

DISCUSSION OF “ECONOMIC EXPERTS VS. AVERAGE AMERICANS” BY PAOLA SAPIENZA AND LUIGI ZINGALES

Robert E. Hall

Hoover Institution and Department of Economics
Stanford University

Session on What Do Economists Think about Major Public
Policy Issues?

AEA Meetings

Anil Kashyap, Organizer

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DISCLOSURES

Robert E. Hall is an active member of the Economic Experts Panel

He is also an active member of an opinionated subset of the panel that negotiates the substance and wording of the questions before the panel gives their answers

He has objected to some proposed questions, sometimes successfully, on the grounds that few members could really be experts in the subject area.

CARBON TAX QUESTION

Do you agree that a tax on gasoline would be a less expensive way to reduce CO₂ emissions than mandatory standards for cars?

Priming group: Prior to being asked about the tax, a respondent was told “Nearly all economic experts agree that a tax on gasoline would be a less expensive way for society to reduce carbon dioxide emissions than mandatory fuel economy standards for cars.”

RESULTS FOR THE CARBON-TAX QUESTION

	<i>Average Americans</i>	<i>Primed Average Americans</i>	<i>Expert Economists</i>
Agreement	22.5	25.7	92.5
Uncertainty	13.8	7.9	5.0

MODEL OF EXPERT INFLUENCE

CT is the event, *carbon tax better than standards*

ECT is the event, *expert economists agree that a carbon tax is better*

$P(\text{CT})$ is the subjective probability that the Average American assigns to CT

Probability among primed respondents:

$$P(\text{CT}|\text{ECT}) = \frac{P(\text{ECT}|\text{CT})}{P(\text{ECT})}P(\text{CT})$$

COMMENTARY

The ratio

$$\frac{P(\text{ECT}|\text{CT})}{P(\text{ECT})}$$

measures how the Average American evaluates the expertise of expert economists. If the ratio is one, the Average American believes that economists disregard the evidence

It equals the ratio

$$\frac{P(\text{CT}|\text{ECT})}{P(\text{CT})},$$

the ratio of the affirmative answers of primed respondents to non-primed ones. This is 0.88, so Average Americans think that economists are Aristotelians, who find the answers from first principles and have little concern for facts.

THE ROYAL SOCIETY, FOUNDED IN REBELLION AGAINST ARISTOTLE



AN ALLUSION TO HORACE:

I am not bound to believe in the word of any master.

The Average American thinks that economists are masters of an alien religion, with teachings no more relevant than Buddha's

BUT...

The model assumes that the Average American respondents who were not primed did not know that economists favored carbon taxes

So another interpretation is that priming had no effect because it conveyed nothing the respondents did not already know

Still, the Average American gives little credit to expert economic opinion.

WHERE DO THE AUTHORS STAND?

From the abstract: “Ordinary people seem to be skeptical of some of the implicit assumptions embedded into the economists answers, and *probably for good reasons.*” (emphasis added)

Nonetheless, Luigi voted *strongly agree* on the carbon-tax question...