

## A Note upon Ethics and Economic Modeling

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### **Ethic is defined to include the following**

1. “Moral- if they reflect individual’s values and those of society.
2. “Immoral- if they go against individual’s value or Societies.
3. “Amoral (asocial) - if they do not reflex choice based on values or social norms.
4. Economic function of individual or society [Maximization of profit or minimization of costs i.e. frugality, savings, investment etc.]

### **Development of Social Sciences and Ethics**

One can trace the development of ethics from fifth centuries BC to Greek sophist, Protagoras who argued that “moral rules were conventions created by society rather than absolute truths. He emphasized that these are necessary for society to function. They could be challenged and changed. Both Plato and Aristotle wanted to go beyond this idea of conventional morality. They should link between virtue and happiness in order to find more objective basis on formal rules in accord with nature, this Aristotelian views were linked to the growth of knowledge based on natural law.

There is debate about the function of rules in a society given in Plato’s Republic. Thrasymachus argues that conventional justice promotes the interest of the Rulers and the base for ethics is self interest. Glaucon replies that if everyone acts for self interest or self motives, then all we end up suffering in some way exploited by others. The conventional rules therefore is not acceptable. Plato took their debate further pointing up that all elements in society needs to work air together for general health of the whole.

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Both Plato and Aristotold could be said to base ethics nupon reason Value free ethics is meaningless it could be argued that of application of ethic is based on reason and experience.

### **A parallel development has taken place in the digital phenomena**

A computer is logically effective but cannot have morality and immorality because it lack and internal setups values with which to assess the choices. A computer & based on binary principles and has memory cells am storage capacity and can be called back. But the choice is limited.

The big look al early debate on social ethics listed three points.

1. "Society imposes and encourages moral principles in order to maintain social cohesion and minimize the damage that done by the exercise of unbridled individual desires.
1. Any moral and legal system will therefore result of negation between the needs or society and the freedom of the individual.
03. Rational argument about the needs of individual or of society spring from values' judgment and pre supposition.

For looking at moral issues concern with law and order and punishment that society on those imposes who break laws involved three questions:-

01. "Does society need this particular law for least well-being (Humanities First consideration).
02. Has the law advisor a suitable balance between any conflicting needs of an individual and society.
03. Upon what values is it based, and are these values widely accepted by society."

The analysis lists question of law, order, rules, regulation, execution and all others need to humanism.

The current thought of social contract theory as proposed by professor john Rawles, In his book, a theory of justice (1972) in terms of two principles:

01. Each person has equal right to the maximum amount of liberty, compatible with Liberty for all.
02. Inequalities are to be allowed only there is reasons to think will benefit the least well off in society.

**Part-II**

The question of economic modeling is as accepted by economists is discussed under micro, macro, static and dynamic consideration. There are two type of models namely 1 (one) mathematical-Algebraical utilizing strastics, called (2) econometric model-Mathematical models are developed as linear, non-linear continous, dynamic and sequence model; and the econometric models by the use of elementary statistical, simple regression, multivariate and multiple relations.

A model is simplified reality bounded by time and space called R chequing observed elements which are to be systemizea because of differences for relevancy or adequacy-an objective is required-a set of observation might be termed a model-which are being analyzed under exposition, (1) Descriptive model, (2) Explanatory model (3) Forecasting model (4) Policy model/Decision Model.

These models are utilized to explain economic and social phenomena.

Two approaches have been defined:

Integrated & not interacted.

Is it value tree?

An objective function has to be defined to find solution for constrained optimum by the use of a computer.

The discussion assumes system. The system must have open. It is the thought that protestant. Ethics help investment growth and can brought about/financing industrial revolution in Britain and Europe.

This leads one to think in terms of a educational and scientific estate.

