

REPORT OF THE COMMITTEES NOMINATED BY THE ISRAEL ECONOMIC  
ASSOCIATION

**1) Guidelines for a Code of Ethics for Economists**

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Those dealing with economics are involved in all levels of life in Israeli society. Despite this, there has so far been no code of ethics developed for those working in the field of economics. Therefore, the President of the Israel Economic Association, Prof. Joseph Zeira, decided together with the Association's council to establish a committee that will formulate guidelines for a code of ethics for economists.

The following are the Committee's recommendations:

**A. Target population – Those working in economics**

- Economic issues are dealt with by graduates of a number of academic specialties, including Economics, Statistics, Business Administration, Accounting, and more.
- Therefore, it is agreed that the target population of the Code consists of all those **working** in the profession of Economics in its broad sense—research, teaching, policy, analysis of economic issues, budgeting, building databases, economic advisors, and writing economic opinions (hereinafter, the members).

**B. Purpose of the Code of Ethics**

- To promote the values of respect for the person and mutual respect, honesty, integrity, fairness and professionalism among the members.
- To formulate the members' commitment toward the public, their employers and their peers.
- To contribute to anchoring the profession's credibility and respect for the profession among the public.

**C. Values of the profession**

**Respect for the person and mutual respect**

The members shall act respectfully toward any person or entity with whom they are in professional contact, shall develop fair and respectful conversation, and shall act in a befitting manner to resolve disputes.

**Honesty and integrity**

The members are committed to maintain proper behavior, to avoid conflicts of interest, to behave fairly, in a businesslike manner and in good faith, and to act reliably and transparently.

**Professionalism**

The members shall act with professionalism and responsibility based on the best existing knowledge in Economics and in fields that interface with it, and with the practical experience accumulated in the field. They must ensure their professional development, remain up-to-date, and obtain regular professional training with the knowledge that has been accumulated in the field and in interfacing fields.

**D. Guiding principles****1. General**

**Respect for the law**—The member shall uphold the language and spirit of the law.

**Incorruptibility**—The member shall not accept or give any benefit or gift, the value of which exceeds what is reasonable.

**Duty to warn**—In a case where a member is present at an activity that is illegal, immoral, or where he is required to act in such manner, he must alert the appropriate authority and/or any authority that has the power to prevent such activity about it.

**The employer and/or workers' representative shall protect** anyone who alerts an authority about an illegal or unethical activity, and shall prevent that person from suffering damage as a result of the alert.

**Conflict of interests**—A member shall avoid any action that poses a conflict of interests, and shall notify those involved in the matter, including his employers, or any action that poses a conflict of interests or where such conflict may develop.

**Information privacy**—A member shall avoid the use of the employer's databases and any internal information other than for the purpose of his work, and shall avoid publishing information that may cause damage to concerned parties, and shall avoid giving any benefit

to others. The member shall be extra cautious with all internal information, so that it shall not be misused by any other entity.

**Responsibility**—A member shall fairly use the authorities and responsibility inherent in his position, and shall avoid the exploitation of his position.

## ***2. The member's commitment to the public good***

The member shall propose and implement solutions that ensure the public welfare. In a case where the proposed solution may have negative side-implications for the public welfare, the member must alert his employers transparently and fairly of those implications in detail. The member shall be extra cautious where those implications may affect a large number of people.

These norms also apply to alternatives proposed by others.

## ***3. The member's commitment as an employee***

A member shall respect his employer, shall act toward him in a trustworthy manner, and shall assist in advancing tasks assigned to him.

## ***4. Commitment among members***

Members are committed to upholding fair competition, while maintaining mutual respect.

## ***5. The member's commitment as an expert or as an arbitrator***

A member who serves as an expert shall provide a position or opinion that is objective, professional and credible, based on reliable facts and figures and on relevant considerations only. The member shall reveal any connection with a party at interest in his opinion.

**As an arbitrator**, in addition to what is stated regarding an expert, the member shall strive for a solution that is fair to all parties involved in the issue, and shall recommend ways to prevent breakdowns or disputes in the future as required.

## ***6. The employer's and manager's commitment toward employees***

The member shall respect his employees, shall act toward them fairly and taking their needs into account, and shall assist them as much as possible in obtaining complementary knowledge and professional updates through various means of professional training.

The member shall maintain proper working conditions for his employees, and shall maintain a secure and healthy working environment.

### ***7. Enforcement***

Work in economics does not require a license and there is no organization covering all those working in the profession, or even those with an academic degree in Economics. Given these factors, it is not possible to enforce the Code. However, there is tremendous value in formulating and promoting it as a joint and agreed-upon covenant of the community of economists in the State of Israel.

It is proposed that the Israel Economic Association consider establishing an ethics committee that will discuss and clarify current problems that may arise in the field of ethical behavior of those working in economics. Even if the authority of such a committee is limited to publishing its findings, it will contribute to the internalization of the Code of Ethics and to the entrenchment of trust and respect for the profession among the public.