Identification Problems in Economic Enlightenment Surveys: A Comment on Buturovic and Klein

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ABSTRACT

Buturovic and Klein (2010) argue that “economic enlightenment” is strongly related to political ideology, with conservatives and libertarians registering as more “enlightened” than moderates and liberals. The authors cite Hayek’s claim to be able to see into the “ethos” of the left, but one could easily furnish equally unelaborated insights from other economists about how conservatism “leads nowhere… satisfies no ideal… conforms to no intellectual standard.”

Such politically motivated salvos are galvanizing for the like-minded, but do not offer much in the way of a falsifiable hypothesis.

This weak theoretical backdrop for the author’s findings is even less satisfying because it is complemented with such problematic empirical analysis. The paper is burdened by a severe identification problem that should have precluded any firm conclusions from being drawn, not to mention later claims in the press that those findings were “unequivocal”. Essentially, the authors present one equation in three unknowns. Three factors can contribute to the “accuracy” of a response to the Zogby survey: a respondent’s (1.) “economic enlightenment”, (2.) likelihood of responding normatively to a positive question, and (3.) the compatibility of the positive “answer” and the respondent’s normative position on...
the issue. With no clear identification strategy, the authors assert that observed differences are attributable to the first factor.

Previous survey instruments designed to deal with precisely this identification problem were eschewed by the authors as too “dry”. This claim is rather subjective, but it is a legitimate reason for drafting a new survey. Nevertheless, more interesting content is useless if the survey is not designed to address basic identification problems. Before reading the paper, my assumption would have been that:

1. “Economic enlightenment” is relatively unrelated to political ideology,
2. Propensity to respond normatively to a positive question is relatively unrelated to political ideology, and
3. Normative answers to most economic questions by more conservative or libertarian respondents would be more “accurate” by virtue of the general compatibility between the normative positions of conservative and libertarian ideology and many positive findings in economics.

These assumptions of mine are corroborated (although not proven) by Buturovic and Klein’s results. They are further confirmed by the fact that the greatest observed difference in “accuracy” on questions occurs precisely where one would expect the greatest difference in normative positions. For example, liberals were more likely to respond “inaccurately” on questions that considered the needs of low income households than on questions with less ideological cogency. The differential between these more and less ideologically cogent questions is not especially obvious if you assume, with Buturovic and Klein, that real differences in “economic enlightenment” are driving the result. It would not make sense for someone to understand supply and demand in the market for medical services but not in the market for apartments, but it would make sense for them to have divergent normative positions on these two markets.

It is important to recognize that this concern is quite different from Buturovic and Klein’s second caveat. It is not simply an issue of whether some questions are so charged that they cause certain people to respond with prefabricated positions; my point is that we would expect to see these differentials even if each ideological group had an identical distribution of likelihoods of responding normatively. The argument is not simply that some “enlightened” liberals may respond normatively to a question and be counted as a false negative. It is equally

3. Although if this was perceived as the heart of the issue by the authors, the reader justifiably wonders why such charged questions were even included in a survey ostensibly designed to identify real differences in “economic enlightenment”. Such charged question would seem to militate against confidence that the findings were truly reflecting “economic enlightenment”, so why were they chosen?
likely that unenlightened conservatives and libertarians may respond normatively as well, thus introducing a false positive.

My response so far has deliberately avoided any discussion of the questions themselves, primarily because my critique of the fundamental identification problem would still stand, even if the survey instrument was unimpeachable (I do not think it is). Without a way of isolating which of the three factors outlined above contributed to a respondent’s answer, greater clarity in the questions themselves, greater fidelity to the literature in identifying specific answers as “enlightened”, or more questions that challenge conservative and libertarian ideology would not, on their own, provide a reasonable way of arbitrating between Buturovic and Klein’s interpretation of the results and my interpretation (which was also confirmed by their results). Nevertheless, the conspicuous lack of specificity in almost all the questions does make untangling the identification problem even more difficult than it might have been with a survey instrument more conscientious of these empirical wrinkles. Survey design cannot simply be an exercise in assuming that respondents will adopt the authors’ preferred interpretation of the question. Survey designers need to anticipate divergent interpretations, or seek out better existing data. Instead of getting a satisfactory explanation for the vagueness of the survey instrument, critical readers are accused by the authors of being “tendentious and churlish”.

In addition to Hayek’s insights, Buturovic and Klein favorably cite Bastiat’s critique of the left. They would have done better to adhere to Bastiat’s maxim that we should consider both the “seen and the unseen”. When respondents answer ostensibly positive questions about economics, the easiest approach is to assume a real difference in “enlightenment.” But what remains “unseen” (and empirically unidentifiable with this data) is whether other differences between respondents are driving the results. Unless the authors can provide a sound way of arbitrating between alternative explanations (such as mine) and their interpretation, it’s difficult to see what their analysis contributes. We are still left with divergent understandings of the relationship between political ideology and “economic enlightenment” which are both seemingly supported by the data. Addressing this identification problem is essential for any future work on this issue.

References

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Daniel Kuehn is a Research Associate in The Urban Institute’s Center on Labor, Human Services, and Population, where he has worked for four years. His research focuses on statistical evaluations of federal employment programs, unemployment, unemployment insurance, youth employment, and the high-skill labor market. He has also contributed to work on youth policy and asset building in low income families. Daniel earned a master’s degree in public policy from The George Washington University, specializing in labor market policy, and he has a bachelor’s degree from the College of William and Mary in economics and sociology. In the fall of 2010 he will be applying to doctoral programs in economics, where he hopes to study labor market dynamics and the macro-economics of labor. His email is dan.p.kuehn@gmail.com.

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