

Using Economics as a Moral Compass

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Article:

I recently came across a statement that caught my eye: "An economist is someone who believes as a matter of moral justice that the infant-mortality rate should be positive."

Such provocative statements are love poems to economists. We like to see ourselves as purveyors of uncomfortable and surprising truths. It's the Freakonomics mentality.

We're the ones noting that tobacco is actually socially beneficial, once you factor in the Social Security contributions of smokers who die before collecting on them. Or that it was the legalization of abortion in the 1970s that led to falling crime rates in the 1990s. Or that high-interest payday lending actually helps low-income people. We like to go against the grain of the conventional wisdom.

So, the notion that the infant-mortality rate shouldn't be zero sounds like the kind of thing economists say.

However, the invocation of "moral justice" ruins this particular love poem. As written, the statement is wrong. Its source, Duke political scientist Mike Munger, is a smart and engaging scholar. But he was also the Libertarian Party's candidate for governor in 2008, and his statement reveals libertarianism's blind spot regarding economics.

The reasoning behind the infant-mortality claim is as follows. There are benefits from reducing the infant-mortality rate, but there are also costs. Economics looks to balance the two. Eliminating infant mortality altogether would require so much more spending on prenatal care and related services that it would deprive other children of too much education and health care.

As a result, the costs of pushing infant mortality all the way to zero exceed the benefits. In the cold world of economics, that implies that society is best served by a rate that's bigger than zero.

But note that this reasoning says nothing about the moral justification of a positive infant-mortality rate. All it mentions are costs and benefits. Economics is fundamentally amoral. We analyze the market for crack cocaine just as we do for Twinkies.

Besides, costs and benefits can change over time. If a technology was developed that was cheap and able to eliminate all infant mortality, we'd use it. But we wouldn't if there were really a moral imperative to maintaining a positive infant-mortality rate.

Even now, economics sometimes advocates ridding ourselves of social ills. Achieving zero pollution would be too costly, in terms of reduced production and lost jobs. But there are individual pollutants for which emissions have been virtually eliminated, and morals had nothing to do with it. For chlorofluorocarbons (CFCs), it was done precisely because the cost of reducing emissions to zero wasn't high: There are numerous substitutes for aerosols and freon coolants.

Few people would allow their moral compass to be altered by the whims of markets and technology. Therefore, economics has no answers regarding moral justice. All it can do is define the constraints that govern society's ability to achieve its moral goals.

With our current state of knowledge, it's not feasible to eliminate all infant mortality, and trying to do so would be a waste of our resources. But a zero rate is the only morally just goal I can imagine.

This distinction between goals and constraints is libertarianism's blind spot. In libertarianism, economics is morality. Hence listening to libertarians explain economic optimality tends to mislead noneconomists about what is already a confusing field.