

“Complex Econogenic Harm: How Economic Policy Can Harm the Worse-Off in Society with Examples from Today”

Academic Center for Equity and Inclusion (ACEI)
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“Complex Econogenic Harm: How Economic Policy Can Harm the Worse-Off in Society with Examples from Today”

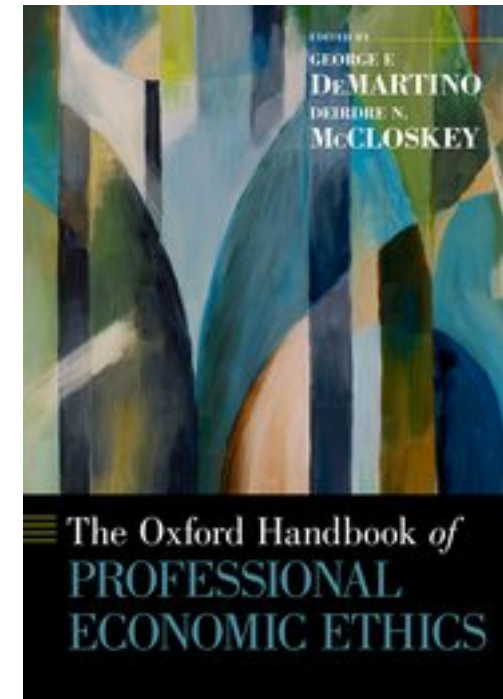
Motivation:

To show that accepted wisdoms about trade and monetary policy might be questioned as regressive, i.e., certain policies can harm the ‘poor’ and help the ‘rich’ as well as bring psychological harm to those not directly affected.

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Motivation (cont.):

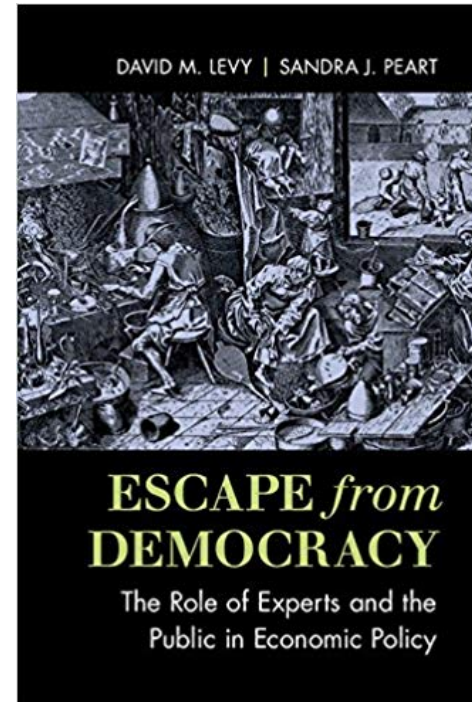
Researchers (esp. DeMartino 2011, 2016) have been studying the harm that economic policy can do, this harm is called ‘Econogenics’.



“Econogenic Harm”

Motivation (cont.):

Other researchers show that the turning-over of policy to experts rather than to open discussion is damaging to democracy itself.



“Complex Econogenic Harm”

Some econogenic harm and redress may be measurable and compensated (England’s Slavery Abolition Act of 1833).

Other econogenic harm is not quantifiable but nonetheless can bring harm: complex psychological harm such as civic alienation, loss of self-respect, creation of fear and empathy towards those adversely affected by policy.

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Next we look at specific examples of complex econogenic harm based on some of today’s economic policies in the United States.

Like all psychological states, identification of harm is a question of subjectivity.

What follows are my own identifications of complex econogenic harm. Others may differ.

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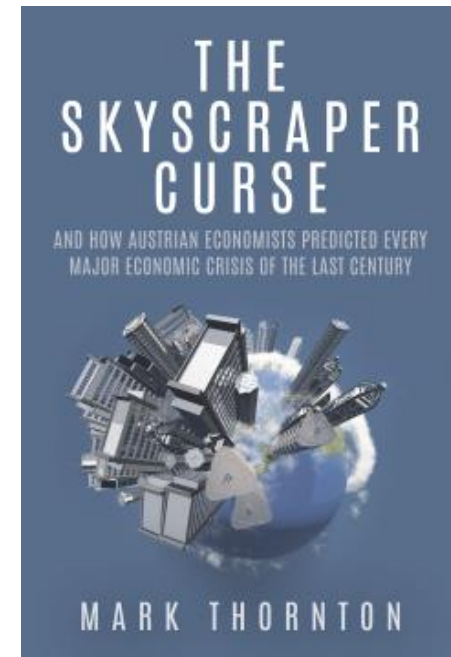
Monetary policy.

When the central bank pursues a low-interest rate “easy money” policy, this creates distortions in the economy which benefit the more wealthy at the expense of those with less disposable income.

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Monetary policy (cont.)

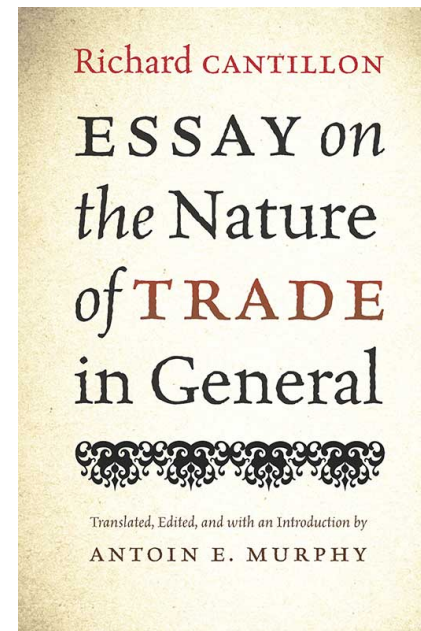
‘Easy money’ means asset prices go up (real estate, the stock and art markets). Only the more wealthy can afford to invest in these markets and take advantage of the asset price increases.



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Monetary policy (cont.)

‘Easy money’ also means that the prices of ordinary goods and services increase more than they would absent ‘easy money’. This harms the worse-off in society who have less disposable income to buy the necessities of life.



“Complex Econogenic Harm”

Monetary policy (cont.)

Therefore, status-quo monetary policy can bring complex econogenic harm. We can feel empathy towards those harmed by regressive policy and envy towards those who benefit by it.

We can also feel a sense of civic alienation in a society which does not identify nor address this policy-created source of inequality.

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Trade policy.

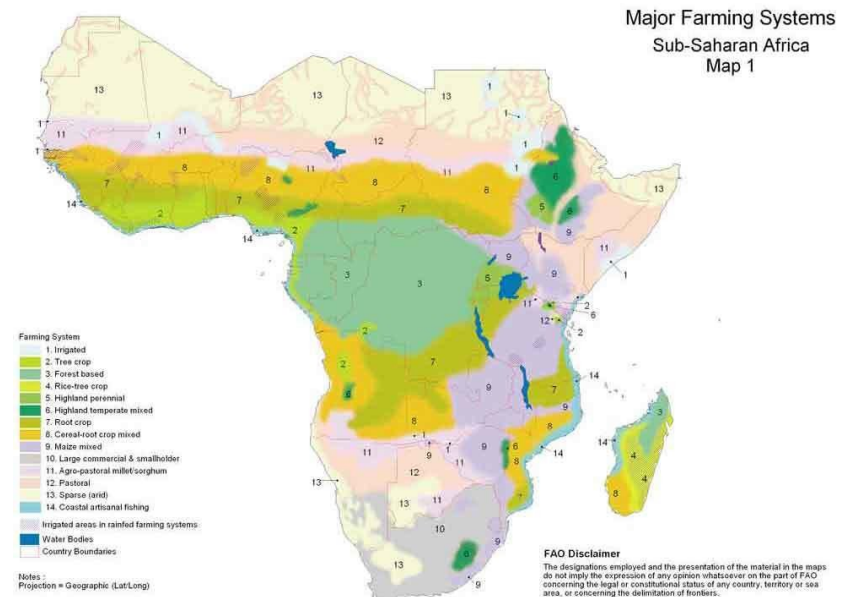
The USA places trade barriers against the free-importation of Chinese solar panels. This means that those who want to exercise their choice to reduce climate change through the use of alternative energy have to pay more to do so.

This creates econogenic harm in that those who are fearful of climate change are less able to do something about it. We also know from history that trade war can lead to real war.

“Complex Econogenic Harm”

Trade policy (cont.)

The USA places trade barriers against the free-importation of African agriculture products. This means that more than 600 million Africans have difficulty growing out of subsistence agriculture and miss having the opportunity for higher standards of living, including lower infant mortality rates.



“Complex Econogenic Harm”

Trade policy (cont.)

US agriculture policy and trade policy with Africa creates complex econogenic harm in that we can be empathetic towards those whose life-options do not include capacities for an increase in economic well-being.

And we can experience civic alienation in a society which perpetuates these regressive policies.

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Conclusion:

The first step towards addressing complex econogenic harm is identification of this harm. I hope that this presentation has been helpful towards this end.

Thank you.

