

Being good and doing good in behavioral policymaking

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Abstract

Libertarian paternalism (LP) draws on behavioral economics to advocate for non-coercive, nonfiscal policy interventions to improve individual well-being. However, growing criticism is encouraging behavioral policymaking—long dominated by LP approaches—to consider more structural and fiscally impactful interventions as valid responses to behavioral findings. Keynesian social philosophy allows behavioral policymaking to incorporate these new perspectives alongside existing LP approaches.

Evidence for Practice

- Behavioral biases may occur because of environmental circumstances, so some behavioral findings may support more interventionist policy responses.
- Interventions which seek to alleviate the impact of environmental circumstances (being-good policies) are consistent with liberal principles and behavioral findings.
- Libertarian paternalist interventions (doing-good policies) may be a sufficient response to behavioral biases when more coercive policy approaches create policymaking uncertainty.

INTRODUCTION

Libertarian Paternalism (LP) is a political-economic doctrine which outlines how behavioral economics *ought* to be used in public administration and policymaking, with a focus on policy interventions that encourage people to make choices which will enhance their well-being. It has seen reasonable success in the past two decades, at least insofar as ‘nudges’—the archetypical LP intervention—and ‘behavioral insights’, have been widely adopted by policymakers (e.g., Hallsworth & Kirkman, 2020; Thaler & Sunstein, 2021).

Whether specific LP interventions have been successful as policy tools—ultimately accomplishing the social change desired by policymakers—is less certain (Mills & Whittle, 2023). Recent years have seen various criticisms raised. Some challenge the empirical evidence supporting LP approaches to public administration, pointing to the small effect sizes associated with LP interventions (Maier et al., 2022). Others suggest LP interventions, even if there is some effect, are rarely effective enough given some policy challenges, instead often distracting from more

effective policy approaches by emphasizing individual-level rather than structural-level policy responses (e.g., Chater & Loewenstein, 2023; Ewert, 2020). For these critics, LP interventions often overpromise, while crowding out political interest in policies which may deliver better outcomes. Others still argue LP interventions might be effective, but often as devices for achieving political ends, rather than as means of realizing policy objectives (Eaglesham, 2008; Mills & Whittle, 2024). For instance, Eaglesham (2008) has suggested LP interventions are politically advantageous during fiscally austere periods because they are cheap, and while not necessarily effective policy responses, they allow politicians to *appear* to be acting.

Finally, some suggest LP is too quick to attribute various behavioral results to individuals’ inherent cognitive limitations, rather than situational factors which sap cognitive resources, such as material hardships (Curchin, 2017; Schilbach et al., 2016). This being so, alternative—and perhaps more interventionist—policy responses may be warranted. At the least, some argue behavioral policymaking may benefit from incorporating

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situational interpretations of behavioral results alongside LP approaches (Duckworth et al., 2018), and being more willing to advocate for fiscal policy interventions as responses to some behavioral findings (Kremer et al., 2019).

While this article focuses on these situational interpretations, all these criticisms challenge behavioral policymaking to be more open to structural, ‘interventionist’ approaches, at least in some instances. This is a difficult demand for LP, given it generally discourages interventions which mandate, ban, or “significantly [change] economic incentives” (Thaler & Sunstein, 2008, 6). In proposing LP, Thaler and Sunstein (2008, 253) dub it the “real third way” insofar as it is a “middle ground” between an interventionist state (the example given is that of the Roosevelt administration) and a *laissez faire* approach. Thus, while in principle an LP advocate may not *always* oppose coercive, fiscal interventions, LP advocates would generally try to avoid such interventions (Curchin, 2017; Halpern, 2015).

This article reassesses LP to articulate a new approach for behavioral policymaking. This is achieved through introducing Keynesian social philosophy (Keynes, 2017). Keynes’ social philosophy is one deeply concerned with questions of liberty, the conditions through which people can achieve better lives, and the circumstances under which others may justifiably intervene to help someone achieve this goal. Thus, it covers much ground that interests LP proponents, and offers important principles which might even be construed as *libertarian paternalist*.

By distinguishing *being good* from *doing good*, Keynesian social philosophy offers a doctrine which accommodates both fiscal and nonfiscal behavioral interventions. Being good means intervening to create the conditions for one to be good in themselves. Doing good means intervening to encourage one to act in a way someone else has determined to be good. This article argues that many situational interpretations of behavioral findings could support ‘being-good’ policies, insofar as alleviating the situations in which people make poor decisions, without directing those decisions, allows those people to be good in themselves. LP interventions are typically ‘doing-good’ policies, but as this article shows, of the kind that Keynes suggested were acceptable in an uncertain world. Thus, this article presents a social philosophy for behavioral policymaking which incorporates both emerging interventionist arguments with established LP practices, offering a positive conceptual contribution to behavioral policymaking and public administration.

The conceptual nature of this article warrants a somewhat unconventional structure, as individual conceptual pieces must be developed before the full jigsaw can be assembled. Section 2 outlines what LP is. Section 3 argues that LP adopts a conceptually narrow view of bounded rationality, and shows how a broader view invites consideration of situational factors in human behavior. Section 4

introduces Keynesian social philosophy as a potential guide for behavioral policymaking given this broader view. Section 5 brings these pieces together. Section 6 considers some practical challenges and limitations of this synthesis. Section 7 concludes.

WHAT IS LIBERTARIAN PATERNALISM?

Two LP principles are accepted immediately for brevity and discussion purposes. Firstly, that people have ‘true’ preferences which differ from their revealed preferences (Thaler & Sunstein, 2003). The notion of a ‘true’ preference is contentious insofar as it is often loosely defined.¹ This article broadly defines a ‘true’ preference as an option a person could choose which would not result in subsequent regret. Secondly, that failure to satisfy one’s ‘true’ preferences arises because of behavioral ‘biases’ (e.g., Kahneman, 2003; Thaler & Sunstein, 2008; Tversky & Kahneman, 1974).

LP holds that people are ‘boundedly rational,’ (Simon, 1955) meaning, that individuals do not always make choices following rational expectations theory in economics (Simon, 1997; Thaler & Sunstein, 2003). Instead, people are said to deviate from rational expectations in a systematic, ‘biased’ manner (e.g., Kahneman, 2003; Sunstein, 2013; Tversky & Kahneman, 1974). Individuals have numerous biases, from overvaluing the present (e.g., Laibson, 1997) to excessively fearing losses (e.g., Kahneman & Tversky, 1979). Perhaps the most famous bias is the *status quo bias* (Samuelson & Zeckhauser, 1988), which finds that people typically choose whatever option has been preselected for them, rather than ignoring preselection and evaluating each possible option before selecting the option which is best for them (as rational expectations theory would suggest).

LP holds that these biases cause people to make choices they subsequently come to regret (Thaler & Sunstein, 2008). For instance, purchasing junk food when one is dieting because one (erroneously) overvalues the immediate pleasure of junk food while (grossly) undervaluing the delayed benefit of better health (the present bias). These everyday ‘errors’ may justify policy interventions by way of ‘correctives’ (Camerer et al., 2003; Sunstein, 2013; Thaler & Sunstein, 2003). The most famous of these corrective techniques is *nudging*.²

Nudges “steer” (Sunstein, 2015, 417) individuals toward choices which more closely align with their ‘true’ preferences. For instance, asking people to increase pension contributions out of their *future* wage rises levers the present bias (the tendency to overvalue the present relative to the future; Frederick et al., 2002; Laibson, 1997) to make the ‘loss’ of income (to savings) feel smaller than if the same ‘loss’ were paid out of present income (Thaler & Benartzi, 2004). Interventions, such as nudges, are the paternalist element of LP insofar as the benevolent (or at

least well-meaning) public administrator steers citizens toward choices they have determined to be in citizens' interests (Battaglio et al., 2018).

LP is said to be libertarian insofar as these interventions do not prevent people from 'going their own way' (e.g., Camerer et al., 2003; Sunstein et al., 1998; Thaler & Sunstein, 2003). Libertarianism is understood as freedom of choice in the Friedmanite tradition (Friedman & Friedman, 1980; Thaler & Sunstein, 2008). This restricts LP interventions to policies which do not significantly *change* options through banning or mandating choices. Under LP, only the "choice architecture" (Thaler & Sunstein, 2008, 3) surrounding options, such as the order, style, and context in which choices are presented, should be changed, thus preserving freedom of choice. Furthermore, "significant" economic incentives (ibid, 6) are to be avoided. What counts as "significant" is typically unspecified, though is generally considered to not involve taxes or other fiscal interventions which change the economic costs of options (Sunstein, 2013). LP is thus often described as a type of "soft paternalism" (Sunstein, 2013, 57) compared with the 'hard' paternalism of mandates, bans, taxes, and monetary incentives.

BEHAVIORAL BIASES AND SITUATIONAL INTERPRETATIONS

LP has been criticized for being neither libertarian (e.g., Henderson, 2014; Rebonato, 2014; Rizzo & Whitman, 2020; Ryan, 2018; Sugden, 2009; Sugden, 2013; Veetil, 2011)³ nor paternalist (Bubb & Pildes, 2014; Cartwright & Hight, 2020; Conly, 2013; Conly, 2017).⁴ However, recent perspectives focus on the limits of LP's 'soft paternalism', and suggest that behavioral biases may be demonstrative of the need for various structural fiscal policy interventions (e.g., Bubb & Pildes, 2014; Chater & Loewenstein, 2023; Curchin, 2017; Duckworth et al., 2018; Kremer et al., 2019). A fuller exploration of bounded rationality demonstrates how this alternative interpretation emerges (also see Battaglio et al., 2018).

Bounded rationality, as developed by Herbert Simon, is determined by physical, social, and informational limits on human cognition (Simon, 2000, 46). These include both individual limitations (e.g., expertise, knowledge, intelligence) and environmental limitations (e.g., distractions, material impediments, uncertainty; Simon, 1981, Simon, 1956, Simon, 1955). The bounds of rationality describe an individual's ability to *adapt* to a given task (Simon, 1981). Newell and Simon (1972, 55) famously characterize bounded rationality as two blades of a scissors: "[J]ust as a scissors cannot cut paper without two blades a theory of thinking and problem solving⁵ [i.e., bounded rationality] cannot predict behavior unless it encompasses both an analysis of the structure of task environments and an analysis of the limits of rational adaption to task requirements."

In the language of bounded rationality, when LP argues individuals often fail to pursue their 'true' preferences, one might say individuals are maladapted to the decision presented to them. Yet, there are different ways of understanding this problem, and thus formulating policy responses (see Figure 1).⁶

Consider the following example. Simon (1987a, 1987b) champions computers as 'decision support systems' to assist decision-makers. He argues that experts, through training, practice, and so on, are typically well-adapted to their task environment, and can make good decisions using intuition. However, distractions in the task environment—such as excessive, unnecessary information—can undermine expert intuition, leading to worse decisions. Thus, Simon argues, computers should remove unnecessary information, changing the task environment so that it places fewer unnecessary demands on experts' cognitive resources. This would free up these resources for experts to make better decisions for themselves. This is not dissimilar to many views of communication and information management within public administration, where organizations should adopt structures which enable an efficient flow of relevant information to those best equipped to use it (Cantarelli et al., 2023; Simon, 2000; Taylor & Williams, 1991).

Some recent, LP-adjacent, perspectives on computers in decision-making understand decision-making challenges quite differently, and thus prescribed a different role for computation. For instance, Sunstein (2023a) argues that experts (e.g., judges, doctors) often make biased decisions, while computers are considered less biased. For instance, judges deciding whether to grant bail may overweigh the importance of a defendant's current charge, and underweigh their conviction history, while a computer algorithm can have fixed weights determined in accordance with judicial procedures (Kleinberg et al., 2018). While *some* experts may make better decisions, it is argued that these are a minority of decision-makers. On average, Sunstein (2023a) suggests algorithmic decision rules will lead to better outcomes than expert intuition. Thus, computers should decide and then *suggest* outcomes to experts, steering experts toward these outcomes.

This difference in perspective emerges through different interpretations of bounded rationality (see Figure 1). For Simon, individuals are well-adapted, but can become frustrated by the environment. The task environment may thus be changed to facilitate greater individual adaptation to it (see Figure 1e). As Simon (2000, 47) notes, the limits (or boundaries) of rationality are "variable limits" which can be changed through interventions (see Figure 1f). For LP advocates, individuals are often biased, and interventions must aim to steer biased individuals through the task environment *toward* better choices (choice architecture), rather than alleviating factors which constrain the limits of individual rationality itself (thus

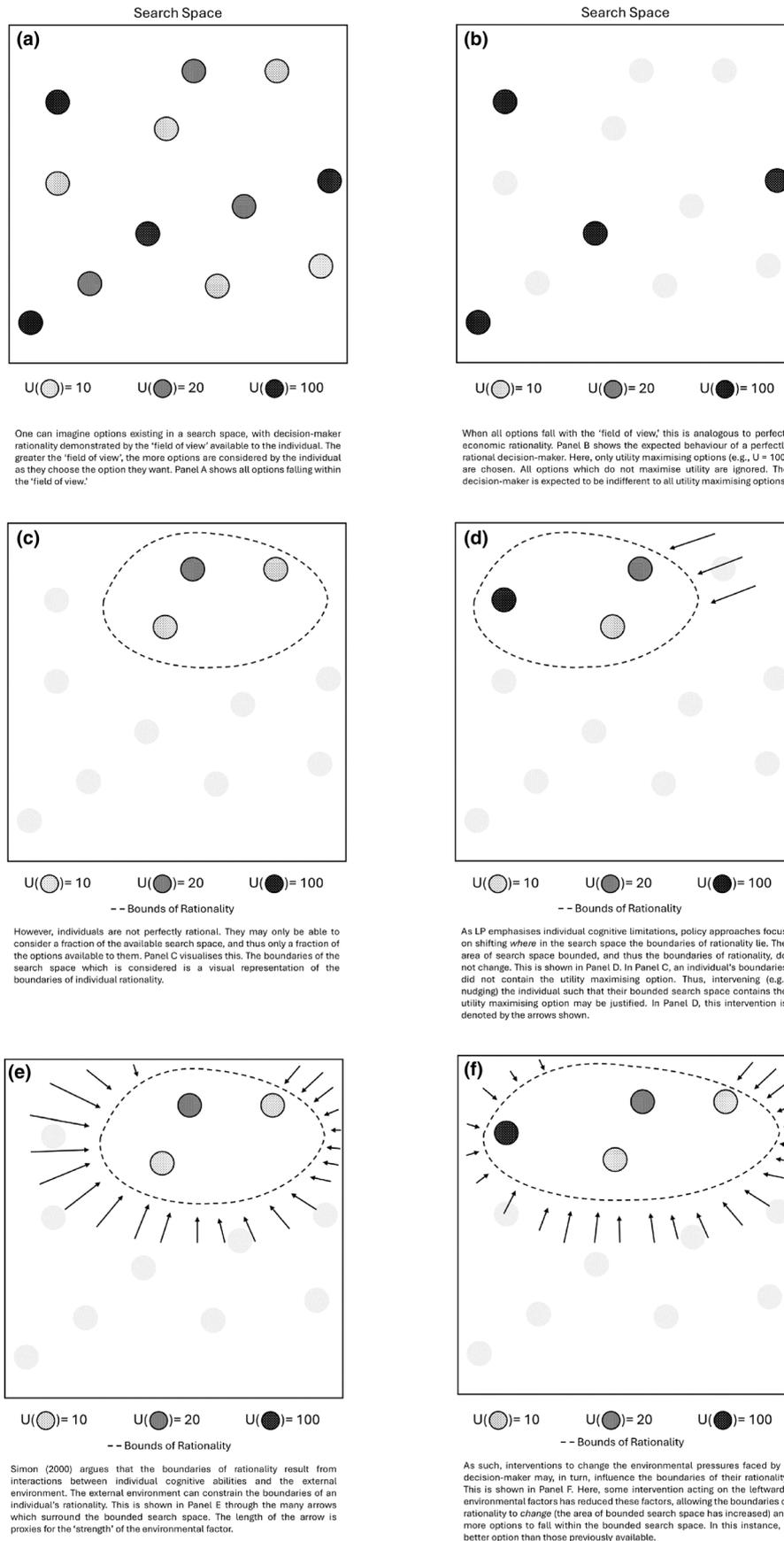


FIGURE 1 Visualizations of (bounded) rationality.

creating the conditions for individuals to judge for themselves what choices they desire).

LP approaches minimize the potential role that environmental (or situational) factors play in *shaping* the cognitive resources which an individual can exercise (Petraçca, 2021).⁷ In turn, this influences the set of policy interventions which LP considers viable from a behavioral perspective (ignoring, for a moment, any political advocacy).

LP interventions such as nudging do not expand the limits of a person's rationality. Instead, they *operationalize* the 'biased' thinking which emerges from a person's boundaries of rationality (see Figure 1c,d).⁸ Operationalizing a bias simply *shifts* the boundaries of rationality away from potentially regretful outcomes and toward better outcomes, without affecting these boundaries, and thus, a person's adaptive abilities (see Figure 1d). The result is people do not necessarily choose better options because they have decided these options are worthwhile on merit. Rather, options are chosen through the same biased cognitive processes which—absent of any intervention—would simply lead to choices that individuals would regret (Duckworth et al., 2018).

For instance, consider the status quo bias once again (Samuelson & Zeckhauser, 1988). This bias is often observed when choices involve a default option—the option a person would receive if they did nothing (e.g., Jachimowicz et al., 2019; Madrian & Shea, 2001). Setting 'worse' options as the default may lead people to choose options that they come to regret; setting 'better' options as the default may lead people to choose options more aligned with their 'true' preferences (Thaler & Sunstein, 2008). Changing the default does not involve changing the capabilities a person has to evaluate the options available to them. That LP interventions do not expand the limits of rationality has been a source of some criticism in the literature (e.g., Hertwig & Grüne-Yanoff, 2017).

While choices may be subject to systematic biases, they also exist within situational contexts (i.e., their environment). Context may influence a person's choices by influencing the limits of rationality, and thus how they cognitively navigate the choice. For instance, Simon (2000) argues stress limits one's rationality. He (Simon, 2000, 137) notes that "A choice between undesirables is not a choice but a dilemma" and suggests that dilemmas induce a strain on rationality in the form of stress, resulting in worse decision-making. He observes that people often "postpone" dilemmas and, instead, prioritize choices without immediate negative outcomes—what today one would associate with the present bias (Frederick et al., 2002).

Several recent contributions (e.g., Duckworth et al., 2018; Haushofer & Fehr, 2014; Mani et al., 2013; Schilbach et al., 2016; Shah et al., 2012) have investigated links between socioeconomic factors, such as economic and time poverty, and effective decision-making. This has

led to the development of the theory of cognitive load (e.g., Deck & Jahedi, 2015; Drichoutis & Nayga, 2020; Schilbach et al., 2016). It contends that situational factors (e.g., poverty, stress, scarcity) sap 'cognitive capacity' from individuals, with those in more sapping situations demonstrating worse cognitive performance (e.g., Duckworth et al., 2013).

Related to cognitive load is 'scarcity theory,' which argues that the relative scarcity or abundance of resources (e.g., money, time, social capital) impacts how these resources are used (e.g., Bartoš et al., 2021; De Bruijn & Antonides, 2022; Israel et al., 2021; Schmidt et al., 2019; Shah et al., 2012). For instance, those with scarce resources will face many more dilemmas—as defined as choices between undesirable options—compared with those with abundant resources, resulting in stress which may impact choices (Mullainathan & Shafir, 2013). The impact of environmental 'stressors' on decision-making has also received substantial study in evolutionary neuroscience (Sapolsky, 2017; Sapolsky, 2023) and some areas of psychology (Adamkovič & Martončík, 2017). All have immediate comparisons to Simon's (2000) argument that the environment influences the boundaries of one's rationality by influencing the cognitive resources that are available to a decision-maker at a given moment.

Duckworth et al. (2018) note that investigating the role of situational factors in decision-making, such as the provision of public health resources and economic security, is an opportunity for behavioral economics and behavioral policymaking which has not yet been substantially seized upon. Likewise, de Ridder et al. (2022) discuss the notion of 'nudgeability,' and argue that behavioral policymaking must give greater attention to understanding the factors (both individual and environmental) which influence one's susceptibility to behavioral interventions (i.e., one's 'nudgeability').

These various perspectives have spurred some critics of LP to argue that biases, in some instances, should be understood as *symptoms* of material hardship, rather than *causes* of regretful decisions. This being so, more interventionist policy responses may be justified. Curchin (2017, 231) for instance, provocatively argues that: "the findings from psychology, behavioral economics, and behavioral finance, concerning decision-making by people experiencing poverty, point to the importance of alleviating material hardship by improving the social safety net... the disproportionate attention given to [LP policies such as] nudge has inhibited recognition that the behavioral research on poverty can be used to argue for more ambitious policy approaches."

For instance, Carvalho et al. (2016) find that low-income individuals demonstrate greater present bias surrounding monetary decisions days before being paid, compared with days after being paid. However, these individuals are not present biased, prior to pay day, when making nonmonetary decisions. This finding suggests

that rather than present bias being understood as a systematic tendency, such behavior is contingent upon situational factors such as financial liquidity (Adamkovič & Martončík, 2017). Similarly, Wang-Ly and Newell (2024) have found that income volatility significantly affects saving behavior, suggesting that job security may be a relevant factor in observed decisions to save or spend, while away from financial decision-making, Qureshi et al. (2024) find that poor metabolic health—brought on by factors such as poverty and food insecurity—is associated with worse working memory and cognitive function. All these ‘behavioral’ findings demand interpretations which go beyond discrete behavioral biases, and may point to policy interventions quite different from those suggested by LP.

Others (e.g., Berkouwer & Dean, 2022; Kremer et al., 2019) argue that even if behavioral biases are systematic across people, structural interventions may still be the most viable policy response given situational factors. For instance, Kremer et al. (2019) consider the development policy implications of behavioral results. They note that while developed nations tend to benefit from preventative medicine, health care professionals in *developing* nations tend to excessively discount these benefits, thus demonstrating the present bias. This is because these professionals must focus much more on meeting immediate health care needs, such as clean water provision. Developed nations have already met these immediate needs, and so healthcare professionals in these nations can approach decisions about preventative medicine without the burden of meeting immediate demands. Kremer et al. (2019) recognize that people in developed nations will also be present biased in areas of their lives, but they emphasize that the *consequences* of biased behavior may be substantially different depending on the situational context in which it occurs (including one’s economic ability to alleviate the consequences; Mullainathan & Shafir, 2013). This should shift the calculus of any policy response.

Bounded rationality can, in principle, serve as a foundation for LP interventions, but it may also align with more interventionist approaches when the environment (or situation) in which a decision takes place changes the cognitive resources available to individuals. These emerging arguments encourage behavioral policymaking to view biases not just as phenomena of human behavior, but potentially as symptoms of broader material circumstance (Curchin, 2017; de Ridder et al., 2022; Duckworth et al., 2018). Furthermore, where biases are not necessarily symptoms of circumstance, appreciating that circumstance may still have policy-relevant implications given the consequences of biased behavior is important (Chater & Loewenstein, 2023; Kremer et al., 2019). In both instances, more interventionist policies, say, to alleviate material hardships, may be warranted.

To summarize this section, LP adopts a description of bounded rationality that is narrower than how the

concept was described by Simon. By taking Simon’s broader description, policy responses to bounded rationality involve not merely *moving* fixed boundaries, but intervening to *expand* boundaries where these are constrained by environmental factors. In the past decade or so, various results have emerged which place greater emphasis on environmental factors and personal situations as drivers of decision-making. These results show the limits of individual cognitive biases as explanations of behavior and point to more interventionist policies than those typically advocated by LP. Taking this analysis seriously, behavioral policymaking now requires a political doctrine which both accommodates LP and these more interventionist perspectives.

KEYNES’ SOCIAL PHILOSOPHY

Keynesian social philosophy is a worthwhile candidate for such a doctrine. Various authors (e.g., Akerlof, 2002; Akerlof & Shiller, 2010; D’Orlando & Sanfilippo, 2010; Pech & Milan, 2009; Schettkat, 2018; Thaler, 2015) have highlighted links between Keynes and behavioral economics. Few have examined the links between Keynes’ social philosophy and the applications of behavioral economics in public administration. This section introduces this social philosophy; Section 5 discusses its implications for behavioral policymaking.

The *General Theory* (GT) (Keynes, 2017) is Keynes’ most famous work, and where his social philosophy is most clearly outlined. Keynes (2017, 329) begins with a liberal defense of individualism:

[I]ndividualism, if it can be purged of its defects and its abuses, is the best safeguard of personal liberty in the sense that, compared with any other system, it greatly widens the field for the exercise of personal choice. It is also the best safeguard of the variety of life, which emerges precisely from this extended field of personal choice, and the loss of which is the greatest of all losses of the homogeneous or totalitarian state. For this variety preserves the traditions which embody the most secure and successful choice of former generations; it colours the present with the diversification of its fancy; and, being the handmaid of experiment as well as of tradition and of fancy, it is the most powerful instrument to better the future.

Keynes’ position here is not especially different from more ‘classical’ perspectives (e.g., Mill, 2015). However, Keynes diverged from these perspectives insofar as he saw a broader potential role for the state to protect individual liberty from itself (Minsky, 2008; also see Keynes, 1926).

Immediately following the previous passage, Keynes (2017, 330) writes:

Whilst, therefore, the enlargement of the functions of government... would seem to a nineteenth-century publicist or to a contemporary American financier to be a terrific encroachment on individualism, I defend it, on the contrary, both as the only practicable means of avoiding the destruction of existing economic forms in their entirety and as the condition of the successful function of individual initiative.

The GT thus shows Keynes valued liberal arguments for freedom while recognizing the role of government to intervene for “the successful function of individual initiative.” Biographical perspectives provide insights into the form of and the conditions for these interventions.

Keynes followed the moral philosopher G. E. Moore, whose *Principia Ethica* (Moore, 1922) was “the most important book in his life” (Skidelsky, 1983, 119). *Goodness*, Moore (1922) argued, constituted pleasurable states of mind, and achieving these states was the foremost goal of an individual.⁹

Moore (1922) distinguished between ‘doing good’ and ‘being good,’ which Skidelsky (1999, 1983) argues is the foundation of Keynes’ philosophy. Keynes’ perspective on this difference may be understood quite simply. Imagine Person A thinks thing *x* to be good, while Person B thinks thing *x* to not be good. Person A could spend time trying to convince Person B of the goodness of thing *x* (i.e., doing good), but it is uncertain that Person A will succeed, thus allowing both Persons to reach pleasurable states of mind via *x*. But, given Person A *already* thinks thing *x* is good, it is certain that if Person A indulges in *x* (i.e., being good), they will reach a pleasurable state of mind. If achieving pleasure is the goal, as Moore (1922) argued it was, Keynes would have placed greater importance on the certain pleasure of A than the uncertain pleasure of A and B (Skidelsky, 1983).¹⁰

Yet, if an individual’s goal is to achieve pleasurable states of mind, they should be concerned with ensuring their own pleasure over time, which could be threatened by their own actions or the actions of others. For instance, substance abuse would allow one to achieve a pleasurable state of mind now but is unlikely to afford one pleasure in the future (Robinson, 1970). As such, for Keynes, achieving pleasurable states of mind is probabilistic in nature, and involves searching for routes to pleasure, and acting in ways to make pleasure more likely (Skidelsky, 1983). It is against a historical backdrop, first of the rise of the Soviet Union, and later that of Nazi Germany, that Keynes reasoned the suffering of others could create conditions which would deny himself and others pleasure. These various characteristics—the future, individual ignorance, the encroachment of others upon

oneself—represented the defects and abuses of unchecked individualism in the GT (Mann, 2017).¹¹ Thus, Keynes found precedent within a moral framework and a liberal worldview to support economic and political intervention:

Keynes thought that the goodness of states of mind could be increased or diminished by what he called the ‘fitness’ of states of affairs. This opened up a wide justification for business, political and philanthropic endeavours as *means* of ethical goodness. Keynes made the common-sense judgement that it is easier for people to be good—in the sense that he and Moore thought of good—if they have a certain level of material comfort. In this way, economic and political action to improve material conditions could be accommodated within Moore’s doctrine (Skidelsky, 2010, 135).

Thus, Keynes saw a basis for social interventions insofar as these interventions gave people the ability to *be good in themselves*, rather than necessarily doing good. This answers the question of what Keynes conceived social interventions as being *for*. Uncertainty provides an answer to the *shape* of these interventions (Skidelsky, 1992).

Through uncertainty, one may derive what might be called Keynes’ *intervention heuristic*: that if one is to intervene, one must be confident that one’s intervention is likely to be successful (e.g., in benefiting an individual), and that *if one is wrong*, that the intervention will not prevent people from being good in themselves.

As Skidelsky (2010, 1992, 1983) notes, the rationale behind the intervention heuristic demonstrates the influence of Edmund Burke on Keynes. Keynes would not have considered himself a Burkean conservative (Skidelsky, 1992; Skidelsky, 2010). He did not interpret incrementalism in the Burkean sense of, “sticking to tradition,” but from a more “classical liberal,” (Skidelsky, 2010, 156) perspective that because one may be wrong, one should proceed in such a way as to not close off experiments by others (i.e., being good in themselves). As Skidelsky (2010, 154; 1992, 62)—quoting Keynes—writes, “Burke ever held, and held rightly, that it can seldom be right... to sacrifice a present benefit for a doubtful advantage in the future.” Furthermore, on Keynes himself, Skidelsky (2010, 156) notes, “Prudence in the face of the unknown is the key to Keynes’s philosophy of statesmanship.”

Thus, the intervention heuristic is a product of uncertainty (Carabelli, 1998; Keynes, 1921; Skidelsky, 1992), and can be used as a broad guide for being good and doing good. Where interventions are designed to be good, emphasis should fall on strategies which expand individual initiative. This is because one will often be uncertain

as to what *specifically* will benefit someone else, but in expanding individual initiative, one is, in principle, *unlikely* to prevent someone from being good in themselves. Where interventions are designed to do good, this uncertainty should be a guide, and one should recognize the potentially uncertain effects of the intervention. Where an intervention creates uncertainty, one can be less certain of its benefits (even if they are potentially substantial) and of the opportunities remaining for people if these benefits do not materialize. If one must do good, Keynes would have advocated small interventions with certain benefits which do not foreclose alternatives if one's intervention fails (Skidelsky, 1983).

For the purposes of discussion, one may summarize Keynes' social philosophy in the following points: (1) individual freedom has advantages over coercive systems as it generally leaves everyone better off, and focusing on one's own well-being is typically more worthwhile for the individual than someone else's, but (2) one's own well-being is often contingent on the well-being of others', and therefore it is worthwhile in a good society that individuals should be provided with the means to be good, and states of affairs should exist such that despite a person's circumstances, they should still be able to be good; (3) often intervening to provide the conditions to be good will be preferable to those interventions that do good because we are uncertain as to what outcomes will improve someone else's well-being; though, one may do good insofar as there is a high likelihood of success, and doing good does not compromise others' abilities to be good should the intervention fail.

PUTTING KEYNES INTO BEHAVIORAL POLICY

Keynes' social philosophy of being good and doing good is a compelling foundation on which to marry LP and situational interpretations of behavioral findings. There are two reasons for this. Firstly, there is the intellectual connection between Keynes and behavioral economics via Simon. Secondly, there are the complements between Keynes' social philosophy and ongoing debates within behavioral policymaking.

Keynes and Simon

Considering the first reason only briefly, Keynes had an important influence on Simon's development of bounded rationality. Simon (1997, 7) felt conceptions of rationality had regressed since Adam Smith's *The Wealth of Nations*, where it had been treated as "the rationality of everyday common sense." He argued that, as economics developed, this "rather informal [rationality]... [was] replaced by emphasis upon deliberation in decision making, which... [became] marginal analysis and maximization of utility." Simon (1997, 14) regards many of Keynes' ideas

as an attack on this more formalized rationality, suggesting that Keynes' understanding of policy problems and solutions could only come through embracing a "rationality of everyday common sense" and thus a kind of bounded rationality. Simon (1997, 16) even goes so far as to state that: "Only the fear of pronouncing an egregious anachronism prevents me from claiming Keynes... as the true originator of bounded rationality."

Simon's (2000) bounded rationality, then, is an attempt to make explicit the implicit rationality of forebears such as Keynes, while retaining an empirical approach which avoids the errors of unrealism which produced economic rationality (Simon, 1997). It is a rationality of "common sense," which Simon contends Keynes embraced, and which he contends guided Keynes' view of public administration. Keynes' philosophy, therefore, has important links to fundamental ideas within behavioral economics and behavioral policymaking.

Being-good policies

Turning to the second reason, Keynes' social philosophy can guide policy responses given situational interpretations of behavioral biases. If a person is biased because they inhabit an environment which limits their rationality, it may be acceptable under this social philosophy for policymakers to intervene in several ways, including with significant economic investments, provided such interventions change the environment to promote individual autonomy and self-determination. This is to say, provided such interventions align with the notion of being good. Say, for instance, a person regularly faces stressful dilemmas because they do not earn enough. Navigating these dilemmas rapidly exhausts their cognitive capacities and leaves them susceptible to biases. Intervening, say through the provision of social security payments, does not presume to know what this person *ought* to do. Instead, these payments would simply ameliorate an environmental factor (i.e., dilemmas arising from insufficient resources) which impedes the person's ability to be good in themselves.

A worthwhile example, highlighted by Simon (1997, 16), is the notion of *animal spirits*. Keynes (2017, 139) argued that "our decisions to do something positive" are taken because of "animal spirits" defined as "spontaneous urge[s] to action." To Keynes (and Simon), animal spirits, rather than economic rationality, drive human behavior. Given this, a major policy intervention within the GT is that, when the economy is in a slump and animal spirits are depressed—this is to say, people lack confidence in the economy—the state should take progressive actions such as investments in public works programs. These investments are not necessarily designed to do good, such as forcing people to go to work or to buy a new car, but rather, to be good—to change the economic environment from one of

pessimism to one of optimism and confidence, and thus, inspire animal spirits in people.¹² Further policies, such as paid parental leave or otherwise subsidized child care, and public provision of green spaces, could be considered being good policies insofar as these provisions may alleviate environmental stressors which otherwise undermine effective decision-making in daily life.

There are numerous advantages to policies which allow one to be good in oneself. Firstly, they align with situational interpretations highlighting how behavioral results may be indicative of people being unable to live their lives in the way they wish (e.g., Curchin, 2017; Fuller, 2020). Secondly, they align with LP ambitions insofar as they encourage people to make their own choices (e.g., “as judged by themselves”; Thaler & Sunstein, 2008, 5), and with LP-adjacent proposals with similar aims of empowering people (e.g., Banerjee & John, 2024; Hertwig & Grüne-Yanoff, 2017). Thirdly, policies that aim to be good resolve some knowledge problems present in LP interventions (e.g., Sunstein, 2013). By being good, rather than doing good, behavioral policies must merely predict the *situations* in which people might make better choices, rather than the *specific* choices which would leave people better off.

One recent proposal which deserves specific consideration comes from Oliver (2019). In proposing a new political economy of behavioral policymaking, Oliver (2019, 917) emphasizes that “policy makers [should] provide an environment that is conducive to each person’s own conception of a flourishing life.” This is to be achieved through policies which embed social reciprocity within society, including—but not limited to—policies which tackle economic inequalities that undermine collective trust. Oliver (2019) argues that a society of reciprocating individuals would encourage cooperation and discourage exploitation of behavioral biases, without infringing (and perhaps promoting) individual autonomy.

It would be inaccurate to describe this proposal as endorsing the notion of being good in public administration, in the sense given by Keynes’ social philosophy. Nevertheless, Oliver’s perspective does have parallels with the social philosophy of Keynes insofar as it too advocates policies which change the environment to promote individual “flourishing” (Oliver, 2019, 920). Or, in more Keynesian language, to allow individuals to be good in themselves, by which one means, to be good *however they determine good to be*.¹³

There may be objections to being-good policies. Paternalists may argue these policies still allow an individual to make regretful choices (Conly, 2013; Conly, 2017). If one is so confident that people suffer from some available options, doing good by removing these options (e.g., via bans) could be justified (Bubb & Pildes, 2014). However, being-good policies may not just act to change the environment so people are better able to exercise their own judgment; they may also ameliorate the *consequences* of

previous harmful choices, again without necessarily needing to know what these harmful choices were. For instance, investments in public health care may still leave people free to excessively discount the benefits of preventative medicine and healthy lifestyles. But the consequences suffered by those who do overlook these additional health care provisions are likely to be less severe given the investments which have been made. A well-designed being-good policy may reduce new and old harms, which a paternalist would presumably support.

Nevertheless, paternalist criticisms raise an interesting perspective on Keynes’ social philosophy. Keynes’ social philosophy may offer few objections to the paternalist argument if there were certainty (or, at least, a high probability) regarding the harms of some behavior, and the consequences of banning the behavior, or mandating alternative behaviors (this is to say, doing good). Uncertainty is central to Keynes’ social philosophy precisely because public administrators can rarely be certain about (a) the harms of an action; and (b) the consequences of attempting to eliminate said action (Skidelsky, 1992). Thus, Keynes’ advocacy for being good rather than doing good may, from a paternalist perspective, be summarized as thus: if an action is so obviously harmful, a person who is equipped to notice said harm will do so and take precautions conducive to their own values.

Libertarians may object on various grounds. A common objection is the ‘epistemic argument’ that it is difficult to determine how or when to intervene on behalf of another (e.g., Rebonato, 2014; Rizzo & Whitman, 2009). As above, this is likely less substantive when levied at policies which strive to be good, as this approach arises by recognizing one’s uncertainty regarding another’s desires (Keynes, 2017; Skidelsky, 1992; Skidelsky, 1999). While policies which aim to be good may make mistakes, it is naïve to contend that the possibility of ignorance justifies inaction. Ignorance, as Keynes (2017) noted, is a more substantial concern when one aims to do good; policies attempting to be good try to engineer situations which empower individuals precisely because one is ignorant of what is best for any given individual (e.g., Skidelsky, 2010).¹⁴

Doing-good policies

LP also aligns with Keynesian social philosophy insofar as it is a doctrine for doing good. This is because it tries to encourage a person to choose a specific outcome which a policymaker has themselves determined to be good. Recall Persons A and B. A may try to convince B of x’s goodness through rational argument: through force; through nudging; or through some other means. Each method has ethical nuances which, on a case-by-case basis, may be relevant.¹⁵ Nonetheless, broadly, all concern

attempts by A to do good through influencing the choices of B.

LP interventions may be acceptable doing-good policies insofar as they satisfy the intervention heuristic. For instance, one could ban some especially unhealthy product. This may have a substantial public health benefit, but it may also lead to substantial well-being losses for those who (despite the health implications) enjoy the product. It may have important business implications, such as dissuading investment. In some instances, bans may lead to illicit activities emerging, bringing with it risks of dangerous counterfeits, greater policing costs, and other social impacts. Such a doing-good intervention may change and undermine a person's ability to be good in themselves, and it may do so in uncertain and undesirable ways.

While LP interventions may have smaller effects by allowing people to still 'go their own way,' they may (in some instances) offer a more certain benefit given the lack of uncertain consequences LP policies generate. Furthermore, precisely by allowing people to 'go their own way,' LP interventions recognize the possibility that one is wrong in designing the intervention, and leaves open the possibility for an individual to pursue an alternative path (Sunstein, 2013).

This does not exonerate LP from some criticisms. Paternalists may still have a forceful argument to make against LP interventions when the benefits of bans or mandates are overwhelming, as above. Furthermore, from a libertarian perspective, LP remains a paternalistic approach to behavioral findings, given how LP understands bounded rationality. If interventions can only steer individuals because they are systematically biased, rather than enhance individual cognitive resources, some third party must do the steering.

Nevertheless, Keynesian social philosophy may offer a defense of LP on the grounds of uncertainty. If one must adopt a strategy of doing good, LP approaches are likely defensible because they do not propagate uncertainty for individuals and policymakers. For an individual nudged toward a healthy snack, they can still be quite sure the unhealthy snack is available. For a policymaker doing the nudging, they can be quite comfortable that if they are wrong, relatively little harm is done.

Within Keynesian social philosophy, LP approaches likely follow the intervention heuristic, and insofar as they are paternalistic approaches, have merits from a liberal perspective. Keynesian social philosophy does not discredit LP, but instead situates LP as a 'special theory' of behavioral policymaking when one determines that doing good is preferable to being good.¹⁶ Synthesizing Keynesian perspectives into behavioral policymaking, and distinguishing between being and doing good, is worthwhile as a means of marrying LP approaches with emerging critiques of behavioral biases as symptoms of more substantial social ills, warranting more substantial policy interventions.

DISCUSSION

While being good and doing good are offered here as a framework of sorts for interpreting behavioral results and developing a public administrative response, outstanding challenges remain.¹⁷ These challenges center on questions of practicality, and the usefulness of the being good versus doing good distinction when considering real-world phenomena.

Firstly, one may object that the idealism of being good (of engineering environments in which people avoid choices they later come to regret) overlooks some of the practical benefits and considerations which come from doing-good interventions, and LP specifically. A common argument in retort to critics of LP is that choice architecture is *inevitable*; one cannot avoid architecting choices, so one *ought to be* proactive and do so in the best interests of decision-makers (Sunstein, 2017). Following this, even a 'being-good' intervention will *inevitably* have 'doing-good' components to it.

The weakness of the 'inevitable choice architecture' argument is that the inevitability of choice architecture does not mean it is inevitably relevant to the problem begging a solution. To be sure, choice architecture and bounded rationality have relevance in many areas of public administration and decision-making, and thus warrant attention from policymakers (Benartzi et al., 2017). Yet, many critics of LP who advocate for more fiscally interventionist policies do not disregard LP interventions (e.g., doing good), but criticize the *political overemphasis* of these interventions *relative to* the specificities of the policy problem being considered (Chater & Loewenstein, 2023; Curchin, 2017; Mills & Whittle, 2023). Distinguishing 'being good' from 'doing good' encourages one to question interpretations of behavioral results and thus better evaluate where in the policy response priority should lie. There is a clear difference between choice architecture being inevitable, and choice architecture being the primary means of affecting a policy outcome.

Secondly, one may object to the trade-offs inherent in 'being-good' interventions, which raises practical challenges, and may undermine any practical distinction between being good and doing good. There are a range of conceivable 'doing-good' interventions, from mandates and bans, to taxes, education programs, and LP interventions such as nudges. These interventions come with an array of costs, with some potentially incurring social costs (e.g., nudges), others more economic costs (e.g., education programs), and some a combination of both (e.g., mandates and bans). One advantage of LP interventions is they often do not incur significant economic costs (Halpern, 2015). This means that one may be able to nudge without trading-off against other policy objectives in other areas. For a government or organization with limited resources or budgetary constraints, doing good through LP interventions may be a more practical and prudent approach to public administration,

compared with being good policies which incur economic trade-offs (Halpern, 2015; Mills & Whittle, 2024).¹⁸

Being-good interventions, by contrast, may involve substantial economic costs, and thus could incur trade-offs which undermine any welfare claims. For instance, if the provision of public health care comes at the expense of public education, one is given the means to *be good in themselves* in terms of health, but not necessarily in terms of education. This is a significant challenge which highlights technical and political aspects of the being-good perspective.

Technically, one should consider whether all ‘being-good’ interventions require substantial budgetary trade-offs. While this article has generally emphasized such interventions as a contrast to the nonfiscal advocacy of LP, ‘being-good’ interventions which incur more modest costs may be considered.

For instance, public administration scholars have devoted much research to understanding administrative burden and behavioral ‘sludge,’ in public processes (e.g., Baekgaard et al., 2023; Herd & Moynihan, 2018; Martin et al., 2023; Nisar & Masood, 2024; Pandey, 2023; Shahab & Lades, 2024). These are impediments to public processes which undermine citizens’ abilities to access public programs, receive necessary information, and otherwise impede people from exercising their wishes. Interventions to reduce these burdens may be understood as being-good interventions insofar as these reductions alleviate the environmental factors constraining an individual’s cognitive resources (e.g., by reducing the exasperation, stress, and frustration one may feel, which may, in turn, lead to rash decisions).

This is analogous to Simon’s (1987a, 1987b) arguments around the use of computers to support expert judgment.¹⁹ Such interventions, while perhaps still more costly than LP approaches, are unlikely to incur costs comparable to public health provision, public works programs, higher minimum wages, and so on. Indeed, these being-good interventions may even be economically net positive if processes become more streamlined and resources reallocated in more efficient ways.

Politically, one should consider whether ‘being good’ can be a guide for navigating the various economic trade-offs which might be incurred when developing more substantial fiscal interventions. For instance, public health provision and public education may both provide citizens with the means to be good in themselves. Public administration in the interests of being good may thus call for both initiatives, which will necessitate the raising of additional government funds. This may be through taxation, in which case, a ‘being-good’ approach would be to tax those who, after tax, would still have the means to be good in themselves. Such a tax need not in itself be a ‘doing-good’ intervention if taken out of general income or capital gains.

Alternatively, ‘being-good’ interventions could be funded through borrowing when interventions are

expected to produce multiplier effects or cost savings (Keynes, 2017). For instance, public health provision may shift medical practitioner attention away from expensive *treatment* of ill health, and toward the cheaper *prevention* of ill health, creating net economic gains in the long run (Kremer et al., 2019). The wider point to be stressed is that while some ‘being-good’ interventions may pose economic trade-offs and reveal political choices, Keynesian social philosophy simultaneously offers a guide to navigating these choices. Furthermore, where concerns around practical feasibility or economic trade-offs are inhibitive, Keynesian social philosophy offers guidance for how one should ‘do good’ instead, as discussed above.

CONCLUSION

Situationist interpretations of behavioral findings, coupled with various other criticisms of LP, mean behavioral policymaking is facing greater pressure to synthesize structural, interventionist approaches into its policy toolkit. The dominant approach at present, LP, discourages some of the interventions which these criticisms may encourage. This article has argued Keynesian social philosophy offers an approach to behavioral policymaking which allows it to meaningfully respond to (and support) calls for greater intervention, without abandoning LP approaches.

This is achieved by distinguishing being good from doing good. Being-good policies should endeavor to create the environmental conditions in which a person can be good in themselves. This may involve fiscal interventions which alleviate cognitive load, allowing people to make better decisions without directing them toward any particular outcome. LP interventions are doing-good policies, as they encourage people to choose options that someone else has determined to be good. However, LP interventions are likely acceptable within Keynesian social philosophy insofar as they respect the limits placed on policymakers by uncertainty and follow what this article has called the intervention heuristic.

Keynesian social philosophy, and the ideas contained within, is a compelling basis on which to further develop behavioral policymaking and push forward ongoing debates within the field.

ENDNOTES

- ¹ For instance, Cartwright and Hight (2020) argue that LP does not outline how one’s true preferences are to be determined, leading ‘true’ preferences to often just mean socially accepted values.
- ² The ‘fast and frugal’ heuristics perspective is often critical of LP for associating ‘bias’ with errors or mistakes (e.g., Gigerenzer, 2008a). This literature argues that heuristics (biases) can often be efficient, sensible strategies for decision-making.
- ³ Libertarians have been vocal in their criticisms of LP. Often, they have attacked LP for presuming to know what is best for others. This is to say, the paternalist element of LP. For instance, a third party may struggle to accurately determine what is best for someone else, and

so even if one steers someone toward an option with the best of intentions, such steering may still do harm (Rizzo & Whitman, 2009). This is sometimes known as the epistemic argument against LP (Sunstein, 2013). Some criticism also suggests LP denies people opportunities to learn from their mistakes. The argument is that LP interventions prevent people from making choices which they subsequently come to regret, though would learn from. Thus, LP may undermine personal development (Rebonato, 2014).

- ⁴ Paternalists have mounted fewer criticisms of LP compared with libertarians, at least insofar as LP advocates have engaged with these arguments (e.g., Sunstein, 2013; Sunstein, 2017). One prominent argument is that if one can confidently determine x to be a bad choice for most people, then only steering a person away from x , rather than taking more forceful measures (e.g., banning) to prevent the person from choosing x , means LP policies enable the continuance of potential harm. Thus, LP may not be sufficiently paternalist (Conly, 2013; Conly, 2017). A further, adjacent, argument is that LP interventions simply try to steer people away from harmful choices, without ever considering why harmful choices exist, or why people are inclined to choose them (Curchin, 2017). This is to say, LP, by focusing on biases, ignores the wider *causes* of harmful choices.
- ⁵ Simon would move his perspective away from a focus on decision-making and toward problem-solving as his understanding of decisions occurring within a ‘problem space’ developed (Simon, 1996). In brief, Simon (2000) argues behavior is the series of actions one takes to navigate a problem space. The problem space is defined as all available ways (‘decisional means’) of progressing from where one currently is to where one wants to be (‘decisional ends’). The problem space may be defined around a single decision (e.g., go left, or go right), or around a series of decisions (e.g., left, left, right, left...). Both represent problem-solving, though the latter is a more realistic description of everyday behavior. Indeed, everyday behavior involves so many imperceptible decisions, it is difficult to determine precisely where (or when) one decision ends and another begins. In this sense, modern behavioral science’s focus on individual decisions (e.g., to save or spend) is quite an abstract view of human behavior, and not necessarily a useful unit of analysis for studying everyday life.
- ⁶ One perspective to briefly mention is the ‘fast and frugal heuristics’ program. It argues, contrary to LP and the ‘heuristics and biases’ program to which LP is attached, that people make well-adapted decisions in many aspects of their lives (Gigerenzer, 2008a, 2008b). People may be ‘boundedly rational,’ but often boundedly rational strategies are cognitively efficient strategies for navigating environments, in comparison with economically rational approaches (e.g., Mata et al., 2012). The ‘fast and frugal’ perspective generally rejects the idea that people are biased as it contends economic rationality is an inferior approach in many aspects of everyday decision-making. Thus, comparing people to it is unfair and, to an extent, demeaning (Gigerenzer, 2018).
- ⁷ Petracca’s (2021) fascinating historical account of bounded rationality argues Simon purposefully downplayed the environmental aspect of bounded rationality to garner greater support from economists (who favored a perspective more amenable to ‘laws’ of behavior) and better associate bounded rationality with Kahneman and Tversky’s (1979) emerging work, which emphasized patterns in behavior rather than adaptive behavior. As a result, Simon’s (1955) paper emphasizing the role of individual limits on cognitive reasoning is more popular, in terms of citations, than its sister paper emphasizing the role of the environment in shaping individual rationality (Simon, 1956).
- ⁸ Some LP discussions criticize the suggestion that nudges “exploit” biases (e.g., Sunstein, 2017, 5). However, these discussions do not reject the notion that nudges require biases to work. Objections focus on *language*, with ‘exploit’ apparently regarded as an inherently negative word. ‘Operationalize’ is used in as neutral a manner possible.
- ⁹ Moore (1922) argued ‘Good’ was a definite object. Thus, even if individuals have different ideas about *what* is good, everyone knows

what Good is. Moore (1922, 17): “Whenever he thinks of ‘intrinsic value’ or ‘intrinsic worth,’ or says that a thing ‘ought to exist,’ he has before his mind the unique object—the unique property of things—which I mean by ‘good.’”

- ¹⁰ Skidelsky (1983) argues this emerges from a generational contrast between the Edwardian Keynes and the austere Victorian generation prior. Contrasting the Victorian Fabian movement with Keynes, Skidelsky (1999, para. 6) writes, “To the Fabians... “being good” lay precisely in “doing good”. It was a self-sacrificing ideal, the submerging of individual egoism in the cause of humanity.” Quoting Keynes, Skidelsky (1999, para. 7) offers the Edwardian perspective: “Are we not, each of us, an end to ourselves? Suppose the decree has gone forth: it is good as a means that you should be bad in yourself. Am I to submit? Am I to choose to be bad in myself in order that some devils whom I neither know nor care for should wallow in heaven?” Also see Robinson (1970).
- ¹¹ Mann (2017) connects Keynes’ liberalism with earlier liberal philosophies as one shaped by and in response to substantial social upheaval, hence the emphasis on the historical backdrop.
- ¹² Some of the policies described—social security payments and public works investments—do not appear as typical *behavioral* interventions, and some clarity is needed. These policies are presented as behavioral policies insofar as they are offered as solutions to public administration challenges which have been understood as (or at least conceived of as) behavioral challenges. The behavioral justification for any given policy, such as social security, is just one of many justifications which may also support the policy (e.g., perhaps a person should receive social security because a policymaker believes this will maintain human dignity). This is to say, a ‘fiscal’ intervention may *at the same time* be understood as a *behavioral* intervention; a *humanitarian* intervention; a *Christian* intervention; and so on, depending on one’s approach to, and interpretation of, a given policy challenge.
- ¹³ There are two differences worth highlighting between Oliver’s (2019) proposal and the perspective offered here. Firstly, Oliver argues that some social policies require reciprocity to be sustainable. Welfare policies, for instance, may struggle if those receiving welfare are not considered to be giving back to the community. Secondly, Oliver argues that reciprocity alone does not eliminate the possibility of exploitative practices, and that some behaviorally informed regulation will often be necessary. Thus, Oliver’s proposal also seems to accommodate policies which may be described as ‘doing-good’ policies, though from a perspective of necessity.
- ¹⁴ Some recent, potentially relevant, debate around the political economy of LP explores whether LP fits into the thought of Friedrich Hayek (e.g., Dold & Lewis, 2022; Dold & Rizzo, 2024; Rizzo & Whitman, 2023; Sugden, 2023; Sunstein, 2023b, 2023c). This article has purposely avoided this debate because of the potentially unhelpful discussions which might follow from re-litigating the broader Keynes versus Hayek debate, which is well-known to political economists, and beyond. Nevertheless, some brief commentary may be warranted in relation to the question of knowledge. Most Hayek-adjacent criticisms (Oliver, 2023; Rizzo & Whitman, 2023; Sugden, 2023) of LP emphasize that policymakers have limited knowledge of what individuals would prefer, and therefore any interventions to influence a person’s choice may be unjustified (for a contrasting view, see Sunstein, 2023b, 2023c). However, in all instances, these arguments against LP are criticizing doing-good interventions. To do good, one must know a person’s *preferences*. This may be beyond what an intervener can know or predict. For instance, Oliver (2023, 924, emphasis added) argues, “it is *impossible* for a policy maker to discern what people desire for their own lives.” Nevertheless, in being good, one need only know (or be able to predict) the *conditions* likely to help people make better choices, regardless of the choices made. Such knowledge should be readily available to interveners, because these conditions are *very likely to be the same* as those for whom they are intervening. The knowledge involved in a being-good intervention is

thus quite different to that of a doing-good intervention, hence, the suggestion above that even where one is ignorant in some areas, one may still have adequate knowledge to intervene in other areas, and in alternative ways, to create benefits for oneself and others.

- ¹⁵ For instance, advocates of behavioral ‘boosts’ (e.g., Hertwig & Grüne-Yanoff, 2017) may contend that nudges are objectionable because they do not try to rationally persuade or educate individuals. Boosts do try to educate people about their choices. Regardless, both boosts and nudges are attempts to do good.
- ¹⁶ Broadly, one might say that Keynesian social philosophy holds that the conditions for free, satisfying choice do not emerge naturally, nor do they naturally sustain themselves, but must be created through paternal acts which encourage liberal ends—broadly, being-good interventions. By contrast, LP is built on the premise of using liberal adjustments to ‘soften’ paternal acts—a doing-good intervention, but a distinct variation from, say, mandates or bans.
- ¹⁷ The author is grateful to the reviewers, whose thoughts and ideas have greatly influenced this subsection.
- ¹⁸ Mills and Whittle (2024) argue that the political success of LP in the UK can substantially be attributed to the adoption of fiscal austerity by the UK Government in 2010, leading to budget constraints which elevated the political utility of LP. Halpern (2015) has implied a similar mechanism, suggesting that political pressure to avoid tax and spend approaches catalyzed political interest in LP.
- ¹⁹ Some discussions of behavioral sludge suggest LP interventions, such as changing default options, can reduce administrative burdens (Sunstein, 2021; also see Baekgaard et al., 2023). These interventions would be ‘doing-good’ interventions. The discussion here focuses simply on removing undue burdens, rather than proactively steering a person through them.

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