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TEXAS TECH
Research & Innovation

McLane Teammates Reading Program

Paternalism

Participants examine policies such as prohibiting harmful substances, requiring contributions to Social Security, or mandating the use of seatbelts and helmets, which are justified on the basis that individuals will be better off or less harmed as a result. When individuals prefer not to comply, these policies raise the question of paternalism: Key questions include:

- Are people fully rational, as many economists believe?
- How should individuals be treated if they are less than fully rational?
- What distinguishes hard paternalism from soft paternalism?
- Should governments nudge people into making better decisions by altering how choices are presented (libertarian paternalism)?

Reading Schedule

Session 1 – Standard Economic Models of Decision Making

- Becker, Gary. (1993). “The Economic Way of Looking at Behavior.” *Journal of Political Economy*, 101(3), 385-409. Accessed at <https://www.jstor.org/stable/2138769>.
- McKenzie, Richard. (2018). “Adam Smith’s ‘Propensity to Truck, Barter, and Exchange’: A Brain-Focused Perspective.”
- Levitt, Steven D., and Stephen J. Dubner. (2005). “Introduction: The Hidden Side of Everything.” In *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*. New York, NY: William Morrow and Company of Harper Collins. 1-13.
- Alchian, Armen. (1950). “Uncertainty, Evolution, and Economic Theory.” *Journal of Political Economy*, 58(3), 211-221. Accessed at <https://www.jstor.org/stable/1827159>.

Session 2 – Predictably Irrational: Biases and Blunders

- Thaler, Richard, and Cass R. Sunstein. (2008). “Biases and Blunders.” In *Nudge: Improving the Decisions About Health, Wealth, and Happiness*. New York, NY: Penguin Group. 17-39.
- ——— (2008) “Following the Herd.” 53-73.
- Ariely, Dan. (2008). “The Truth About Relativity.” In *Predictably Irrational*. New York, NY: Harper Perennial. 1-23.
- ——— (2008). “The Fallacy of Supply and Demand.” 25-53.
- Brooks, David. (2011). “Who You Are.” *The New York Times*. October 21. Accessed at <https://www.nytimes.com/2011/10/21/opinion/brooks-who-you-are.html>.



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Session 3 – Paternalism

- Dworkin, Gerald. (2019). "Paternalism." *The Stanford Encyclopedia of Philosophy*, Edward N. Zalta (ed.). Fall Edition. Accessed at <https://plato.stanford.edu/archives/fall2019/entries/paternalism/>.
- Scoccia, Danny. (2008). "In Defense of Hard Paternalism." *Law and Philosophy*, 27(4), 351-381. Accessed at <https://www.jstor.org/stable/27652656>.
- Read, Daniel. (2006). "Which side are you on? The ethics of self-command." *Journal of Economic Psychology*, 27(5), 681-693. Accessed at <https://doi.org/10.1016/j.joep.2006.04.005>.

Session 4 – A Brain-Focused Foundation for Economic Science

- McKenzie, Richard. (2010). "Problems with Behavioral Economics." In *Predictably Rational? In Search of Defenses for Rational Behavior in Economics*. Germany: Springer Berlin Heidelberg. 227-263.
- McKenzie, Richard. (2010). "Predictably Irrational or Predictably Rational." *The Library of Economics and Liberty*. January 4. Accessed at <https://www.econlib.org/library/Columns/y2010/McKenzierrational.html>.
- McKenzie, Richard. (2018). "On Diet Cokes and Brain-Focused Economics." *The Library of Economics and Liberty*, March 5. Accessed at <https://www.econlib.org/library/Columns/y2018/McKenziebrain.html>.
- McKenzie, Richard. (2019). "Market Competitiveness and Rationality: A Brain-Focused Perspective." *The Library of Economics and Liberty*. October 7. Accessed at <https://www.econlib.org/library/Columns/y2019/McKenziemarketcompetitiveness.html>.

Session 5 – Libertarian Paternalism, Nudges, and Choice Architecture

- Thaler, Richard, and Cass R. Sunstein. (2008). "When Do We Need a Nudge?" In *Nudge: Improving the Decisions About Health, Wealth, and Happiness*. New York, NY: Penguin Group. 74-82.
- ——— (2008). "Choice Architecture." 83-102.
- ——— (2008). "A Dozen Nudges." 231-238.
- Thaler, Richard. (2015). "The Power of Nudges, for Good and Bad." *The New York Times*. October 31. Accessed at <https://nyti.ms/1Llk4yk>.



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Session 6 – Libertarian Paternalism: A Slippery Slope?

- Whitman, Glen, Richard Thaler, Jonathan Klick, and Shane Frederick. (2010). “Slippery Slopes and the New Paternalism.” *Cato Unbound: A Journal of Debate*. Accessed at <https://www.cato-unbound.org/2010/04/05/glen-whitman/rise-new-paternalism>.
- Thaler, Richard, and Cass R. Sunstein. (2008). “Objections?” In *Nudge: Improving the Decisions About Health, Wealth, and Happiness*. New York, NY: Penguin Group. 239-254.
- Becker, Gary. (2007). “Libertarian Paternalism: A Critique.” *The Becker-Posner Blog*. January 14. Accessed at https://scholar.harvard.edu/files/goldin/files/goldin_aeapress_2014_1.pdf.

Session 7 – Application: Government Nudges

- United States Government. (2016). *Social and Behavioral Sciences Team: Annual Report*. Office of Science and Technology Policy. Accessed at: <https://sbst.gov/download/2016%20SBST%20Annual%20Report.pdf>.
- Aimone, Jason A. (2015). “Some Rules for Behavioral Science.” *Nature*, 526, 323. Accessed at <https://doi.org/10.1038/526323e>.
- Thomas, Michael. (2019). “Reapplying behavioral symmetry: public choice and choice architecture.” *Public Choice*, 180, 11-25. Accessed at <https://doi.org/10.1007/s11127-018-0537-1>.
- Hargreaves Heap, Shaun P. (2017). “Behavioural public policy: The constitutional approach.” *Behavioural Public Policy*, 1(2), 252-265. Accessed at <https://doi.org/10.1017/bpp.2016.8>.

Session 8 – Applications: Anti-Obesity Paternalism

- Hoffer, Adam, and Todd Nesbit. (2018). “Taxation as Nudge: The Failure of Anti-obesity Paternalism.” In *For Your Own Good: Taxes, Paternalism, and Fiscal Discrimination in the Twenty-First Century*. Arlington, VA: Mercatus Center at George Mason University. 305-322.
- Miller, Roger L., Daniel K. Benjamin, and Douglass C. North. (2017). “The Economics of Obesity.” In *The Economics of Public Issues*. New York, NY: Pearson. 46-52.
- Skipper, Robert A. (2012). “Obesity: Towards a System of Libertarian Paternalistic Public Health Interventions.” *Public Health Ethics*, 5(2), 181-191. Accessed at <https://doi.org/10.1093/phe/phs020>.
- Lusk, Jason. (2013). “The Thin Logic of Fat Taxes.” In *The Food Police*. New York, NY: Crown Forum. 137-158.



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Session 9 – Applications: Saving, Investing and Gambling

- Thaler, Richard, and Cass R. Sunstein. (2008). “Save More Tomorrow.” In *Nudge: Improving the Decisions About Health, Wealth, and Happiness*. New York, NY: Penguin Group. 74-82.
- ——— (2008). “Naïve Investing.” 120-133.
- Leitzel, Jim. (2007). “The Internet and Vice.” In *Regulating Vice: Misguided Prohibitions and Realistic Controls*. Cambridge, UK: Cambridge University Press. 216-246.

Session 10 – Applications: Prohibition

- Leitzel, Jim. (2007). “Prohibition.” In *Regulating Vice: Misguided Prohibitions and Realistic Controls*. Cambridge, UK: Cambridge University Press. 93-139.
- Miller, Roger L., Daniel K. Benjamin, and Douglass C. North. (2017). “Sex, Booze, and Drugs.” In *The Economics of Public Issues*. New York, NY: Pearson. 37-45.
- Hoffer, Adam, and Todd Nesbit. (2018). “Prohibition by Price: Cigarette Taxes and Unintended Consequences.” In *For Your Own Good: Taxes, Paternalism, and Fiscal Discrimination in the Twenty-First Century*. Arlington, VA: Mercatus Center at George Mason University. 327-347.
- Frank, Robert. (2018, January 5). “Why Even Tougher Regulations on Smoking Are Justified?” *The New York Times*. Accessed at <https://nyti.ms/2F4a4Sj>.

Session 11 – Applications: Repugnant Markets and the Future

- Thaler, Richard, and Cass R. Sunstein. (2008). “How to Increase Organ Donations.” In *Nudge: Improving the Decisions About Health, Wealth, and Happiness*. New York, NY: Penguin Group. 177-184.
- Miller, Roger L., Daniel K. Benjamin, and Douglass C. North. (2017). “Kidneys for Sale.” In *The Economics of Public Issues*. New York, NY: Pearson. 53-60.
- Roth, Alvin E. (2007). “Repugnance as a Constraint on Markets.” *Journal of Economic Perspectives*, 21 (3), 37-58. Accessed at <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.21.3.37>.
- Salam, Reihan. (2014). “It’s Time for Legalized Prostitution.” *Slate Politics*. July 31. Accessed at <https://slate.com/news-and-politics/2014/07/legalized-prostitution-theres-no-way-to-end-demand-for-sex-work-so-why-are-sweden-and-canada-trying.html>.
- Roth, Alvin E. (2017). “In 100 Years.” Accessed at <https://stanford.edu/~alroth/papers/100%20years.pdf>.