

David Levy

2012 History of Economics Society Distinguished Scholar Citation

The Distinguished Scholar Citation Committee deemed an eloquent letter of support by Steven N. Durlauf as the appropriate citation to be read at the 2012 History of Economics Society Conference for it vividly captures the distinction of both David's character and the content of his research:

I am writing in support of David Levy's nomination for the Distinguished Scholar Award from the History of Economics Society. Over the years I have had the opportunity to interact with David on numerous occasions; combined with my steady consumption of his research, I am comfortable making an assessment of his scholarly merits. That said, I realize this is an unusual endorsement letter in that it comes from someone who is very far from expert in the history of economic thought. I hope that this letter will be of value in illustrating how David's work is assessed by and has influenced someone outside the community of history of thought scholars.

My overall view is simple: David is a brilliant scholar and I endorse this application in the strongest possible terms. Without exaggeration, I can say that David is one of the most extraordinary intellects in the economics profession. The breadth of this erudition and remarkable fertility of his mind make him one of the few economists in the world who is a complete intellectual.

Highlighting David's many contributions to the study of the history of economic thought is impossible in a recommendation letter. Rather, let me self-servingly identify two major research programs that have influenced my own thinking and research. The first program, joint with Sandra Peart, focuses on analytical egalitarianism and involves the study of the evolution of economic thought concerning the fundamental equality of persons and groups of persons. Culminating in the absolutely fascinating book "The 'Vanity of the Philosopher: From Equality to Hierarchy in Postclassical Economics,'" David has produced a remarkable account of the susceptibility of economists to arguments about innate differences between individuals and groups, arguments that have all too often proven (especially with reference to groups) to be invalid. As a large scale contribution to the history of thought, the research program is a stark warning about recent efforts to attribute differences in socioeconomic outcomes between genders and races to genetics. But the research program goes beyond this to make a powerful argument that moral considerations justify a strong presumption of equality in economic reasoning. The argument is philosophically sophisticated and I think compelling. It is also the best example I know of in which historians of economic thought are able to rebut the fact/value dichotomy that is a basic hidden assumption in so much economic theory. My own research has accepted this presumption as a key modeling primitive.

The second research program of David's which I regard as path breaking involves his study of expertise. Again, this has been conducted with Sandra Peart. (The fact that I focus on two research programs in which David works with his lifetime major coauthor should have no bearing on the merits of David's receiving the award. It simply means I think Sandra Peart is also very deserving!) This research program has involved understanding the informational limits that so-called experts face and understanding the ways in which expertise can become overvalued. This work, which will again culminate in a book, is of particular importance when considered against the background of economic turbulence over the last 5 years. Experts represent one of the key mechanisms by which information is obtained by the public. Their role becomes increasingly vital as a society becomes more complicated. In this sense, experts represent the information side of the division of labor; for example, voters do not have the ability (or time) to develop forecasts of the effects of policies, so experts are needed. A major component of the Levy/Peart work is the examination of how the incentives that experts face determine the nature of the expertise that they

make available. This is a critical insight as it allows one to be able to evaluate the conditions under which expertise may be skewed. In turn, David's analysis has implications for how policymakers should solicit expert advice. I consider the project of first order importance as a piece of social science. And it is easy to see that the project has implications for political science, political philosophy, and the philosophy of science. Methodologically, the project reflects David's deep commitment to historical approaches of analysis as well as his formal technical skills. Again, speaking for myself, this work has made me rethink questions involving policy evaluation in the presence of expert ignorance as my work has neglected the incentive issues that David raises.

As these brief descriptions indicate, David is that rare scholar who transcends fields within economics. To give one example, his careful exploration of the partial spectator in the *Wealth of Nations* ("The Partial Spectator in the *Wealth of Nations*: A Robust Utilitarianism," *European Journal of the History of Economic Thought* 1996) not only provides insights into Adam Smith's thinking, but provides a new perspective on outside observer theories of justice of the type pioneered in modern economics by John Harsanyi. Another example is his 1989 *Journal of Legal Studies* paper "The Statistical Basis of Athenian-American Constitutional Theory." This study provides a way of understanding how the political institutions of ancient Athens, notably the use of lotteries to choose officials, may be understood as a sensible mechanism for aggregating the citizenry's preferences, while at the same time economizing the costs of collective decision making via voting in open assemblies. David is able to make a persuasive case that the Athenian institutions successfully adjudicated these competing desiderata. He further shows how the formation of factions can undermine the ability of the Athenian polity in this respect and links this analysis to James Madison's arguments on the danger of factions. David moves seamlessly from a careful analysis of classical texts describing the Athenian democracy to discussions of formal mathematical results in social choice theory to foundational issues in statistical decision theory in developing his analysis. The paper is a tour de force and I do not know any other scholar who could have written it.

To summarize, David Levy is a scholar of extraordinary depth and creativity. While I do not presume to judge David's work within the context of studies of history of thought, I can say that there is no historian of thought of whom I am aware whose work is so important for current debates in economic theory and econometrics. He could represent an inspired choice for the Distinguished Scholar Award.

Sincerely,

Steven N. Durlauf

Vilas Research Professor
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