

Pure Paternalism: *How can it be efficiency increasing?*

Paternalism is based on the assumption that the governing powers are the best judge of what is in the interest of the people. Even though it is a relatively unpopular concept in this age of distrust of government, various arguments are put forward in this paper in support of how paternalism may be efficiently utilized.

Paternalism is a practice or system in which an individual or state interferes with another person against that person's will.¹ The idea stems from the Socratic-Platonic principles of [macrocosm and microcosm](#), according to which the government system should be patterned after the family system. According to this theory, the government should control its citizens like a father controls his children. Paternalism does not give its people autonomy. Its justification is: Why let an individual make the wrong decision when it could have been avoided? Dropping out of school, squandering one's savings, and falling into addiction are all bad things that do not contribute to the good of society, so why let this happen if it can be avoided? Those who stumble can end up as a big expense to society, so steering them in the right direction is worthwhile.² These are the sort of arguments used by the advocates of paternalism. Opponents of paternalism often say that it is an invasion of privacy and liberty.

[John Stuart Mill](#), a famous opponent of paternalism but an advocate of [utilitarianism](#) said: "The only purpose for which power can be rightfully exercised over any member of a civilised community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant...Over himself, over his own body and mind, the individual is sovereign."³ This argument by Mill concerning when the government should interfere in our lives is an externality argument. It states that if our wrong actions affect others, they create a negative externality that the government should step in and stop. A utilitarian would argue that if one's actions harm others then government intervention is a good thing. A person would be worse off because there would be a disutility to him from him being forced to do something against his will, but others would be better off as a result.

Paternalism can be looked at in this externality context, and always be beneficial from a utilitarian's perspective, because creating a cost for one person for the benefit of a larger public is an efficient outcome. For the purpose of this paper I am going to look at pure paternalism only. Pure paternalism does not create externalities. It states that "the class being protected is the same as the class being interfered with."⁴ A paternalistic act

¹ Gerald Dworkin, "Paternalism", [The Stanford Encyclopedia of Philosophy](#), Winter, 2005 Edition.

² Richards Reeves, "Even in a truly liberal society, paternalism must sometimes prevail", [New Statesman](#), Jan. 2005: p46.

³ John Stuart Mill, "On Liberty", London: Longman, Roberts & Green, 1869; Bartleby.com, 1999.

⁴ Dworkin, "Paternalism".

in this sense is one that is intended to be beneficial for a person, that does not adversely affect or violate the interests of others, but that is against that person's wishes.

To view paternalism from the standpoint of economists, it is important to assume that individuals do not know their [preferences](#) and that they are plagued with [miswanting](#) (even though economists usually assume that people do know their preferences). Paternalistic actions are justified by a claim that the person affected by the paternalistic action will be better off as a result or protected from harm.⁵ There is little economic justification for paternalism if one assumes we know our own preferences and are correctly informed. Determining the appropriate amount of paternalism or when it should be used requires that the decision maker knows the preferences of others. Another significant assumption to be made is that the governing powers that enforce the paternalism are acting or trying to act in the best interest of the individual.⁶ Without this assumption, the paternalistic effect could never be fully justified, as the recipient could not receive any beneficial effect at all.

It is important to distinguish between welfare and moral paternalism, because the justifications are different. Welfare paternalism is justified in terms of intervening for the purpose of making a person's life better for a physical or psychological condition. Stopping a person from swimming alone at night would be an example of welfare paternalism because it is dangerous to that person's physical condition. Moral paternalism is justified in terms of intervening for the sake of saving that person's moral well-being.⁷ Its proponents would argue, for example, that prostitutes benefit from being prohibited from practicing the profession, even if they make a decent living and their health is protected, because it is morally corrupting to sell oneself for sex. An economist would say that if persons do not know their preferences, then it is justified to prevent these acts because they are detrimental from a physical and moral standpoint.

When people are known to be miswanting, or acting in a way that is contrary to their own good, there is an argument that it is legitimate to intervene to prevent them from achieving the wrong ends.⁸ If a person is believed to be acting irrationally, for instance if a man tries to jump off a bridge thinking that he will fly, it is acceptable to stop him as long as there is proof that the person thinks he will fly. This would be an efficient outcome from a utilitarian's perspective because the man is known to be miswanting, he thinks that when he jumps off the bridge he will fly. We are assuming that the costs to the thwarted jumper are less than the benefit he will receive from his life being saved. Of course, there would be an inefficient outcome if the man were trying to commit suicide. The man would be worse off in this new scenario because he was not miswanting; he wanted to die. According to this view of strong paternalism, it is appropriate to interfere with errors of fact but not mistakes regarding values.⁹ If the person is known to be miswanting then it is efficient to interfere, but if not, then it would

⁵ Dworkin, "Paternalism".

⁶ "A Dollop of Paternalism," [Business Week](#) 25 Apr. 2005: p.142.

⁷ Bernard Gert and Charles Culver, "The Justification of Paternalism," [Ethics](#) Jan, 1979: p204.

⁸ Gert and Culver, p208.

⁹ Dworkin, "Paternalism".

be inefficient, even if suicide is a mistake of value. These are pure paternalistic scenarios because we are not taking into account the negative externality to society from seeing or knowing a man jumped off a bridge.

If we know the preferences of someone and they are not choosing their best option, it is beneficial to force them to do what is actually their preference. For example, if it is known that a person prefers safety to comfort, then it would be right to force that person to wear an uncomfortable seatbelt. There would be a temporary disutility from forcing the seatbelt on them, but a larger gain to them for their safety, and when they realize that it was done in their best interest. This is based on the assumption that their safety is of a greater value than the forcing of a seatbelt. Even if we do not know that a person prefers safety to comfort but it is widely agreed that safety is more important, then requiring the seatbelt would be justified. The person would be assumed to be miswanting and would be better off having this welfare paternalism forced on him.

Gambling on the waterways of Missouri is an example of an act controlled by paternalistic laws. Currently there are 10,000 people who are not allowed to gamble on the riverboats for the rest of their lives.¹⁰ If they try to get on one of the boats they could be arrested for trespassing and lose any money they may have won. Importantly, however, the people on the blacklist actually barred themselves from gambling. According to this plan, people who are self-confessed gambling addicts can get help from the state for their problem. These laws are known as soft paternalistic laws. In most cases, soft paternalism means that the government gives people a choice of what they feel is in their best interest. For instance, if someone wanted to commit suicide, or die by euthanasia, he should be able to do so as long as he is acting voluntarily and knowledgeably. In the words of John Stuart Mill, “When a person’s conduct affects the interests of no persons besides himself...society should have no jurisdiction over it”.¹¹ He thought that harm to oneself alone was not a sufficient reason for the state to limit a person’s freedom.¹² Pure paternalism would be a good thing in this case if the assumption were made that people miswant. The gambling addicts would be suffering the costs of wasting their time gambling, and squandering their money. Having a governing force intervene and disallow gambling for this person would be a [pareto improvement](#) because both negative effects would be eliminated.

The fact that consent was given by the gambler to stop gambling justifies the paternalistic act to stop it. Consent assures the paternalism is justified and does not violate autonomy.¹³ Paternalism can also be justified if the person whose autonomy was violated later comes to understand and appreciate the outcome. For example a man is prohibited from using heroin, but years later he realizes that this was the best thing that ever happened to him, because as a result he is able to improve his living conditions and quality of life.

¹⁰ “The Avuncular State,” *The Economist*. 4 Apr. 2006: p68.

¹¹ Mill, “On Liberty”.

¹² “The Avuncular State,” *The Economist*. p69.

¹³ Douglas Husak, “Paternalism and Autonomy” *Philosophy and Public Affairs*, Winter, 1981: p30.

Forced pension schemes are another type of paternalism. Studies have shown that most Americans don't know how beneficial pension plans can be.¹⁴ Many fail to enroll not because they have made a conscious decision against it, but because they have simply not considered it at all, or that enrolling is cumbersome.¹⁵ Paternalism in this instance would be a good thing, for it is clear that Americans are miswanting, by not thinking ahead to their retirement. They do not know the decision that is in their best interest. The cost of freedom of choice lost by these people surely would not outweigh the benefits they could gain through the pension plan. This is an example of paternalism with minimal costs and large benefits.

The efficient amount of paternalism is an individualistic issue. It is very difficult to distinguish the conditions and circumstances in which more good than harm is done. The line between the unnecessary restriction of freedoms and acting for the good of the public is very fine. Everybody has different preferences on what is psychologically, physically, or morally right or wrong, or good or bad for themselves. When it is assumed that people miswant and don't know their preferences then the issue becomes much less ambiguous. In this case, whatever the governing power assumes is right will happen through paternalistic laws. As long as the personal gain is greater than the actual cost through the loss of liberty and privacy, a utilitarian would argue that paternalism should be used. Educating people as to what are the correct decisions would reduce the costs to people who do not know their best interests and are miswanting. This would also lead to more people to choose the more efficient option and help create a better amount of paternalism. Setting up systems in which people are automatically in a certain program but can later opt out, if it causes more harm than good for the person, would also be very helpful to increase efficiency. Finally, if people are able to bar themselves from certain activities that they realize to be harmful, and which a governing power could later enforce, would also increase efficiency. Paternalism can improve people's choices and also rescue them from their own worst tendencies so long as people believe in the good of the paternalistic act.

¹⁴ "The State is Looking After You," The Economist. p15.

¹⁵ "The State is Looking After You," The Economist. p16.