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Preface to *Ethics and the Market: Insights from Social Economics*

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Preface

Many economists, when asked about the relationship between economics and other fields, frame their views in terms of the economics imperialism movement of the 1960s and 1970s when democracy, government and politics, crime and punishment, marriage and fertility, discrimination, the law, religion, and other non-economic subjects were explained with neoclassical tools in a methodological individualist manner. There was great confidence for a time in the belief that other disciplines had failed to adequately explain these subject areas, and it was thus widely assumed that the economic method would provide advances that could not be achieved with the methodologies of these other disciplines (Radnitzky and Bernholz 1987). An important test of this assumption was whether those in political science, psychology, sociology, anthropology, and other social science fields agreed that the application of the economic method to those fields produced gains in understanding. It is clear today, however, that the great majority of practitioners in those fields reject the view that the economic method applied to these subject areas offers progress, so that what has in fact happened is that the economics imperialist movement has simply created a parallel universe of interpretations of these subject areas primarily only of interest to economists professionally interested in promoting the expansion of economics.

But there was a further, unanticipated effect of the economics imperialism movement. The suggestion that the economic method could be applied outside economics invited the response that non-economic methods might equally be applied to economics. This “reverse imperialism” movement (Frey and Benz 2004) is most strongly associated with the introduction into economics of ideas from psychology (behavioral economics), biology (evolutionary economics), and most recently neuroscience (neuroeconomics), but also finds important expression in the recent re-invigoration of thinking about the application of ethics to economics (social economics). This volume, *Ethics and the Market: Insights from Social Economics*, collects some of the most recent and most innovative contributions to this last field. As part of the new reassessment of the nature and status of economics in the last two decades (Davis 2006), it

might be termed a new social economics because, rather than having the goal of defending some small place for ethics vis-à-vis an expansionist, positivist economics, the view shared by contributors to this volume is that standard neoclassical thinking offers little compared to an analysis that sees ethical thinking as pervasive in economic life.

There is a difference, however, between this new social economics and the other new movements that have recently emerged in economics. By and large, these other new movements offer a natural science vision of the social economic world. While there are valuable gains to be made in economics by incorporating insights from cognitive psychology, biology, and other natural science fields, that the social economic world is one in which normative value plays a central role implies there are limits to what can be achieved in re-making economics along natural science lines. This volume shows just how much more can be achieved with a broader, more humanistic vision of society and the economy.

John B. Davis

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