgium. This suggests that consensus and dissension may coexist in the same country. American and Swiss economists seem to show little consensus with respect to some propositions. The lack of a common viewpoint in both countries is not prominent for proposition (11), 'Inflation is primarily a monetary phenomenon', and (18), 'In the short run, unemployment can be reduced by increasing the rate of inflation'.

According to table 3 four propositions — (9), (11), (16), and (18) — find a low degree of consensus in three or even four countries. They relate to a value question on income distribution (9), the monetarist proposition on inflation (11), effluent taxes (16) and the short-run Phillips curve (18).

Table 3  
Propositions for which there is most dissension among economists.<sup>a</sup>

Belgium	France	F.R. of Germany	Switzerland	United States
	(1)			
	(2)			(2)
(3)	(3)			
		(6)	(6)	
			(7)	(7)
(9)		(9)	(9)	(9)
		(11)	(11)	(11)
(12)				
	(13)			
	(15)			
(16)	(16)	(16)		
	(17)		(17)	
		(18)	(18)	(18)
				(20)

<sup>a</sup>The numbers refer to the propositions listed in table 1.

The generally low consensus in the 'pure' value question (9) could of course be expected. Propositions (11) and (18) about monetarism and the Phillips curve are hotly debated issues in economic theory and empirical research, and again divergent views are expected. The low degree of consensus on proposition (16), 'Effluent taxes represent a better approach to pollution control than the imposition of pollution ceilings', is on the other hand unexpected since textbooks on environmental economics (as well as on general economic theory) make it quite clear that the incentive mechanism of effluent taxes is a much better instrument than direct controls.

It may be observed (see table 3) that the number of propositions over which economists have non-unanimous views differs somewhat between countries, but not very much: there are four for Belgium, five for Germany, six for Switzerland and the United States, and seven for France.

### 4. Ideological differences

In the four European studies, economists were asked to report their ideological position on a continuous left-right scale. This made it possible to split the sample into 'right', 'centre', and 'left' respondents.<sup>4</sup> Table 4 lists

<sup>4</sup>The sample was divided along the ideological scale into three groups of roughly the same size: 'the left', 'the centre' and 'the right'. Only the two extreme groups are considered in the rest of the paper.

Table 4

Statistically significant differences in the response patterns between self-declared 'left' and 'right' economists.<sup>a</sup>

Proposition (abbreviated)	Type of propo- sition	F.R. of			
		Belgium	France	Germany	Switzer- land
1. Tariffs reduce economic welfare			*		
2. Government job guarantee	N	*		*	
3. Money supply target		*			
4. Cash are superior to in-kind transfers					
5. Flexible exchange rates are effective					
6. A minimum wage increases unemployment		*	*	*	
7. Indexation of tax rates	N		*		*
8. Fiscal policy is stimulative				*	
9. Equality in distribution	N	*	*	*	*
10. Anti-trust laws	N	*		*	*
11. Inflation as monetary phenomenon		*	*		
12. A negative income tax should be introduced	N		*		*
13. Wage price controls to fight against inflation	N		*		
14. Rent ceiling hurts housing		*	*	*	*
15. Fixed money supply rate	N				
16. Effluent taxes					
17. Government spending	N	*	*	*	*
18. Short-run Phillips curve					
19. Consumer protection		*	*	*	*
20. Labour union power	N	*	*	*	*
21. Public enterprises are less efficient		*	*	*	*
22. Self-management increases productivity		*	*	*	*
Number of statistically significant differences in the answers between 'left' and 'right' economists		12	13	11	10

<sup>a</sup>An asterisk indicates significant differences between 'left' and 'right' at the 99% confidence level, using a  $\chi^2$ -test.

those propositions for which the distribution of answers between 'left' and 'right' is significantly different at the 99% confidence level (using a  $\chi^2$ -test).

The answers to approximately half of the 22 propositions are influenced by the ideological position of the respondent. In many cases the influence of ideology can be expected because the propositions are normative with respect to content and/or phrasing. This applies to propositions (2), (7), (9), (10), (12), (13), (15), (17) and (20) which all contain a 'should'. Thus, nine of the 22 propositions are normative at least in phrasing (this is indicated by an 'N' in table 4) and may be inviting an ideologically colored response; and 22 out of the 46 ideological response differences arising in all countries combined (i.e., almost 50%) relate to such normative propositions. Among those, the reduction in income inequality (9), in government spending (17) and in labor union power (20) find a significantly lower rate of approval, or a higher rate of rejection, by 'left' economists in all four European countries.

It should, however, also be noted that there are some non-normatively phrased propositions to which 'left' and 'right' economists respond differently. This applies particularly to proposition (6), 'A minimum wage increases unemployment among young and unskilled workers'; (14), 'A ceiling on rents reduces the quantity and quality of housing available'; and (19), 'Consumer protection laws generally reduce economic efficiency'. These are topics on which the left-wing parties have taken a particularly firm stand. It is therefore not surprising but regrettable that economists also react to these propositions along the left-right spectrum.

There is, on the other hand, one proposition — (15), 'The central bank should be instructed to increase the money supply at a fixed rate', monetarist in content and phrased in normative terms — for which there is no significant division between 'left' and 'right' economists. Obviously and somewhat surprisingly the content of this proposition is not identified on the left-right spectrum.

The number of statistically significant left-right divisions is roughly the same in all four countries; if anything, it can at best be said that French economists tend to answer somewhat more forcefully along the left-right dimension than the Swiss.

The analysis of the influence of ideology should be interpreted with great care. There are at least two reasons why the findings should not be over-emphasized:

- (1) The analysis implicitly assumes that the respondents have the same notion of the ideological scale presented to them. It cannot be excluded that a French economist, for example, who considers himself to be 'middle-of-the-road', would be 'left' in Switzerland.
- (2) The samples are split up according to one dimension only. As there may be other dimensions influencing the answers, the results should not be

interpreted as what *ceteris paribus* effect is brought about by the ideological position.

## 5. Concluding remarks

The general outcome of our analysis is that there exists a considerable amount of consensus among economists, but that there are also substantial differences between countries and ideological views. American economists seem to have the highest degree of consensus, followed by the German and the Swiss. More dissension was found for the French and the Belgians. The views of 'left' and 'right' economists differ. The differences are, as expected, particularly strong on those propositions which are normatively phrased or which have a clear ideological content. In some cases, it is somehow disappointing to see that economists are not willing to distinguish the 'technical' from the 'political' aspect of an issue.

Finally, it would be interesting to extend this survey to non-economists, and to study the change of response patterns over time.

## Appendix: Characteristics of the samples (in percent)

	United States <sup>a</sup>	F.R. of Germany	France	Belgium	Switzerland
Sample size (number of respondents)	211	273	162	664	199
Age groups					
less than 35	n.a.	17	19	48	22
35-54	n.a.	68	67	40	55
55 and more	n.a.	15	14	12	23
Occupation					
Private sector	27	29	26	51	37
Public sector	23	22	33	20	26
Universities	50	49	41	29	37
Education					
Ph.D. <sup>b</sup>	n.a.	} 75	51	23	} 67
M.A.	n.a.		42	19	
Other <sup>c</sup>	n.a.	25	7	58	33

<sup>a</sup>Not applicable = n.a.

<sup>b</sup>As well as 'Habilitation' in the Federal Republic of Germany and in Switzerland; 'Maîtrise' in France.

<sup>c</sup>Various university degrees ('Licence' in France and in Belgium, 'Bachelor' in the United States and in the other countries).

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