Economic Ethics for Real Humans
The Contribution of Behavioral Economics to Economic Ethics

LISA HERZOG

Wirtschaftsethik für menschliche Wesen – Der Beitrag der Verhaltensökonomie zur Wirtschaftsethik

This paper discusses how economic ethics can profit from taking into account the results of behavioral economics. In contrast to the neo-classical mainstream of economics, behavioral economics does not presuppose the model of 'economic man', but explores the ways in which real human beings make economic decisions. The example of akrasia and its effects on old-age saving shows that behavioral economic research opens new fields for economic ethics. A central ethical aspect in this context is the question about the moral autonomy of economic agents. A Rawlsian approach shows that opt-out systems, which take into account typical behavioral tendencies, can, under certain conditions, be a way of combining the desiderata of supporting rational behavior and safeguarding autonomy.

Keywords: Economic Ethics, Behavioral Economics, Economic Methodology, Akrasia, Libertarian Paternalism

1. Introduction
In Pushkin’s novel The Captain’s Daughter young Pjotr Andrejitsch starts his own life, after leaving his parents’ estate, by losing hundred rubles when drinking and playing cards with a stranger. His old valet Saweljitsch is horrified: how could the young gentleman fool away his money like that? But Pjotr Andrejitsch insists on being his own master and pays his debts, although secretly repenting his carelessness (Pushkin 1992).

It can be painful to see others behave irrationally. Why do people not always act on the basis of good reasons, why do they violate their own principles? Moral philosophers have pondered upon this question since ancient times. Aristotle identified akrasia, ‘lack of mastery’, as culprit. While Socrates held that the one who knows what is right will always act accordingly, Aristotle skeptically remarked that this “contradicts things that appear manifestly” (Aristotle 1985: 1145b). A person afflicted with akrasia goes against reason due to some pathos (‘emotion’, ‘feeling’). This weakness of the will, affecting behavior towards others as well as behavior towards oneself, leads to actions which the actor condemns beforehand and regrets afterwards.

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* The article has been subject to a double blind peer review process. Date of submission: 6th September, 2007; revised version accepted for publication: 14th June, 2008.

** Dipl.-Vw. Lisa Herzog, New College, Holywellstreet, UK-OX13BN Oxford, Great Britain, phone: +44-(0)1865-280000-x21122, e-mail: lisa.herzog@new.ox.ac.uk, fields of expertise: behavioral economics, economic ethics, political philosophy.