Libertarian Paternalism

1 Definitions

Libertarian: People should be free to choose; individual choices should not be blocked (p. 234). No coercion is involved (p. 236). It is "relatively costless for people to obtain their preferred outcomes" (p. 252).

Paternalism: a policy “counts as ‘paternalistic’ if it attempts to influence the choices of affected parties in a way that will make choosers better off” (p. 234). Contrast: making policy by attempting “to track people’s anticipated choices” (p. 235).

2 Examples

2.1 Choices and interests.

1. Chess (p. 235).
2. Health: fat, smoking, drinking (pp. 237–8).
3. Savings: median vs. actual portfolio (pp. 238–9).
4. Insurance: when was the disaster (p. 239).

2.2 Framing effects

1. Medical choices: 90% live vs. 10% die (p. 233).

2. Cafeteria, which food first (pp. 235–6).
3. Future generations: no stable preferences (pp. 247–8).
4. Stocks vs. bonds (p. 251).
5. Health: avoid thinking about risk (p. 251).

2.3 Defaults and anchors

1. Automatic savings (pp. 233–4, 253–4).
2. Pre-tax parking: opt-in or opt-out? (pp. 239–40).

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1 Policies that block choices for the chooser’s own benefit are also paternalistic, albeit not in ways that “libertarian paternalists” advocate. (p. 252).
3. Retirement savings: opt-in vs. auto enroll [law] (pp. 240–1).
4. Required car insurance: high vs. low default [law] (pp. 244–5).
5. Vacation: bargain up or sell down [law] (p. 245).

6. Car safety: willingness to pay varies with starting point [anchor] (pp. 246–7).
7. Organ donation: opt-in vs. opt-out (pp. 254–6).

3 Two theses

1. Strong thesis: even libertarians will manipulate preferences and choices in the ways the article describes. E.g. since preferences do not predate social contexts, it is a “misconception” to think that “there are viable alternatives to paternalism” (p. 235). Paternalism is “inevitable” (pp. 250–3).

2. Weak thesis: the paternalistic policies described in the article are compatible with libertarianism because they always include individual options to opt out of a benefit. By contrast, other paternalistic policies, like mandatory seat belt laws, block choices (p. 234).

4 What’s the political philosophy?

1. Libertarianism as a political theory motivated by individual autonomy or welfare (p. 233).

2. Libertarianism based on a view about the state, what it can and cannot do; e.g. the social contract does not give the state the power to act paternalistically.

3. Democracy as a third alternative.

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2 Since third parties are the beneficiaries, this isn’t paternalism but, rather, “libertarian benevolence”.

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