

Is There a Free-Market Economist in the House?

The Policy Views of American Economic Association Members

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ABSTRACT. People often suppose or imply that free-market economists constitute a significant portion of all economists. We surveyed American Economic Association members and asked their views on 18 specific forms of government activism. We find that about 8 percent of AEA members can be considered supporters of free-market principles, and that less than 3 percent may be called strong supporters. The data are broken down by voting behavior (Democratic or Republican). Even the average Republican AEA member is “middle-of-the-road,” not free-market. We offer several possible explanations of the apparent difference between actual and attributed views.

I

Introduction: The “Free-Market” Attribution

Political economists are in general quite suspicious of governmental intervention. They see in it inconveniences of all kinds—a diminution of individual liberty, energy, prudence, and experience, which constitute the most precious resources of any society. Hence, it often happens that they oppose this intervention.

Frédéric Bastiat (1848)

IN 1848, BASTIAT’S STATEMENTS were probably true. Nowadays they are not. Here we present evidence from a survey of American Economic Association (AEA) members showing that a large majority of

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economists are either generally favorable to or mixed on government intervention, and hence cannot be regarded as supporters of free-market principles. Based on our finding, we suggest that about 8 percent of AEA members can be considered supporters of free-market principles, and that less than 3 percent may be called strong supporters.

In the public mind generally, there is an impression that economists tend to support the free market, or at least that free-market economists form a sizeable minority of all economists. The attribution has been around a long time, and comes from economists themselves. Gunnar Myrdal (1969: 104–105) wrote that in classical economics there was “a basic predilection among economists for the old notion of the harmony of interests and a consequent predilection for *laissez-faire*. This predilection was preserved in economic theory to a much greater extent than uninformed observers realize, and it is often not clearly perceived by the theorists themselves.” In 1959, George Stigler maintained not only that studying economics tends to make one “conservative,” but that “economists are conservative” (1959: 527). The notion of a free-market bent in economics comes down to the present day. Paul Krugman (1998) has written about the neoclassical micro-macro synthesis as “an imperfect but workable union achieved half a century ago, which has allowed economists to combine moderately activist views about monetary policy with otherwise generally free market beliefs.” Free-market economists themselves often present their views as those of economists generally, as the “economic way of thinking,” maybe making the tacit assumption that interventionist economists are not *real* economists. Deirdre McCloskey declares, “Libertarianism is typical of economics, especially English-speaking economics, and most especially American economics” (2002: 19, see also 17). And perhaps the greatest source of “free-market” attribution today comes from heterodox/left economists, who often criticize “orthodox economists” for their pro-market, neoliberal views, as though such views are the norm in the economics profession. Robert Kuttner (1996: 3–4) says “much of the economics profession, after an era of embracing the mixed economy, has reverted to a new fundamentalism cherishing the virtues of markets.”

One may feel that these attributions are careless, yet the fact remains that they are out there. Indeed, even the cognizant might very

reasonably have guessed that the strongly free-market portion of the economics profession was something more like 15 percent—off by a factor of five. Here we offer several possible explanations for why economists have something of a reputation for being free-market.

Supporters of free-market principles, we maintain, would score at least a 4.0 on the 18-question policy index presented here, and strong supporters would score at least a 4.5. By contrast, the mean for the 264 AEA members who completed the survey was 2.64. When we speak of supporting free-market principles, we do *not* mean being supportive *relative to other academics and intellectuals*. Rather, we mean supporting free-market principles, which implies opposing contraventions of individual liberty. Some will object to how we characterize being “free-market,” but we argue below that our characterization is sound.

Our survey also included a question about voting behavior. Here, we use the political-party dimension as a way of organizing and presenting the data. We are able to compare the views of Democratic economists with Republican economists.

II

Previous Surveys of Economists' Policy Views

UNLIKE OTHER ACADEMIC DISCIPLINES, economics has a fairly dense record over the past 30 years of asking the men and women who populate the profession what they think on public policy issues. A landmark work is Kearn, Pope, Whiting, and Wimmer (1979), appearing in the *American Economic Review: Papers and Proceedings*. The authors cite no previous surveys, and write of the “hostility toward questionnaires among economists” (1979: 29). Their study asked public policy questions and, indeed, many of their questions were reproduced (sometimes with slight variation) by subsequent studies seeking to track trends in opinion. Conducted in 1976, the survey showed only one issue upon which economists widely and strongly supported free-market principles: free trade versus tariffs and import quotas. Indeed, that is the one issue upon which economists in large majorities have exhibited free-market support in all surveys that have asked such a question. On other key microeconomics issues, such as antitrust and

“consumer protection” laws, economists have by no means shown strong support for free-market principles. Ever since the 1976 survey (Kearl et al. 1979), many other surveys have generally found similar results. Alston et al. (1992) and Fuller and Geide-Stevenson (2003) repeat many of the same questions. The *Washington Post*/Kaiser/Harvard 1996 survey of economists included some similar questions (see Blendon et al. 1997; Caplan 2001). A recent AEA-member survey by Robert Whaples 2006 focuses on policy opinions.

Several other surveys have surveyed economists in particular fields. Fuchs (1996) surveys health economists; Fuchs, Krueger, and Poterba (1998) survey labor economists and public economists; Whaples (1995) surveys economic historians; Whaples (1996) surveys labor economists; Moorhouse, Morriss, and Whaples (1999) survey law and economics scholars. There have also been surveys of economists in other countries, with many similar questions (Frey et al. 1984; Block and Walker 1988; Ricketts and Shoemsmith 1990, 1992; Anderson and Blandy 1992; Anderson et al. 1993).

In general, the results from 1976 have remained: economists oppose protectionism, but otherwise there has been no sign of any preponderant support for free-market principles. Indeed, many questions that have been repeated through time have consistently shown the majority of economists to be friendly to numerous government interventions.

In terms of trying to assess the degree of free-market support among economists, most previous survey investigations suffer from three problems. First, even within any single questionnaire, the questions are not put into a uniform format conducive to creating an index covering all the questions. Second, many questions about particular policy issues do not ask for an overall judgment (that is, opposition or support). For example, an oft-repeated statement asking degree of agreement has been: “A minimum wage increases unemployment among young and unskilled workers.” Answering “agree” would suggest that one has reservations about the minimum wage, but is not tantamount to opposing the minimum wage. Many questions have been of this nature. Finally, one reason many questions have been of this nature might be that the authors of many previous survey investigations have emphasized consensus and,

correspondingly, framed questions narrowly. In contrast, our survey was designed so as to achieve the following goals: (1) to elicit an overall judgment of support or opposition for each form of government activism; (2) to make the format uniform so that an individual's set of responses could be combined into an index; and (3) to illuminate ideological divisions within the discipline, especially by voting behavior.¹

III

Description of Survey and Data

IN MARCH AND APRIL 2003, 1,000 U.S. members of the American Economists Association were surveyed using a randomly generated list of members. The original survey and supporting documents are available online at a homepage devoted to the survey.² The AEA members returned 264 (nonblank) surveys. The response rate of 26.6 percent (correcting for P.O. returns, etc.) is somewhat lower than other recent and identically sized surveys of general AEA membership—Fuller and Geide-Stevenson (2003) obtained 30.8 percent, Davis (2004) obtained 37.3 percent, and Whaples (2006) obtained 40.0 percent. Our response rate may have been lower because of the length of the survey (14 pages with 57 questions) or because the survey asked recall questions that many respondents may have felt ill-prepared to answer.³

In addition to the 18 specific public policy questions, there was the following question about voting behavior:

To which political party have the candidates you've voted for in the past ten years mostly belonged?

Democratic Green Libertarian Republican _____ other

Among the 264 respondents, 153 (58 percent) reported voting Democratic, and 61 (23 percent) reported voting Republican. The other 50 respondents either checked Green (2), Libertarian (7), gave miscellaneous responses (17),⁴ or declined to answer the question (24). Since 90.9 percent of the respondents answered the question, we are confident about the partisanship information derived from this

question. The data yields a Democrat to Republican ratio of about 2.5 to 1.⁵ Based on their responses to the voting question, we divide the sample into Democrats and Republicans.

The survey contained a number of background questions. The respondents are mostly individuals with a Ph.D (82.2 percent), and about half (48.8 percent) are primarily employed in academia, while 28.4 percent work in the private sector, 16.3 in the public sector, and 6.8 percent do independent research.⁶

IV

Format of the 18 Questions on Public Policy Issues

THE FORMAT OF THE 18 policy questions was in the form of a statement to which the respondents were asked to indicate their view. The question on tariffs can be used as an example:

Tariffs on imported goods to protect American industries and jobs:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
support strongly	support mildly	have mixed feelings	oppose mildly	oppose strongly	Have no opinion
1	2	3	4	5	

The numbers 1–5 did not appear in the survey. They show how we weighted each response when creating a mean response. The “5” value corresponds to strong support of free-market principles.

V

What it Means to Support Free-Market Principles

THE CUTPOINT FOR BEING a free-market supporter is 4.0 (“oppose mildly”). Some economists might object that our cutpoint is too high. Many economists maintain that they are essentially free-market supporters but recognize that externalities, asymmetric information, diminishing marginal utility of wealth, and so forth call for exceptions to free-market policy.

In our way of thinking, being a free-market supporter is about favoring the *principles for social rules* that imply a free market. It is not an issue of the principles of economics. A “natural rights” libertarian

who has no economic understanding is nonetheless a supporter of free-market principles.

Supporting free-market principles would mean supporting the kinds of policies that give a country a higher economic freedom score (Gwartney and Lawson 2004). At the heart of such principles are private property rights and the freedom of contract. Most of the government policies appearing in the survey are direct contraventions of economic freedom. The minimum wage, for example, threatens coercive government action against employers and would-be employers who pay less than the specified minimum wage. The law (and concomitant enforcement) uses government coercion against parties who have only entered into agreements voluntarily. The same is true for restrictions on drugs, prostitution, and gambling. That is, the government threatens coercion against noncoercers. The restrictions are contraventions of free-market principles. When a survey respondent does not oppose such coercive government action, it is, in our judgment, a clear case of not supporting free-market principles. Most of the policy issues in the survey are of this nature, and others, such as the government ownership and production of schooling, are about government programs that draw on taxation and distort or crowd out private enterprise. Again, to not oppose such government programs is to not support free-market principles.

To be a free-market supporter is to take positions like those taken by Friedrich Hayek, Milton Friedman, Ronald Coase, George Stigler, James Buchanan, and Vernon Smith. We speculate that they would average at least 4.0 on the survey. Also, we hazard to suggest that the modern-day ghosts of Adam Smith and John Stuart Mill would score at least 4.0 (this with full knowledge of the former's exceptions to natural liberty and the latter's waverings in general).

We suspect that some economists are not quite honest with themselves about how readily they support or acquiesce to government intervention. They try to have it both ways, thinking of themselves as basically free-market supporters, but then neglecting the responsibility to research and think critically about the contraventions of free-market principles that surround them. Perhaps they do not want the responsibility of putting themselves at odds with the way things are and with popular beliefs about the role of government in society. Thus, they do

not oppose the various interventions, yet still like to think of themselves as supportive of free-market principles. To them, we say: You can't have it both ways. If you aren't rather reliably opposed to government intervention, you aren't supportive of free-market principles.

This may seem like a matter of "mere semantics." But if people think economists represent free-market principles, they may misunderstand the meaning of "free market." The distinction between voluntary and coercive action is, in fact, part of the analytical structure of economics. It is the basis upon which we call certain cases "the free market" and certain policies "government intervention." A clear understanding of the distinction is crucial to economics as a scientific enterprise.

None of our factual or analytic claims depends on viewing the free-market responses as the "right" answers. The facts are about the rareness, not the rightness, of being free-market. However, in our interpretations, we conclude with one interpretation that does depend on the notion that free-market responses are right.

VI

Economists' Views on 18 Public Policy Issues

WE PRESENT THE RESULTS on the 18 policy questions in three broad groups: economic interventions, government regulation of personal choices, and issues concerning the role of government.⁷

To give a fuller picture of our data and the responses to each question, we present each policy item, the mean overall response, the mean Democratic response, the mean Republican response, the difference between the responses, and a *t*-test of whether the difference is statistically significant.⁸

Of the five issues shown in Table 1, tariffs is exceptional in that economists preponderantly oppose this form of intervention. Looking at the minimum wage, OSHA, FDA, and EPA control, we see that Democrats and Republicans differ appreciably. Republicans are significantly more free-market. The average Republican economist is not, however, actually supportive of free-market principles on those issues.

On the "personal choice" restrictions shown in Table 2, again we find that most economists are not supporters of free-market principles. Republicans are significantly more free-market than Democrats on

Table 1
Views of Economists by Political Party on Economic Interventions (a score of 5 would correspond to maximal support of free-market principles)

<i>Issue addressed</i>	All (not just Ds and Rs)	Democratic	Republican	D-R	<i>F</i> -Test
	<i>Mean</i> (<i>St.D</i>)	<i>Mean</i> (<i>St.D</i>)	<i>Mean</i> (<i>St.D</i>)	Δ	<i>t</i> -value
Tariffs to protect American industries	4.46 (0.93)	4.35 (0.99)	4.68 (0.75)	-0.34	2.69**
Minimum wage laws	2.83 (1.52)	2.25 (1.28)	4.07 (1.25)	-1.82	9.54**
Occupational safety regulation (OSHA)	1.95 (1.12)	1.53 (0.77)	2.84 (1.19)	-1.30	7.94**
Pharmaceutical market regulation (FDA)	2.00 (1.22)	1.60 (0.93)	2.72 (1.31)	-1.12	6.12**
Air and water regulation (EPA)	1.80 (1.13)	1.36 (0.67)	2.72 (1.27)	-1.36	7.96**

**0.01; *0.05; †0.10.

Table 2
Views of Economists by Political Party on Personal Choice Regulations

<i>Issue addressed</i>	All (not just Ds and Rs)	Democratic	Republican	D-R	T-Test
	<i>Mean</i> (<i>St.D</i>)	<i>Mean</i> (<i>St.D</i>)	<i>Mean</i> (<i>St.D</i>)	Δ	<i>t-value</i>
Discrimination controls	1.76 (1.25)	1.28 (0.69)	2.69 (1.51)	-1.41	6.99**
Controls on "hard" drugs	2.52 (1.44)	2.43 (1.34)	2.57 (1.52)	-0.14	0.64
Prostitution controls	3.12 (1.34)	3.11 (1.25)	2.98 (1.47)	0.12	0.58
Gambling restrictions	3.10 (1.35)	3.04 (1.28)	3.20 (1.49)	-0.16	0.73
Gun control	2.14 (1.50)	1.53 (0.97)	3.61 (1.49)	-2.08	10.09**

**0.01; *0.05; †0.10.

discrimination controls and gun control, but by no means staunchly so. On drugs, sex, and gambling, we find no difference between Democrats and Republicans. The stereotype about Republicans being more socially conservative and forbidding on personal activities is not true in our sample of economists.⁹

In this final group of questions, we find another issue (the first being tariffs) upon which economists preponderantly support free-market principles: government ownership of enterprise. Even the Democrats have a mean response above 4.0 (“oppose mildly”). Thus, out of 18 issues, there are two on which the mean response is above 4.0.

As one might expect, the Republicans are significantly more free-market on redistribution, government schooling, fiscal policy, and foreign aid. Here we also find two issues upon which the Democrats are noticeably more libertarian than the Republicans: immigration (though the difference is small), and military activity (the difference is significant but not very large). But overall, we again find that, in general, economists simply do not support free-market principles.

The bottom of Table 3 gives the 18-issue policy index. Economists as a group have a mean score of 2.64. That is, on average, over 18 forms of government activism that any real free-market person would tend to lean against, usually strongly, economists lean slightly in support of government activism. Even among the Republicans, the mean score is 3.20, indicating that the average Republican economist is “middle of the road” on concrete examples of government activism. The average Democratic economist tends to be mildly supportive of government activism. As we saw, Democrats outnumber Republicans 2.5 to 1. Thus, a large majority of AEA members are either interventionist or middle-of-the-road Democrats, and most of the residual are middle-of-the-road Republicans.

VII

Dropping Monetary Policy and Military

HAVING PRESENTED THE BASIC results for the full set of 18 issues, we wish to drop two questions before proceeding. First, the question asking for a view on “Using monetary policy to tune the economy” does not speak clearly to support of free-market principles. The Federal Reserve

Table 3
Views of Economists by Political Party on Government's Role in Society

<i>Issue addressed</i>	All (not just Ds and Rs)		Democratic		Republican		D-R	T-Test
	<i>Mean</i> (<i>St.D.</i>)	<i>Mean</i> (<i>St.D.</i>)	<i>Mean</i> (<i>St.D.</i>)	<i>Mean</i> (<i>St.D.</i>)	Δ	<i>t-value</i>		
Government ownership of enterprise	4.28 (1.07)	4.08 (1.13)	4.70 (0.84)	-0.62	4.41**			
Redistribution	2.13 (1.33)	1.52 (0.80)	3.42 (1.27)	-1.89	10.76**			
Government production of schooling (K through 12)	2.08 (1.34)	1.59 (0.92)	2.97 (1.46)	-1.38	6.80**			
Tuning the economy by monetary policy	1.97 (1.12)	1.70 (0.81)	2.43 (1.42)	-0.74	3.78**			
Tuning the economy by fiscal policy	2.69 (1.37)	2.41 (1.21)	3.37 (1.50)	-0.96	4.45**			
Tighter controls on immigration	3.56 (1.31)	3.64 (1.29)	3.31 (1.40)	0.32	1.56†			
Military aid/presence abroad	2.95 (1.26)	3.18 (1.23)	2.31 (1.15)	0.87	4.91**			
Foreign aid (World Bank, IMF, USAID)	2.20 (1.20)	1.80 (0.98)	3.00 (1.20)	-1.20	6.97**			
Policy index on all 18 issues^d	2.64 (0.72)	2.35 (0.43)	3.20 (0.74)	-0.85	8.40**			

**0.01; *0.05; †0.10.

^dThe mean for the seven Libertarian voters was 4.19, and for the two Green voters 2.31.

Table 4

Policy Index on 16 Issues, Economists by Voting Behavior

	All (not just Ds and Rs)	Democratic	Republican	D-R	T-Value
Policy index (16 issue) mean ^a (<i>St.d.</i>)	2.66 (0.78)	2.34 (0.47)	3.30 (0.79)	0.96	8.94**

**0.01; *0.05; †0.10.

^aThe mean for the seven Libertarian voters was 4.30, and for the two Green voters 2.38.

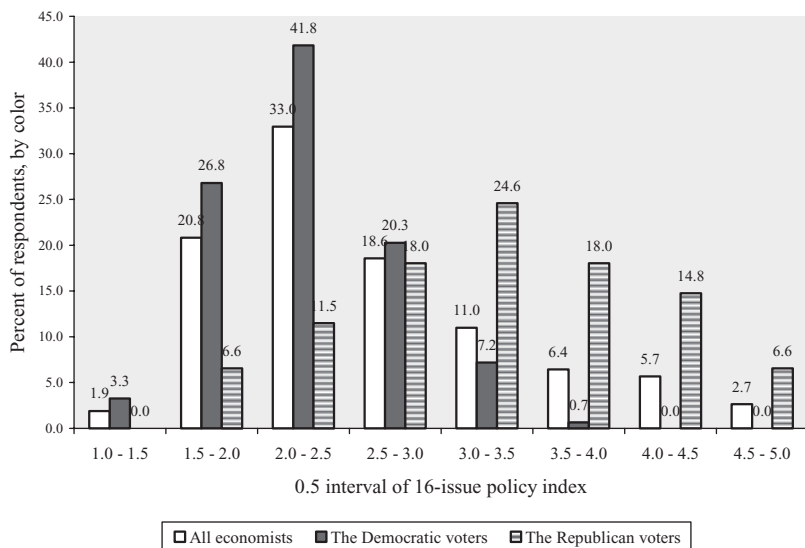
System is a reality, and even those who favor its abolition will say that the Fed needs to make the best of the situation by conducting sensible monetary policy.¹⁰ Moreover, using monetary policy is often understood as an alternative to using fiscal policy, and in that context monetary policy is rightly regarded as generally less political and less interventionist than the alternative. Second, many would argue that the survey question asking view on “American military aid or presence abroad to promote democracy and the rule of law” is not one that speaks to the respondent’s support of free-market principles; after all, pitching in to defeat a Hitler or Hussein¹¹ has a certain libertarian resonance, and many self-described free-marketeers are “hawkish.” We agree that there is some good intellectual justification for disassociating the military question from considerations of support for free-market principles. Dropping the monetary policy and military questions changes the numbers only slightly, yet we think that doing so provides a somewhat cleaner framework for assessing support for free-market principles. The new 16-issue policy index scores are shown in Table 4.

VIII

What Percent Support the Free Market?

WORKING WITH THE 16-ISSUE policy index, we use 0.5 intervals to show three distributions of responses: all economists, the Democratic voters, and the Republican voters. For each group in Figure 1, the numbers add up to 100 percent.

Figure 1

Distributions of 16-Issue Policy Index Scores of Economists
by Political Party

As noted, we maintain that anyone with a policy index score less than 4.0 cannot be considered a supporter of free-market principles (again, 4 corresponds to “oppose mildly” the government intervention in question). As such, we see that only 8.3 percent of AEA members are free-market supporters (in Figure 1, rounding makes it appear to be 8.4 percent, that is, the 5.7 plus the 2.7, but the actual is 8.33 percent). Of those, 59.1 percent are Republican voters, 22.7 percent are Libertarian voters, and the remaining 18.2 percent are those with miscellaneous voting responses. (No Democratic economist in the sample has a score above 4.0. In fact, only one has a score above 3.5.) Moving up to the 4.5 cutpoint to define the “free-marketeer” (or strong supporter of free-market principles), we see that only 2.7 percent of AEA members are free-marketeers.

For the seven respondents who reported voting Libertarian, the mean score is 4.30. We would expect Libertarian voters to be reliable

Table 5
Free-Market Presence Among AEA Members

	N	16-issue policy index	% with score > 4.0	% with score > 4.5	Dem to Repub ratio
AEA members	264	2.66	8.33	2.65	2.5 to 1
• Academic	128	2.67	8.60	3.13	2.9 to 1
• Up to 70	249	2.67	8.03	2.81	2.6 to 1
• Both	119	2.67	7.56	3.36	3.0 to 1

supporters of free-market principles, so their responses show that the survey does capture free-market support.

Even if we lower the cutpoint to 3.5—that is, midway between “have mixed feelings” and “oppose mildly”—the portion of AEA members qualifying as free-market supporters in this weak sense is less than 15 percent. Deirdre McCloskey is very wrong when she says, “Libertarianism is typical of economics, especially English-speaking economics, and most especially American economics” (2002: 19).

IX

The Free-Market Presence Among Active Academic AEA Members

THE DATA PRESENTED ABOVE are the full set of 264 AEA member respondents. One may well seek to know the policy and political views of economists who work as educators. They, especially, shape young minds in the classroom and train graduate students. Table 5 narrows the sample, first, to those who report being employed in academics, and, second, to those who in the year of the survey (2003) were 70 years old or younger (that is, excluding those born 1932 or earlier). Table 5 shows that these narrowings do not make much difference. The bottom row shows that the free-market presence (score > 4.0) declines to 7.56 percent and the Democratic to Republican ratio goes up to 3 to 1.

Why Do People Think that Free-Market Economists Are Common?

AGAIN, IT IS COMMONLY HEARD that “economists generally favor free markets,” and so on. Many people seem to be under the impression that free-marketeers make up, say, 15 percent of all economists. Yet, if only 2.7 percent can be called free-marketeers, and only 8.3 percent of economists support free-market principles, the free-market attribution is curious. Several possible factors help explain why economists have something of a reputation for being free-market.

Possible Explanations of the Free-Market Reputation

AEA not representative of the profession? Maybe the “free market” attribution is more valid than our sample reflects. Maybe our sample is not representative of American economists generally. Our response rate of 26.6 percent is low enough that we should have some concern about response bias—with the interventionist and middle-of-the-road economists being more likely to respond to the survey than the free-market members—but we are inclined to discount the possibility.

Like nearly all the other surveys of American economists, our sample is drawn from AEA membership. A more significant concern arises from the fact that not all economists are AEA members. Siegfried (1998: 217) estimated that the 1996 AEA membership rate among U.S. economics faculty of four-year colleges and universities was between 55 percent and 60 percent. Also, between 1996 and 2003, AEA membership declined by 7.6 percent. Thus, it appears that nearly half of academic economists choose not to be AEA members.

It is indeed plausible that the AEA membership is somewhat (not a lot) skewed to “the left.” Cross-checking voter-registration data for economics faculty at 11 California universities with AEA membership, Klein (2006) provides suggestive evidence that economists registered on the “right” are somewhat less likely to join the AEA than economists registered on the “left.” Evidence of a Democratic tilt in the AEA based on the 2004 election cycle campaign contributions is offered by McEachern (2006). But to really find out if the AEA is unrepresentative of the profession, we would need more research—for example,

sending our survey *with a question about AEA membership* to members of other professional economics associations or individual departments. It might be found that the non-AEA members have higher policy index scores than the AEA members.

We believe that ideological skew in AEA membership does not principally explain the mismatch between actual and attributed free-market support. If so, there is call for other explanations of the mismatch. Here we offer a series of other explanations.

“Free trade” sometimes mistaken for “free market.” This is a minor point, but it struck us in researching the matter. As we have seen, economists preponderantly support free trade. It seems to us that the general public often does not observe the particular meaning of “trade” in that expression. Or, they draw the erroneous conclusion that, if an economist favors free international trade, he or she probably also favors free domestic trade. Thus, favoring free trade gets mixed up with favoring free-market principles generally.

Liberalization sometimes mistaken for “free market.” There is a tendency to identify any degree of liberalization as “free market” reform. Economists who advocate only partial liberalizations, or oppose further restrictions, and who are not, in fact, steady supporters of free-market principles, are often taken to be free-market advocates simply because on the narrow issue they are taking the same position that a bona fide free-market economist would.

Economists are substantially more free-market than others in the social sciences and humanities. Although a large majority of AEA members are interventionist or middle-of-the-road Democrats, as a whole AEA members are substantially more supportive of free-market principles than others in the social sciences and humanities. We also surveyed anthropologists, historians, political scientists, and sociologists.¹² Their scores on the 16-issue policy index are shown in the first column of Table 6. If you placed the average AEA member into any of those fields, he or she would be more free-market than the vast majority of people in that field. Based on a variety of evidence, we are quite sure that economists are exceptional among all of the academic fields in the social sciences and humanities (not just those we surveyed). Thus, to people in all of those fields, it might seem like economists lean against government intervention.

Table 6

The Other Disciplines Make Economists Seem Free-Market
(N = 1,571)^a

	16-issue policy index	% with score > 4.0	% with score > 4.5	Dem to Repub ratio
Economics	2.66	8.33	2.65	2.5 to 1
Anthropology	2.11	0.86	0.86	15.5 to 1
History	2.04	1.01	0.34	6.1 to 1
Political Science	2.10	0.64	0.32	5.5 to 1
Sociology	2.09	0	0	16.0 to 1
Mean of 4 others	2.09	0.63	0.38	10.8 to 1

^aFor all five samples, we are using all association members surveyed (*not* just those employed in academia, *not* just those up to age 70, and *not* just voting D or R).

Economists, then, are free-market compared to other social scientists. What about compared to ordinary Americans? Unfortunately, no one has a good handle on that question. The only survey involving both economists and random (“ordinary”) Americans is the *Washington Post* et al. (1996) survey, which is analyzed by Blendon et al. (1997), and in several papers by Bryan Caplan (e.g., 2001, 2002). Caplan shows that many noneconomists readily fall for elementary falsehoods and fallacies. Caplan himself strongly supports free-market principles, and his articles generally cast economists as a more enlightened group that overcomes the biases of the untrained. Also, he suggests that economists generally get policy issues right (e.g., 2001: 424). Being wise to popular falsehoods about economics, however, does not imply that one is wise to fallacies about government. Academic and establishment elites may be prone to their own set of superstitions and preconceptions. The Fuller et al. (1995) study of economists and Democratic and Republican convention delegates shows that on some issues (such as “government spending should be reduced as a percentage of GDP”) both the Democratic and (especially) the Republican delegates were significantly more supportive of free-market principles, while also often falling prey to dopey economic falsehoods. When we compare to economists, there are issues in how we

define “the average American”; for example, should we strive to control for education, IQ, and other variables? Caplan’s portrayal is probably generally sound as a relative statement (except perhaps on welfare state issues), but the question of whether economists are more free-market than ordinary Americans is complicated and still unresolved.

Almost all (scholarly) supporters of free-market principles are economists. Probably one of the most significant explanations for the erroneous free-market attribution is that almost all scholarly free-market supporters are economists. The center columns of Table 6 show that free-market supporters are practically nonexistent in anthropology, history, political science, and sociology. There is a familiar heuristic bias of confusing a statement with its inverse. That is, if people perceive that every free-market professor is an economist, they may slip into thinking that a preponderance of economists are free-market.¹³

Expert economists often reach a conclusion in favor of liberalization. Another reason people might get the impression that economists are free-market is that in many areas of microeconomic regulation, the expert economists who express a policy judgment do largely reach a general conclusion about the desirability of liberalization. Consider the case of economists’ views on the Food and Drug Administration. In our survey of AEA members, the average (economist) score on “pharmaceutical market regulation by the Food and Drug Administration” was 2.0, or “support mildly.” However, the economists *who study and judge FDA regulation* very clearly come down in favor of liberalization. Klein and Tabarrok (2004) provide 22 quotations from (different) economists who have studied the FDA and expressed a policy judgment, all suggesting of some degree of liberalization (often, major liberalization), while they could find no judgments from like economists in favor of the current extent of control or greater control. If economists who study and judge FDA control were to answer the survey question on the FDA, they would have an average score above 4.0. This general pattern holds for many issues, and has been demonstrated for occupational licensing (Svorny 2004), drug prohibition (Thornton 2004), the U.S. Postal Service (Geddes 2004), taxi deregulation (Moore and Balaker 2006), road pricing (Lindsey 2006), and rail

transit (Balaker and Kim 2006). Accordingly, when economist experts speak on a particular microeconomic policy issue, for many issues they mostly favor reform in the direction of freer markets.¹⁴ When the layman or journalist observes that the economist experts on a policy issue mostly favor liberalization, he or she might conclude that the rest of the economists recognize and accept their conclusions. But, in fact, they don't—again, on the FDA, AEA members' average response was 2.0. People might overestimate the extent to which economists know the results of their own science.

Free-market positions are focal. Another possible factor, for which we cannot cite any hard evidence but nonetheless feel is worthy of consideration, is that free-market economists may be focal. First, there is a simplicity and clarity in free-market principles. In policy discussions, “the free market” will often provide a useful touchstone or foil. The free-market point of view lends itself to simple (and simplistic) formulation of issues and debate, and the words of free-market advocates (Milton Friedman comes to mind) are often simple and memorable because the position is rather clear-cut. The free-market position is singular and hence focal, while intervention is multiple and indeterminate, and hence no particular interventionist scheme is focal.¹⁵

Free-market positions are superior. Here we must openly acknowledge our own conviction that by and large free-market positions are superior and hence, when well argued, have a persuasiveness by virtue of the rightness of the arguments. If free-market positions are superior, it means that good argumentation in their support will resonate better with listeners. We believe that one reason that books like *Economics in One Lesson* and *Free to Choose* remain perennial is that readers appreciate the merit of what those books say.

Part of the wisdom lies in the superior analytic framework. Free-market economists use an intuitive framework of voluntary versus coercive action, corresponding to Adam Smith's principle of “natural liberty.” They say plainly that government is coercive, and that government is just people with all the normal human limitations and failings. This approach leads to a frank, demystified view of government. What is noteworthy is that the economists who oppose freedom downplay that framework but *they never contest that analytic*

framework. They never contradict Milton Friedman or Henry Hazlitt, arguing that the minimum wage (for example) is not coercive,¹⁶ or that government should not be examined with the same dubious eye with which economists examine other people. Consequently, general readers may get the impression that all economists subscribe to Adam Smith's way of seeing the government as essentially coercive and as riddled with pathologies, even though only a small portion of economists really see government that way.

Finally, if free-market positions are superior, then, relative to interventionists and moderates, free-market supporters feel they have an important truth to share, making them more motivated to participate in public discourse and more emphatic and passionate in communication. These factors may help us understand how the leading authority on what academics think, Seymour Martin Lipset, could in 1982 write: "[M]any of the most influential younger scholars in [economics] are supporters of varying forms of antistatist free-market doctrines" (Lipset 1982: 164).

XI

Conclusion

ONLY A SMALL PERCENTAGE of AEA members ought to be called supporters of free-market principles. Whether the AEA is, in this respect, representative of the economics profession is an interesting matter, but we doubt that the AEA is skewed to any great extent. It is puzzling, therefore, that there is a general impression that economists tend to be supporters of the free market. We have suggested several possible explanations for this state of affairs, notably that the support for free-market principles is quite a bit stronger among economists than among others in the social sciences and humanities, and that most scholarly supporters of free-market principles are economists. Finally, we shed the uncomfortable separation of analysis from ideology and suggest that the mismatch between actual and attributed views is partly explained by the superiority of free-market positions.

For free-market economists, the situation is paradoxical. This article helps to disabuse people of a false stereotype. That stereotype, however, is one that the free-market economist wishes were true.

Notes

1. In all three respects, Whaples (2006) and sections of both of the two specialized surveys (one of labor economists, one of public economists) in Fuchs et al. (1998) are very much like our survey in design and spirit (see 1416, 1420).

2. At the survey homepage, <http://www.gmu.edu/departments/economics/klein/survey.htm>, one can view a sample survey and documents explaining the methods, independent control, and certification of the survey results.

3. The survey asks the respondent not only his or her current views on the 18 policy issues, but also what his or her views were when he or she was 25 years old. The when-25 data are not used in this article. Many people returned the survey blank along with a note saying they cannot remember what their views were when they were age 25 or that they did not have decided views.

4. Five respondents checked three or more responses, three checked Democratic and Republican, one wrote in another party, seven wrote that he/she cannot vote, and one wrote that he/she does not vote.

5. A Brookings Institution survey of AEA economists in particular subfields found a ratio of 3.7 to 1 (Light 2001; Brookings 2001: 54). The *Washington Post* et al. (1996) survey with 250 AEA members from certain subfields found 92 Ds, 46 Rs, 98 independents, and 6 others. Voter-registration studies of economics faculty find D:R ratios in the range of 1.6 to 4.3, with the most thorough study finding 2.8 (see Cardiff and Klein 2005: Table 1).

6. The response rates by sector comport with the limited information we have been able to obtain about actual AEA membership. The AEA "General Information" website states: "Over 50 percent of the AEA membership is associated with academic institutions, 15 percent with business and industry, and the remainder largely with federal, state and local government or other not-for-profit organizations" (http://www.vanderbilt.edu/AEA/gen_info.htm, accessed February 16, 2007).

7. See Klein and Stern (2006a) for the complete wording of the policy questions, a presentation of policy-question response frequencies, a ranking of the 18 government actions by level of economist support, and a complete report of responses to the employment question.

8. The *t*-test is a two-sample *t*-test with unequal variances with Satterwaite's degrees of freedom. We are aware that *t*-testing on categorical data is not strictly kosher; however, the mean response tells more than the median and we simply follow through with the testing based on that central statistic. We have also also done the categorical data testing (in both chi-square and Mann-Whitney varieties) and the results are nearly identical to the *t*-test results.

9. Our surveys of anthropologists, historians, philosophers, political scientists, and sociologists find that in those fields the stereotype holds up much

better (Klein and Stern 2005). It is only in economics that Republicans are as libertarian as Democrats on drugs, sex, and gambling.

10. Even the seven Libertarian voters did not show systematic opposition to tuning with monetary policy. Their combined score on that issue was 3.00, their lowest score of all 18.

11. The survey was conducted in March/April 2003, the time of the U.S. entry into Iraq; such timing provides another (albeit minor) reason for removing the military question.

12. In each case, we surveyed members of the American [discipline] Association. We also surveyed members of the American Society for Political and Legal Philosophy, but we omit that group because the Society is not clearly identified with a single academic discipline and in 2003 contained only 486 members. For an empirical analysis of ideological imbalance throughout the social sciences and humanities, see Klein and Stern (2005).

13. It is interesting to speculate on why it is that relative to those in all other disciplines in the social sciences and humanities economists are significantly more free-market, and why economics harbors most of the free-market supporters. Part of the explanation probably is that the discipline of economics has market forces as a centerpiece, and no other discipline has a centerpiece that is so clearly spontaneous in nature (that is, not centrally directed or controlled) and compellingly self-correcting in its mechanisms. In the other disciplines, when centerpieces are highly spontaneous—such as norms or culture—the mechanisms of self-correction are less compelling and simply less intellectually tractable. Economics lends itself to the appreciation of spontaneous order; the other disciplines much less so. Other factors, of course, may also be cited, including the historical development of the various disciplines and the tendency toward ideological reinforcement by sorting and conformity mechanisms.

14. There is no claim here that this situation holds for all or even most microeconomic policy issues.

15. Here we mean *ideationally* focal. For most policy issues there is always an interventionist scheme that is politically focal, namely, the status quo. Economists who defend (or apologize for) the interventionist status quo might make good careers in the academic and governmental apparatus, but are unlikely to reach or inspire many in the general public.

16. Except when pressed, that is (see Klein and Dompe 2007).

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