Book Discussion

Books Discussed

George A. Akerlof and Rachel E. Kranton. 2010. *Identity Economics: How Our Identities Shape Our Work, Wages, and Well-Being*. Princeton, N.J.: Princeton University Press.

Uri Gneezy and John A. List. 2013. *The Why Axis: Hidden Motives and The Undiscovered Economics of Everyday Life.* New York: Public Affairs.

Douglas Hough. 2013. *Irrationality in Health Care: What Behavioral Economics Reveals About What We Do and Why.* Stanford, Calif.: Stanford University Press.

Daniel Kahneman. 2011. *Thinking, Fast and Slow.* New York: Farrar, Straus and Giroux

Cass Sunstein. 2013. *Simpler: The Future of Government.* New York: Simon & Schuster.

RETHINKING MORAL AGENCY IN MARKETS

A Book Discussion on Behavioral Economics

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ABSTRACT

Recent work in behavioral economics and psychology provides valuable resources for religious ethicists. This book discussion examines contributions by Cass Sunstein, Daniel Kahneman, George Akerlof and Rachel Kranton, Uri Gneezy and John A. List, and Douglas Hough. This literature raises important questions about ethical decision-making, moral agency and responsibility, and the ethics of life in global capitalism. It also opens up promising areas for interdisciplinary dialogue between economics and religious studies. This book discussion concludes that religious ethicists have much to contribute to the conversations about moral anthropology that are now being held in behavioral economic research, and to the broader political economic debates in which this research participates.

KEY WORDS: *behavioral economics, economics, moral anthropology, moral agency, markets*

1. Introduction: The Crisis of *Homo Economicus*

It could be argued that these days, our lives are more economic than they are political. It is now the case that we are likely to encounter a greater number of neighbors—if we understand neighbors as those with whom our lives intersect—when making economic decisions than when making any other sort of decision. (For example, while we can only share a neighborhood block with a finite number of families, the supply chain behind even the simplest commodity is now often mind-bogglingly long.) Because of globalization, our economic choices are likely to impact our fellow humans in more serious ways than will our other decisions. This fact deserves greater ethical and moral consideration than it currently receives, both in wider public conversations, and in the field of religious ethics. Contemporary theological and ethical deliberations about life in global capitalism could be enriched by questions as big as the market realities we now

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face—questions about what exactly markets are, how they condition moral action, and the terms they set for human flourishing.

Of all the places to search for aid in beginning such philosophical conversations, one does not normally expect to turn to the academic discipline of contemporary economics. Although it is the study of human economic behavior, the domain of economic knowledge is not usually considered to include reflection on either the character of human nature or the moral dimensions of actions in markets. Nevertheless, contemporary economic conversations raise these very issues. Admittedly, they do not do so in explicitly philosophical terms; surely no paid economist would admit to advancing obviously normative claims, and will instead insist that economics today is an empirical science, thank you very much. Rather, these issues emerge obliquely from ongoing disciplinary disputes over methodology, and above all over the future of the model of human behavior that currently undergirds the mainstream of the discipline: *homo economicus*, the rational and utility-maximizing actor.

Although non-mainstream economists of many stripes—including feminist, institutionalist, Austrian, experimental, and behavioral, among others—have raised their own particular attacks on *homo economicus* in recent decades, it is the behavioral economists who have been the most successful. They have achieved considerable public attention, in both academic and policy circles, and more than a few have received Nobel Prizes for their work. Moreover, although behavioral methods have not fully permeated the curriculum of the core courses, their success has at least prompted the general consensus that behavioral approaches ought to be taught alongside traditional methods.

But how do behavioral approaches propose to amend this traditional model, exactly? In economics, the use of the term "behavioral" signifies the use of methods and insights from behavioral sciences such as sociology and psychology (cognitive psychology in particular) to study phenomena that would otherwise be approached using the rational choice theory of *homo economicus*. (The term "behavioral" does not, it is worth noting, signify an affiliation with behavior*ism*.) The use of methods from the behavioral sciences to investigate cognitive and social influences on economic decision making leads to a number of regular deviations from neoclassical expectations of rationality. Behavioral economists claim that amending the *homo economicus* model to take account of these deviations enables them to predict and explain market behavior more accurately than can traditional economics.

The impact of this research extends beyond economics. A growing literature explores the implications of behavioral economics for law, finance, philosophy, political theory, professional ethics, and the humanities and social sciences more broadly.[1] Surprisingly, however, this work receives little attention from scholars of religion concerned with ethics and moral anthropology. To date, no works exist that connect religious ethics and behavioral economics.

This is not to say that no scholarship in religion addresses economic life; it does, and this literature appears to be growing in the years since the recent financial crisis. Current works range widely, both methodologically (from descriptive and historical[2] to normative and reflective,[3] for example) and with regard to analytical orientation (that is, from deeply appreciative of capitalism to intensely critical—and with much ambivalence in between).[4] They also vary in content and scope, and attend to issues ranging from systemic analyses of larger macroeconomic structures to more specific treatments of professional and practical ethics.[5] In recent years scholarship on the relationship between theology, religious ethics, and economics as disciplines has emerged.[6] Despite growing attention to economic themes in religious studies, however, no academic treatment of religion and economics explores a disciplinary shift in economics introduced by the success of behavioral economics. As a result, current theological and ethical scholarship fails to avail itself of the helpful way that behavioral economic literature raises important moral questions about contemporary economic life.

This book discussion asks whether readers of this journal should be interested in such work and, more broadly, whether they should concern themselves with the behavioral turn in economics at all. It answers in the affirmative, arguing that this literature raises promising prospects, both for a renewed cross-disciplinary dialogue between religious studies and economics in general, and for interesting conversations about the moral nature of economic decision making in particular. It highlights themes of interest in five recent works in this emerging field and reflects on the questions that they raise about freedom, responsibility, and moral

[1] For example, see Jolls, Sunstein, and Thaler 1998; Dorsey 2010; Dorf 2003; Langevoort 1996; Martin 2010; Wilson 2011; Wright and Ginsburg 2012; and Dailey and Siegelman 2013.

[2] Bowler 2013; Brown 2013; Finn 2013; and Tripp 2006 each offer recent—and widely different—examples of such work.

[3] For example, see Barrera 2005; Ward 2009; and Dorff and Newman 2008. Cizakca 2011 provides a recent example of a work that crosses and blends these approaches.

[4] Harper and Gregg 2008 offers an illustrative example of works with more ideal-typically appreciative analyses; see Bell 2012; Goodchild 2009; and Rieger 2009 for examples of a more critical orientation; and see Bretherton 2010; Hicks and Valeri 2008; and Williams and Elliott 2010, for a more ambivalent analysis.

[5] For recent examples of the former type, see Tanner 2005; of the latter type see Hartman 2011; Levine 2005; and Pava 2011.

[6] For example, see Blanchard 2010; Jarl 2003; and Oslington 2014.

agency in economic life today—that is, on the questions they raise about moral anthropology.

In a recent issue of this journal, Maria Heim and Anne Monius define moral anthropological investigation as "the study of what human beings are like morally: what are the resources and limitations of human moral capacity?" Contrasting the kind of philosophy that involves "formal reasoning about duties and obligations, deliberation about ends, or discernment of ideal virtues—the stuff of much modern Euro-American philosophical ethics," with a more empirical approach that attends to "what human beings are actually like," they note that this second, more descriptive type of moral anthropology "may be practiced by scholars from many disciplines" (Heim and Monius 2014, 386). Given that a good deal of recent behavioral economic research studies precisely the resources and limitations of human moral capacities, I argue that behavioral economists frequently practice what we can recognize as descriptive moral anthropology, and that, moreover, this descriptive work raises normative and philosophical questions about identity, freedom, and agency that will interest many religious ethicists.

2. The Nature of Human Nature—*Thinking, Fast and Slow*, by Daniel Kahneman

Nowhere are moral anthropological questions more foregrounded than in the work of one of the field's founders, Daniel Kahneman. Although he was originally trained in the psychology of judgment and decision-making, Kahneman earned a Nobel Memorial Prize in Economic Sciences in 2002 for the contributions that his early work on decision making made to economics. In his magisterial *Thinking, Fast and Slow* (2011), he explains the content of this work and the impact it has had, and surveys the developments in the study of judgment and decision making in the years since.

Kahneman's theory of judgment and choice begins with the "two-systems" theory of cognition, which suggests that mental life can be productively described using the metaphor of two agents, "System 1" and "System 2," that engage in fast and slow thinking, respectively. Whereas System 1 is automatic, System 2 is controlled and conscious, and therefore requires effort. The brain normally relies on the effortless functioning of System 1, which constantly uses associative memory to construct a coherent interpretation of reality as it appears in a given moment, and to generate impulses about how to respond to changes in the environment. Since System 2 describes the processes that reason deliberately and articulate judgments, in some cases its activation and engagement is enough to correct for when System 1 errs. Given System 1's tendency to conserve effort, however, System 2 often simply serves as an apologist for the irrational and inconsistent intuitions that System 1 has reached by way of various rules of thumb, heuristics, and biases.

It is here that Kahneman's work became of interest to economists, since the assumption that *homo economicus* acts rationally is a critical feature of its attractiveness as a formal model. Here a semantic clarification is in order: although "rationality" normally indicates something like sanity, or the presence of practical reason in a given deliberation, in decision theory, as in economics, the adjective carries a rather narrower significance: it describes where individuals act as if they are balancing costs against benefits to arrive at decisions and actions that maximize their utility. (As a further note of clarification, in economic parlance, "utility" is understood as the desirability of a given course of action or object of consumption—and *not* as it is used in the Benthamic sense as hedonic experience or experienced utility.) All that is required to satisfy the criterion of rationality is that an agent consistently maintain a ranking of choice alternatives, and that she then choose actions according to this ranking, or "utility function." So understood, rationality is a description that can be applied to agents without investigating the origins or praiseworthiness of their desires, or the effectiveness of their choices.[7]

As Kahneman's research indicates, however, even defined so as to be quasi-tautological, this criterion of rationality does not describe the reality of much human behavior. Neither slow nor fast thinking predisposes us to weigh costs and benefits in a linear or mathematical manner, and we regularly fail to maintain a consistent ranking of choices. Instead we rely on a number of cognitive biases, illusions, and decision-making heuristics to process information and determine our desires. Kahneman's work maps these biases and heuristics, a certain number of which have already made their way into our cultural mainstream; many are now familiar with the role of "framing effects," "availability heuristics," and "affect biases" in both consumer advertising and political campaigning, for example. In these effects, as in many others, emotion plays a key role by providing a decision-making shortcut that is usually helpful. Such shortcuts stop being helpful when the decisions involve risk, however, since emotion distorts our ability to assess risk with clarity. Kahneman's and Tversky's seminal research on "prospect theory," which describes the way agents choose between probabilistic options, renders this fact particularly salient (Kahneman and Tversky 1979; Tversky and Kahneman 1992). As it explains, individuals are highly resistant to thinking about probabilities statistically. Moreover, the way given options are framed

[7] As Kahneman summarizes, "The only test of rationality is not whether a person's beliefs and preferences are reasonable, but whether they are internally consistent" (2011, 411).

has a much larger impact upon preferences than both rational choice theory and common sense about personal taste would lead us to expect.

Interestingly, this plasticity extends beyond the realm of financial risk assessment into more obviously ethical choices, such as deliberations over whether to help a stranger in distress, and the length of prison sentences issued by judges.[8] Not only are our thoughts and behavior "influenced, much more than we know or want, by the environment of the moment," but those influences include stimuli to which we have not devoted any conscious attention. These findings can challenge the average person's sense of self. Kahneman is alert to this; in a reflection on priming research, he writes,

> Many people find the priming results unbelievable, because they do not correspond to subjective experience. Many others find the results upsetting, because they threaten the subjective sense of agency and autonomy. If the content of a screen saver on an irrelevant computer can affect your willingness to help strangers without your being aware of it, how free are you? (2011, 128)

While Kahneman never answers such questions, they emerge elliptically from the research that he exposits, particularly when he touches on the theme of our unjustified confidence in ourselves—not only in the permanence of our preferences (both moral and otherwise), but in the predictability and accuracy of our mental processes themselves. It seems that we are only capable of correcting for our biases with great effort, even once they are explained.[9] Perhaps this is because our biases are more

[8] See Englich, Mussweiler, and Strack 2006 for the unsettling results of a study on the effect of priming with randomly rolled dice on the sentencing patterns of experienced judges. A number of studies have shown that subjects' willingness to help strangers in apparent distress varies with environmental factors as minor as the mere presence of other subjects; Kahneman cites Darley and Latane 1968, and Vohs, Mead, and Goode 2006. Vohs, Mead, and Goode provide an overview of studies investigating the effect of priming subjects with images and reminders of money: in one study, for example, money-primed subjects picked up fewer pencils to aid an experimenter who dropped a box of pencils than did participants who had not been so primed; in another, money-primed subjects devoted less time to helping another subject who pretended to need further instructions for a task. The authors conclude that these "provided support for the hypothesis that money brings about a state of self-sufficiency. Relative to people not reminded of money, people reminded of money reliably performed independent but socially insensitive actions. The magnitude of these effects is notable and somewhat surprising, given that our participants were highly familiar with money and that our manipulations were minor environmental changes or small tasks for participants to complete" (Vohs, Mead, and Goode 2006, 1156).

[9] Indeed, Kahneman regularly intersperses his exposition with highly entertaining (if alarming) anecdotes of how even experts in statistics, risk analysis, and the psychology of decision making themselves still fall prey to these biases in controlled experiments—despite having received detailed reminders of how said biases are likely distort their cognition.

than simply a persistent feature of our interaction with reality; one of the central claims of *Thinking, Fast and Slow* is that they in fact make up a significant amount of what we experience as reality in the first place.[10] Based on a need to make sense of the world as it appears to us in given moments, our minds regularly create and accept a variety of stories and explanations (such as what Kahneman calls the "illusion of understanding") that have very little bearing on the true complexity and contingency of historical reality. Such findings raise interesting questions regarding the role of rationality in moral judgment, as well as the role of character and identity narratives in rendering sensible our accounts of our own lives.[11]

There are obvious overlaps between the themes central to this line of research—freedom, agency, and identity—and the broader concerns linking psychology, biology, and other social sciences with the study of morality. Kahneman's own gestures toward moral anthropological matter are fairly restrained; he appears content to let his work indirectly suggest more questions than it actually poses (and than he tries to answer). But the questions are not far beneath the surface. What are the implications of this account of cognition for evaluating moral responsibility? Or for preventing moral failure? How might findings about the importance of environmental factors in determining choice both complicate and improve existing practices of teaching ethics—philosophical, religious, and practical?

Emerging literature on "behavioral ethics" takes up some of these questions, applying the insights of behavioral economics to the field of professional ethics in an effort to correct for unrealistically rationalistic assumptions about moral judgment.[12] This literature attempts to discover the situational anatomy of various ethical and unethical behaviors such as cheating, charitable giving, whistleblowing, and stealing, and proposes strategies for organizations seeking to improve employee behavior. While both interesting and useful, it does not exhaust the generative potential of work like Kahneman's for scholars of religion and ethics. We

[10] With regard to their persistence, it is interesting to note that this has led Kahneman to wonder whether the effort to teach psychology itself may be misguided—the "implications" of studies on students' ability to apply knowledge about human behavior in the aggregate to a particular situation are "disheartening" "for teachers of psychology" (2011, 173). "Changing one's mind about human nature," he writes, "is hard work" (2011, 172).

[11] For a useful discussion of some of the ethical issues raised by this—and related biological and social scientific—literature calling into question the role of reason in moral judgments, see Kihlstrom 2013.

[12] See, for example, Brazerman and Tenbrunsel 2011; De Cremer and Tenbrunsel 2012; and Trevino and Reynolds 2006.

might also consider asking how scholarship on the importance of framing for decision making sheds new light on various accounts of virtue formation and moral duty, for example. In light of this research, is it possible to defend approaches that remove the moral life from the vicissitudes of fate, and claim (with the Stoics, say, or Immanuel Kant) that virtue in no way depends on luck? Moreover, this scholarship also raises important questions for those assessing and crafting theological and ethical descriptions of the moral life in contemporary markets. Kahneman's research might indicate, for example, that moral agency in economic life is inevitably what Margaret Urban Walker has called "impure agency":

> agency situated within the causal order in such ways as to be variably conditioned by and conditioning parts of that order, without our being able to draw for all purposes a unitary boundary to its exercise at either end, nor always for particular purposes a sharp one. Such agents' accountabilities don't align precisely with their conscious or deliberate choices or undertakings, and are not necessarily limited by them. (Walker 2003, 28)

What are the implications of this impurity for various claims about the moral responsibilities of individuals in markets, and for descriptions of capitalism as a moral context more generally?

3. A Unified Theory of Everything? On Economic Knowledge

We currently inhabit a cultural moment of reflection on the purposes of economics (a moment to which Kahneman's research has no doubt contributed). Practitioners and observers alike are asking fundamental questions about the field. What sort of knowledge is economic knowledge? How can and ought it be used? What are its limitations? How is economic knowledge related to other forms of knowledge?

Economists traditionally have prided themselves on creating purely descriptive and predictive models, and on avoiding both normativity and efforts to explain the behavior they observe.[13] Armed with the tools of cognitive psychology, however, some recent behavioral work makes frankly bold claims about why economic actors act as they do. At the same time, a growing literature on performativity in economics demonstrates that the effect of using models is never neutral, and that

[13] Milton Friedman's memorable example of the skilled billiard player is illustrative of this traditional epistemic modesty: the billiard player is not, in fact, a math genius, but if he can be productively described *as if* he were computing all the angles to successfully make a shot, the mismatch between this model of his behavior and his actual behavior is irrelevant (Friedman 1953, 157).

descriptive accounts of human behavior can measurably influence those that use them (as has *homo economicus*).[14] In light of this, some scholars have warned that economists ought to be more careful with the models and theories they employ, and the claims they advance.[15] Just as we are learning how economic theory influences the world it intends to describe, then, a new sort of economics may be poised to cast aside its customary circumspection when making claims. This brings up an interesting question: What does the rise of behavioralist work portend for the future of economic knowledge?

Will behavioral economics lead to another wave of what has become known as "economics imperialism?" The term traces back to Chicago School economist Gary Becker, whose work on discrimination appeared to tread on ground best left to sociologists and psychologists (Becker 1971). By the time he received his Nobel Prize in 1992, however, economics as a "way of seeing the world" had caught on in the field, and the economic gaze was increasingly applied to areas of life previously thought to be non-economic: education, health, environmental degradation, law and crime, religion, and even addiction.[16] Such analyses regularly proceeded without reference to work in other disciplines on these areas—indeed, they were presumed to improve upon other, less scientific approaches to studying behavior. While some results of economics imperialism were no doubt useful, others were facile, and still others imported economic concepts into arenas (such as law) in which they went on to have slightly different—and normatively fraught—afterlives. This first wave of disciplinary imperialism generally included the caveat that presumptions about rational and utility-maximizing action were theoretical stipulations that, strictly speaking, did not actually explain human behavior.

The fact that the adoption of cognitive scientific methods could erode such epistemic modesty raises anew questions about the scope, depth, and utility of economic knowledge. Will inclusion of behavioral methods

[14] For an excellent treatment of the ways that the lines between the tools and objects of economic analysis can become blurred, see MacKenzie, Muniesa, and Siu 2007; Marglin 2010 provides a more polemical argument for the deleterious effects of the cultural diffusion of economic models. Also, some research indicates that economists and students of economics consistently behave more selfishly than do students and professionals in other disciplines, although debate exists over whether this is a result of exposure to rational choice theory or self-selection. For an introduction to this discussion, see Etzioni 2015 and Bauman and Rose 2011.

[15] See, for example, Nelson 2006.

[16] In using the term "economics imperialism," I rely on the definition as outlined in Mäki 2009, in particular Mäki's discussion of "imperialism of scope," which is "concerned with issues of explanatory reach, the appropriate range of explanadum phenomena associated to disciplines and fields" (2009, 354). For an instructive overview of the history of the term and the phenomenon it describes, see Nik-Khah and Van Horn 2012.

lead to a reinvigorated economics imperialism, or will the enfranchisement of behavioral sciences lead the field toward a chastened partnership with other disciplines, and yield economic knowledge that is more useful to humanists (and ethicists)? That is, in the future will economics attempt to explain all of life, or will it recognize that life is necessary to explain economics? I turn now to two books that take steps in these radically different directions.

3.1 The Why Axis: Hidden Motives and the Undiscovered Economics of Everyday Life, *by Uri Gneezy and John A. List*

The Why Axis is an engaging introduction to a set of economic experiments that Gneezy and List hope can explain the mechanics of motivation, and "why everyday people behave as they do" (2013, 2). Given this agenda and its conversational tone, *The Why Axis* is a candidate for membership in the breezy genre of "economics-made-fun" (EMF), a growing body of literature that purports to reveal the economic nature of various noneconomic phenomena (and includes recent titles such as *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything* [Levitt and Dubner 2005]).[17] Although popular, EMF literature has come under criticism for various shortcomings ranging from excessive glibness to creating a bias toward market-based solutions to social problems (charges which, we will see, Gneezy and List do little to escape).

Although the two literatures are not necessarily aligned, EMF generally does share with behavioral economics the concern that the discipline of economics has been too dominated by theory. As Gneezy and List put it, "Economists have been skeptical about running controlled field experiments" (2013, 4). For them, the appropriate remedy for this disciplinary shortcoming is to reinvest in the scientific method itself, and their "Galileo-like, scientific experimental methods" (2013, 219). This approach promises to allow economists "to get at the real underbelly of human motivation" (2013, 2).

The authors promise that their experimental methods improve the descriptive power of economic data and may reap benefits in other areas of life, especially when combined with an appreciation for the power of incentives and self-interest. Their case studies address issues including gender inequality, unequal outcomes in the U.S. education system, the economics of discrimination, and the ways that behavioral science can improve charity fundraising, in each case focusing on how seemingly

[17] For a useful discussion of the origins, nature, scope, and potential shortcomings of this field of literature, see Diane Coyle's introduction to the special issue of the *Journal of Economic Methodology* entitled "Economics Made Fun" (Coyle 2012).

minor interventions can lead to improved outcomes. In the realm of education, for example, they find that it is possible to raise student performance with a combination of bribes and behavioral manipulation by way of framing: "If you give them $20 to perform well on a test and threaten to take it away if their performance isn't up to par, students do much better." The authors admit, "If it all sounds a bit Pavlovian, it is—but it can work" (2013, 106).

Gneezy and List's discussion of discrimination illustrates how they envision this semi-Pavlovian approach being used to address systemic cultural issues. They open a chapter titled "What Seven Words Can End Modern Discrimination?" with evidence indicating that although animus-based discrimination (in which agents sacrifice other goods to cater to their animus) is declining in American society, economically advantageous discrimination persists. Gneezy and List propose that this remaining discrimination can be resolved by using the right kind of incentives, and preemptive compensation. In one of their experiments intended to demonstrate this, a person with obvious mobility impairments sought price estimates for automobile repairs, and received unfairly raised price quotes. The authors found that this price discrimination was eliminated, however, when these customers spoke the magic seven words which answer the chapter's titular question: "I am getting three price quotes today." Observing that this statement effectively removed the economic incentive to discriminate, the authors conclude with an argument for using this market-based approach more broadly: "To combat it [economic discrimination], the person who is targeted for unfair treatment needs to signal that he or she is like those people who are not being discriminated against" (2013, 128). Their conclusion is similar in a case of a young black man seeking directions from strangers on the streets of Chicago who received varying levels of friendliness based on what he was wearing. He may successfully circumvent this economic discrimination, Gneezy and List suggest, by dressing "up" (2013, 123).

It is interesting to note that their implicit acknowledgment that some economic discrimination is unfair (if legal, in certain cases) is as close as the authors come to engaging in philosophical reflection on the purposes and processes of markets. Aside from occasionally mentioning the need for legislation that gets at the "true" (by which they mean economic) bases of discrimination, Gneezy and List primarily focus on how individuals themselves can prevent discrimination. It is not clear why they fail entirely to mention—let alone analyze—the substantive cultural issues surrounding their chosen experiments, and forming the environments in which they deploy their incentive-based interventions. This omission may be a product of the design of their experiments themselves, which hardly allow reflection on a scale broader than that of single interactions. Given that all their dilemmas appear soluble by individuals, however, eventually the authors' examples appear selected to keep complexity out of view, and the humanistic reader is likely to suspect that Gneezy and List are too clever by half. Gneezy and List would have been better served to at least acknowledge the questions that naturally spring to mind when reading their cases. Why is it economically advantageous to discriminate against certain categories of persons in the first place? What are we to tell those persons who cannot engage in the right sort of "signaling" to prevent their being disadvantaged? Does urging individuals to take responsibility for their own equal treatment distract attention from the cultural and structural foundations of discriminations of all kinds? And finally, what if discrimination occurs in already efficient markets, and therefore will not be resolved by improving competition?

Just as Gneezy and List's focus on self-interest prevents them from addressing the wider social and cultural dynamics in which exchanges are embedded (and the ethical implications of their proposed interventions), their chosen explanatory register also leads them away from discussing the cognitive foundations of their proposed interventions. While they are clearly aware of the research on biases and heuristics, given that many of their proposed interventions rely on these biases (for example, by exploiting students' predictable reaction to re-framing monetary gains as losses), they reference it sparingly, and indirectly. They emphasize instead the importance of understanding the role that self-interest plays in various settings. This, for them, is the crucial causal lever:

> One of our key discoveries is that self-interest lies at the root of human motivation—not necessarily selfishness, but self-interest. . . . Once we establish what people really value—money, altruism, relationships, praise, what have you—then we can more accurately figure out the triggers or mechanisms needed to induce them to get better grades at school, stay out of trouble with the law, perform better on the job, give more to charity, discriminate less against others, and so on. (2013, 3–4)

This mention of relationships, praise, and "what have you" alongside money is significant, as it signals Gneezy and List's other fundamental departure from neoclassical economics (the first being their commitment to experiments): following Becker, they include social preferences in calculating utility functions, and recognize the existence of social and moral incentives alongside pecuniary ones. This certainly improves upon the much earlier model in which money (and only money) is the root of all action. Satisfied with this comparatively minor modification to *homo economicus*, however, the authors discuss neither how agents possessing these diverse motivations deviate from expectations of economic rationality, nor the formation of these preferences in the first place.[18] Presumably, these are not relevant for understanding an agent's motivations.

In the end, then, although Gneezy and List wish to cast themselves as rebels raging against the machine of economics-as-usual, to an outside observer these departures from established orthodoxy appear to amount to little more than minor quibbles. It has recently been suggested that EMF's reliance on the norms of mainstream economics is, in fact, at fault for the fact that "the central explanatory trope of EMF work is inherently question-begging" (Spiegler 2012, 287).[19] This certainly appears to be the case with *The Why Axis*: the very worldview of economics-as-usual itself may explain why Gneezy and List find precisely the self-interest levers they seek for each cultural conundrum they take up. When you begin by presuming that the essential dynamics of racially encoded economic discrimination are equivalent to those of commodity markets, perhaps confirming this through experimentation is a straightforward enough task. In short, perhaps were they not so firmly entrenched within their disciplinary paradigms, the authors would not remain so oblivious to the remarkable thinness of their investigations into human motivation.

In this regard, Gneezy and List's volume introduces one paradoxical downside of the new literature that claims to revolutionize economics with experimental and behavioral approaches: its ability to repackage a strangely parochial economics imperialism as evidence of noteworthy growth and disciplinary evolution. Works treading this path may waste opportunities for richer, multi-disciplinary conversations. Whether theoretical or empirical, economic investigations inherently operate in a space between the hard sciences, the soft sciences, and the humanities. Economic inquiry that fails to reflect on this is unlikely to contribute meaningfully to serious conversations about public policy, the role and purpose of markets, or the moral dimensions of human life in those markets.

[18] In fact, as they explain, "Once you understand people's motivations, you realize that their behavior is, from their point of view, quite rational. We are all just trying to satisfy different wants and needs, but these don't fit into traditional, boxed-up assumptions" (2013, 193).

[19] In particular, Spiegler identifies the disciplinary confidence in the principle of the substitution of similars, which emboldens the economic gaze to find potentially unwarranted connections between disparate social phenomena. He argues that "by recognizing this we can better understand some of the serious methodological problems within mainstream economics that have led to its current state of turmoil" (2012, 284).

3.2 Identity Economics: How Our Identities Shape Our Work, Wages, and Well-Being, *by George Akerlof and Rachel Kranton*

Fortunately, *Identity Economics* (2010) engages in precisely such reflections on the meaning and utility of economic knowledge, and as a result regularly opens space for meaningful interdisciplinary conversation. It expands upon a 2000 article in which George Akerlof (who received the Nobel Prize in 2001 for his work on information asymmetry in markets) and Rachel Kranton first made their case for introducing social identity into formal economic analyses. They used identity to explain variations in tastes and preferences, deviating from the traditional assumption that taste is fairly universal and static and does not differ importantly among individuals (Akerlof and Kranton 2000).[20] In contrast, Akerlof and Kranton begin by assuming that taste is highly variable and dependent on cultural context, and find the concept of identity to be a useful way to model this in economics. Translated into economic parlance, they postulate that agents gain (or lose) "identity utility" by conforming (or failing to conform) to the norms of their identities. In *Identity Economics*, they use this approach to analyze incentives in the workplace, motivation to learn in educational settings, gender asymmetries in labor markets, and race and poverty—but only after reviewing a considerable number of ethnographic studies that foreground the critical role that cultural identity norms play in each situation. They have managed to develop an economic method that adds to our knowledge of social phenomena by attending to precisely their cultural complexity, instead of presuming to explain them entirely in economic terms.

Akerlof and Kranton's treatment of gender discrimination in the workplace illustrates their approach. In order to build a theory of gender in the workplace, they begin with a standard model of the labor market, in which firms demand labor and workers supply labor. Based on attention to "ethnographic studies [that] indicate that people continue to view some jobs as appropriate for men and others for women," however, they posit that the workers' utility functions should have at least three identity ingredients: social categories (in this case, the categories of gender), norms and ideals (for example, that some jobs are labeled as men's jobs), and gains and losses in identity utility (such as, for example, male discomfort when working in a female gendered job, and when working alongside a woman in a male gendered job) (2010, 85). Unsurprisingly, because it is "based on observation of social interaction in the workplace," the conclusions of this model "fit actual labor-market patterns," and predict that firms will hire more men for male-gendered positions (2010, 88).

[20] See for example, Becker and Stigler 1977, which claims that "one does not argue over tastes for the same reason that one does not argue over the Rocky Mountains—both are there, will be there next year, too, and are the same to all men" (1977, 76).

While other economic models can produce similar predictions regarding wages and women's employment, they do so without reference to the cultural dimensions of the situation, and therefore miss key features. Models based on Becker's work, for example, suggest that since the taste for discrimination is costly, firms that indulge it will eventually be priced out of the market. Other models have posited that women demonstrate a lower attachment to the labor force that leads them to invest less in skills and education. Neither approach adequately explains the persistence of occupational segregation—and in fact direct analytical attention away from key features of such persistent asymmetries. In contrast, Akerlof and Kranton's approach foregrounds the question of "why discrimination and occupational segregation persist despite competitive market forces," and "suggests that the real problem is the norms that stipulate that men and women should do particular jobs, irrespective of their individual taste and abilities" (2010, 89).

Seen in light of the cultural data they cite to begin with, Akerlof and Kranton's conclusion can read to humanists as fairly anti-climactic, to be sure; *of course* problematic cultural norms lie behind pervasive gender inequality. It is worth noting, however, the starkness of the contrast between this analytical orientation to economic data and that offered by Gneezy and List. Whereas Gneezy and List begin with the assumption that it is economic analysis that has the capacity to illuminate opaque cultural problems, Akerlof and Kranton presuppose quite the inverse: that it is economic facts that are opaque when not seen within their cultural context. The authors are alert to the methodological innovation that this approach represents, and describe their work as participating in a third wave revision of the field, three generations removed from the "stick-figure *Homo economicus*" (2010, 113).[21] According to their history, Becker's inclusions of noneconomic motivations in the utility functions is the first of these revisions, and research attending to the psychological foundations of deviations from rationality (such as Kahneman's) is a second step toward broadening the scope and accuracy of economic analysis. "Identity economics," say Akerlof and Kranton, "is a next step in this evolution" (2010, 113).

On Akerlof and Kranton's telling, this disciplinary evolution is not one of *ressourcement*—in this case, of searching to refurbish a long-forgotten but pristine methodological heritage—but the opposite. Indeed, the

[21] It is here worth noting that not all usage of the term "*homo economicus*" in contemporary economic literature refers to this "stick figure"; some scholarship retains the term with the understanding that, following Becker, the core model has been amended to include nonmonetary motivations in the utility function. Akerlof and Kranton's usage of the term coincides with that of Gneezy and List, Kahneman, Hough, and Sunstein, however, and so in this essay, I have followed their shared definition.

analytical heavy lifting of *Identity Economics* is found primarily in Akerlof and Kranton's engagement of ethnographic and sociological studies, which directs them to understand which categories of identities are socially relevant for each separate case, and which norms are associated with these identities. This is a bold move, since economists historically viewed these disciplines as inferior—or at least, less rigorously scientific. Indeed, they are refreshingly willing to interpret experimental data by looking to other fields, and frankly acknowledge that for economic analyses to be useful, they must be attentive to the ways that other disciplines can point out cultural complexity.

Traditionally economic models were considered universally applicable and valid. Economists accordingly have made concessions to the (occasionally intractable) heterogeneity of human behavior by amending models only reluctantly, and in an ad hoc fashion. However, Akerlof and Kranton's attention to the formative role played by social norms clearly stands to introduce a new level of complexity to mainstream economics, and to strike a blow to theories that are parsimonious to the point of being facile. They model a kind of economic inquiry that does not attempt to empty complex social phenomena of all contradiction, contingency, and ambiguity, but rather holds itself responsible to that complexity.

While the possibility of such an economic discourse is a welcome one, it should be noted that no matter how far some economists lean toward their humanistic interlocutors, scientists and humanists will still differ on what counts as important knowledge. But Akerlof and Kranton, at least, appear aware of the usefulness of both kinds of knowledge, and to want to put them into conversation. They conclude *Identity Economics* with the following reflection:

> There are also deeper questions. Where do norms and identity come from? How do they change and evolve? What is the feedback between identity, economic policy, and institutions? What explains different identities and norms across countries? What might explain the rise and fall of group conflict? Asking these questions—and answering them—will have consequences. (2010, 130)

The fact that Akerlof and Kranton can and do pose such relevant questions speaks to the attention they have paid to the humanistic roots and implications of their research. Scholars in the humanities have much to gain (as well as to offer) in cross-disciplinary conversations that would begin to answer questions such as these. Just as economists stand to refine their initial questions and enrich their inquiry by attending to the humanistic context of their subjects, so we humanists may profit (pun intended) by becoming more alert to the economic dimensions of our own concerns. Moreover, if we let it, where economic scholarship provides new perspectives upon the human behavior that is the focus of both the humanities and social sciences, we may even find within it prompt to reconsider our established modes of discourse.

4. Applications

Thus far I have discussed one work that outlines the theoretical foundations of behavioral economics, and two academic works that offer opposing arguments about the uses to which it should be put in the service of the larger discipline. I turn to two volumes that argue for and model the use of behavioral economic scholarship for more practical ends: the first, to better understand and address contemporary health care issues faced in the United States; and the second, to improve public policy more broadly. They show that the process of practically applying behavioral economics to everyday life does not avoid the messiness of public deliberation over values, ends, and normative commitments, despite hopes for a "technocratic solutionism" (Fox 1995, 2).[22] These volumes raise questions about the relation between individual agency and freedom and the common good, and the ethics of making decisions that affect others, in areas as diverse as public information campaigns and the bedside manner of medical professionals.

4.1 Irrationality in Health Care: What Behavioral Economics Reveals About What We Do and Why, *by Douglas Hough*

The first of these two volumes turns a behavioral economic gaze on the state of medicine in the United States, in the hope that judicious use of its insights may improve both its practice and wider debates over health care provisioning. Douglas Hough, a mainstream economist who has seen the behavioral light and converted, uses *Irrationality in Health Care* to argue for greater acceptance of behavioral approaches in economics. In spite of his enthusiasm, however, and alone among the authors discussed here, Hough voices a note of caution about the limitations of this "young and imperfect science" (2013, 23). For one, most experimental research has been conducted using American college students, whose behavior and motivations cannot be relied upon to represent those of adult populations. What is more, behavioral economics has not yet produced an internally consistent body of theory: gaps and conflicts exist between experimental findings, and it is an open question whether behavioral approaches can outperform traditional ones in all areas. In short, existing research does not yet add up to a fully formed or unified theory that could lead to a full Kuhnian paradigm shift in economic science. Hough laments, "we are not quite there yet in economics" (2013, 20).

[22] See also Morozov 2013, 198–203.

Hough considers these issues to be "growing pains rather than fatal flaws"; young as the field may be, it is still advanced enough to explain "much of human behavior more accurately than does mainstream economics" (2013, 21). In *Irrationality in Health Care*, he uses a behavioral approach to unravel twenty-three health care "anomalies," or "behavior that neoclassical economics could not explain or could not explain very well" (2013, xv). Hough presents these anomalies in the form of questions, such as "Why do physicians' clinical decisions depend on how the options are framed?" and "Why did health care utilization and spending jump in the Rand Health Insurance Experiment when price went to zero—with no improvement in health outcomes?" (2013, 188, 151).

Hough attempts to answers these questions in light of behavioral economic principles and research. Some of his analyses illuminate current debates over health care provisioning. For example, behavioral economic research can help explain why both opponents and proponents of the Affordable Care Act believe that it will have a larger impact on the health care sector than it will. In all of his analyses, Hough regularly references the heuristics and biases introduced in *Thinking, Fast and Slow.* Kahneman and Tversky's work on prospect theory and the influence of emotion on risk perception, for example, features in his explanation of how dramatically the way risks are framed influences patients' care preferences. Action bias (the perceived need to do something in the face of uncertainty, even when doing nothing has a statistically higher chance of producing a successful outcome) helps explain why patients and physicians routinely order more lab tests, prescriptions, and procedures than they know are necessary.

In some cases, Hough moves directly from these behavioral explanations to policy prescriptions. He proposes, for example, that physicians be trained in how to present risks in a manner that patients better understand (interestingly, this requires reporting numbers rather than statistics). Given that patient "preferences are formed in the act of deciding and are not immutable," Hough claims that physicians have a responsibility to attend more carefully to the frames in which they deliver information to patients, especially regarding the risks of potential treatments (2013, 120). Although Hough never quite casts this responsibility in moral terms, or explores its import for professional medical ethics, his argument implies that physicians already bear more responsibility for their patients' choices—by way of influencing the perceptions that shape those choices—than they generally acknowledge.

In other cases Hough offers not concrete solutions or policy proposals, but simply considerations to weigh. The question of how to bias-proof public deliberation over health care policy is one such area. Public health issues should be presented in such a way that the relevant statistics are salient, and dialogue is not biased by emotional responses to statistics presented in a misleading fashion. Just as certain frames influence decisions that fail to promote their wellbeing, so can frames cloud public discourse with terms of debate that are less than ideal, especially where partisan agendas are involved. Hough references the public outcry over the amended mammography screening recommendations as a paradigmatic case of how public discourse can be disastrously derailed in this way. Not all issues admit of plainly obvious statistical resolutions, however, and so the goal of de-biasing public discourse raises the question of epistemic privilege—who is qualified to decide which frame is ethically and scientifically warranted for a given issue? It may not be possible to reach agreement over which features of an issue are morally and politically relevant, and therefore which frame is "correct."

The prospect of enlisting behavioral economics to improve social welfare likewise raises questions about the kinds of choices worthy of social and political promotion, and the methods of choice promotion that are appropriate. General public consensus deems it good to help patients reduce behaviors that lead to illness, and desirable to engineer a system of care provision that maximizes good health outcomes while reducing financial burdens. No such agreement exists over how to specify these goals, however, or how to achieve them. Which behaviors ought to be discouraged? When does an attempt to disincentivize unhealthy behavior cross into paternalism? Hough admits that the lens of behavioral economics cannot itself resolve this "second-order set of problems" (2013, 97).

In fact, whether behavioral economic research is a help or a hindrance with such problems may depend on the perspective one takes. Although from one angle it provides tools for making such decisions more advisedly, from another it muddies the waters of discussions of patient autonomy, and complicates both public health and medical ethics. In either case, behavioral economics unearths more political and philosophical issues than it resolves. Let us now turn to a work that foregrounds precisely these second-order deliberations, and addresses them directly.

4.2 Simpler: The Future of Government, *by Cass Sunstein*

Cass Sunstein has long supported the application of behavioral methods in general policy, and the field of law and economics. *Simpler* (2013a) is a quasi-memoir of his tenure with the Obama administration's Office of Information and Regulatory Affairs. It explains and defends the regulatory "nudges" he supervised while there. His story provides a useful introduction to the ethical issues—and political controversy—surrounding the use of behavioral economics in government.

Given its focus on concrete policies, *Simpler* puts flesh on the bones of the earlier philosophical case Sunstein and Richard Thaler made on behalf of nudging, and maps the terrain surrounding arguments about "libertarian paternalism" (a term Thaler and Sunstein coined in a 2003 essay). Libertarian paternalism describes policies that try "to influence choices in a way that will make choosers better off, as judged by themselves," while engaging in only "a relatively weak, soft, and nonintrusive type of paternalism [in which] choices are not blocked, fenced off, or significantly burdened" (2008, 5). Nudging agents by tweaking the environments that frame their choices—their "choice architectures"—is a paradigmatic example of libertarian paternalism, because it offers an approach "that influence[s] decisions while preserving freedom of choice," unlike the hard paternalism of regulation, prohibition, and mandate (Sunstein 2013a, 38).

While preserving choice, though, nudges do steer people toward "better" decisions, through updated default settings, for example, or improved information disclosures and warnings that render key information more salient. Many nudges intentionally capitalize on the cognitive biases identified in Kahneman's work, such as our present bias. Other interventions reduce the number of options that agents face, in light of research indicating that too many choices tax our finite decision-making capacities.

The majority of *Simpler* explains the behavioral economic mechanics behind specific policies that Sunstein oversaw, and regularly turns to Kahneman's two-systems theory of cognition as support. However, Sunstein's overall goal is at least as much persuasive as it is explanatory. His case for a nudge-oriented approach to policy hinges on the claim that nudges can be given "strong empirical foundations," by way of a "careful analysis of costs and benefits, based on science and economics," which he terms "Regulatory Moneyball" (2013a, 41). Although an analysis of the prospective gains and costs of a given nudge include non-monetary values such as dignity and equity (alongside the burdens placed on those who choose to work against nudges), Sunstein's use of "moneyball" is apt, since the empirical foundation mentioned is about demonstrating the numerical superiority of a given policy. Ironically, however, it is this very effort to fortify policies with the armor of numbers that ensures that politics is permanently woven into the fabric of nudges, given that costs and benefits are often the result of guesses, estimates, and subjective decisions about the monetary valuation of various nonmonetary goods. Although Sunstein signals that he is alert to the subjective (and occasionally contested) nature of these cost-benefit assessments, he uncharacteristically elides the difficulty this represents for democratic governance—perhaps in order to render *Simpler*, well, simpler.

Sunstein's interesting and careful presentation of the policy application of behavioral economic research does successfully foreground several fruitful philosophical questions. They concern the normative ends toward which nudges ought to steer choice, and when it is appropriate to steer choice using these means. What should we make of the use of economic cost-benefit analyses for matters of social well-being? How might we ensure that the use of this method avoids prioritizing the normative biases and commitments of some groups over those of others?

Sunstein's arguments raise even more useful questions about the account of human freedom appropriate for describing agency in markets. Consider two concerns that feature prominently in criticisms of Sunstein's work: the claim that his political philosophy is premised upon an inadequate picture of human nature, and the related claim that his libertarian paternalism accordingly encourages the violation of individual freedom. The first criticism asserts that individuals are not as weak-willed or as fallible as Sunstein assumes, and that he is both hasty and presumptuous in describing certain behavior patterns as irrational. Some ground this claim technically, by disputing specific behavioral economic findings. Others, however, accept the research and make the more restricted claim that although agents are exactly as described in behavioral economic literature, it does not follow that they need assistance. Richard Posner argued as much in defending rational choice theory; he claims that Sunstein and others fail to recognize that many allegedly irrational behaviors are quite rational when rationality is understood correctly (which is, in an even more minimal sense than already indicated), and as a result Sunstein and company "give up on rational-choice economics too soon" (Posner 1998, 1556). Posner is not solely motivated by an academic concern for preserving the elegance of neoclassical economic modeling; he fears that because "the picture of the human being" drawn in behavioral economics is one of "infinite manipulability," employing behavioral insights in policy may lead to "totalitarian" political outcomes (1998, 1575). His objection illustrates that agreement with the science of behavioral economics does not necessarily entail agreement with the normative commitments and ends to which the research is put. Not everyone is willing to move from the descriptive *is* of a cognitive bias to the normative *ought* of helping an agent reach past that bias to certain ends.

As Posner's use of "totalitarian" suggests, a second and related objection is that tampering with choice architecture to facilitate better choices violates individual autonomy.[23] This objection relies on an implicit contrast between the kind of freedom Sunstein envisions, in which agents are assisted in reaching "good" ends, and an ideal of freedom in which agents have freedom of choice within an untouched choice architecture. This contrast implies that choice architectures offered in the wild (that is, in markets) do not constrain in politically or ethically problematic ways because public agents have not intentionally tampered with them

[23] Grüne-Yanoff 2012 provides a more recent example of this objection.

(presumably, private agents are another matter). Unsurprisingly, those who object to political usage of behavioral economics overlap with those who advocate for market resolutions to social problems. Indeed, it is tempting to see debates over economic methodology and the robustness of the rational actor model as just so much cover for philosophical arguments about roles proper to states and markets.

Sunstein's work challenges such views of market freedom as totally uncoerced, and of market preferences as therefore true preferences, by indicating it is always the case that "choices are made against a background, created by private and public institutions. Nudges are everywhere, whether we see them or not" (2013a, 9). This suggests a certain inadequacy in the language of free choice in the first place, and the account of autonomy implicitly structuring Posner's concern. However, acknowledging that none of our choices or preferences are formed free from influences raises as many questions as it answers, and not just about the politics of applying behavioral insights to markets. Now we must ask what sort of freedom is it that we enjoy in markets, if consumer choice is not the paragon of uncoerced choice. We cannot any longer turn to the handy distinction between freedom *from* and freedom *for*, because no choice architecture is wholly unconstraining; all market settings offer a freedom *for* that encourages certain sorts of choices. What type of agency does this leave consumers with, exactly? And how ought the remarkable plasticity of preferences lead us to alter our evaluations of moral responsibility in markets, both for individuals and for the larger corporations, agencies, and institutions that set the terms for our choice architectures to begin with?

Sunstein does not answer—or even pose—this particular set of wider questions. *Simpler* focuses on specific arguments for policies that anticipate human foibles and shortcomings, and not the general theoretical aptitude of our established moral frameworks for discussing agency in marketplaces. However, the merit of *Simpler* (and Sunstein's work more broadly) is that it brings these wider moral questions into view.[24]

5. Conclusion: Future Conversations

Why should a behavioral turn in economics interest anyone in religious ethics—and, if interdisciplinary conversation between the fields is possible, what would it be about? As Hough has pointed out, it is still a "young and imperfect science" (2013, 23), and its usefulness for scholars in other fields will depend on whether it gains further acceptance in its own field, and on what sort of approach to understanding human economic activity it provides.

[24] Since *Simpler*, Sunstein has also published a number of other works touching upon these themes, including 2013b, 2014a, and 2014b.

With regard to economics, behavioral economics promises to improve the field by making it more attentive to empirical data, including data about cultural contingency and the complexity of human decision making. This usefully dethrones some particularly bad theories about human nature (and "bad" may be taken here in both senses, to indicate theoretical models that inadequately predict market behavior, as well as those that have negative normative consequences as they act back on the societies that adopt them). As such, behavioral economics comprises an unexpected ally for those who want to challenge the simplistic accounts of human nature encouraged within neoclassical economics.

Complexifying the *homo economicus* model can be done with almost no chastening of economic scientism, however. So much depends on how this scholarship develops. Will it encourage an economics imperialism that ostensibly explains all of life in terms of universal economic rules? Or will it make more modest claims about the texture of human economic behavior in various times and places? Current literature exhibits both orientations; the field is arguably experiencing an identity crisis, unsurprising for a nascent discipline which is trying at once to be empirically defensible, philosophically coherent, and useful for public policy.[25]

Scholars in the humanities can hope that this research agenda resolves its adolescent identity struggles without falling prey to the shortcomings of its parent discipline—such as an unjustified confidence that all empirical findings are grist for the mill of a universally valid economic theory. Despite the hopes of some of its founding theorists that economics would be as scientific as physics, individual agents (and the markets they make up) do not operate according to universal laws of motion; economic knowledge must be sought by attending closely to humans as they are situated in particular cultures, times, and places. Works such as Akerlof and Kranton's recognize this and, in seeking to attend to the ways that economic behavior is culturally mediated, appear to have made a "cultural turn" of sorts.

Future work must avoid reducing the complexity of action to homogeneous models to provide more fertile ground for fruitful interdisciplinary dialogue. Thus far, however, behavioral experiments do not seem to have focused on the differences between individuals. This is strange, given that cognitive biases are tendencies, rather than our fate. Some agents are not

[25] See, for example, Camerer and Loewenstein 2004, which collects some of the most significant semi-recent contributions to the field, and which opens by proclaiming that behavioral economic "analysis will improve the field of economics *on its own terms*" (2004, 3). In it, most contributions do not go beyond "modify[ing] one or two assumptions in standard theory in the direction of greater psychological realism" (2004, 3). See Schmid 2004 for an example of scholarship that embraces more fully an alternative normative and constructive agenda for the discipline.

distracted by anchoring effects, for example, and others help strangers in need regardless of the priming messages to which they have been exposed. Why should this be the case? What can behavioral economics tell us about why certain individuals should be more resistant than others to the situational factors that lead to certain moral (and immoral) behaviors? Akerlof and Kranton take welcome steps in the direction of recognizing the heterogeneity of everyday life, but much remains to be done.

A turn toward historical particularity will not be possible if behavioral economics revives an economics imperialism in which practitioners see no need to look outside their own tools to understand human nature. Gneezy and List are hardly the only scholars to proceed in such a clunky fashion, with tools ill-equipped to their chosen topics. Economic analyses of trust, reciprocity, "the warm glow,"[26] and "sophistication effects"[27] have proliferated in recent decades, each adding their own ad hoc amendment to the framework of rational choice in an attempt to approximate moral decision making with mathematical precision. Such piecemeal and ineffectual efforts to quantify the complexities of moral agency are not likely to find much appreciation from scholars of religious ethics, who may suspect that fascination with the apparently scientific patina of such terms will render facile conversations about human nature by displacing richer, multifaceted and more complex debates over moral anthropology and psychology. Behavioral economic research is just as susceptible as other science of morality scholarship to be used to promote reductionistic accounts of causality, agency, habit, and identity, and to bolster the hope that science can itself become the *lingua franca* of a time of fractious pluralism—that perhaps one day sciences such as cognitive psychology and neurobiology can replace philosophy in explaining our lives to us. Given the immense cultural draw of this kind of scientism, surely one of the duties of a responsible engagement with this literature is avoiding the temptation to unadvisedly appropriate behavioral economic research for our own understanding of human nature.

Concerns about the outsized ambitions of science should not lead religious ethicists to dismiss the potential contributions of behavioral economic literature, however. Above all, it can stimulate religious and ethical reflection on life in capitalism by prompting us to reassess how to think about moral action in the marketplace in light of the interesting and complicated ways that markets can condition our behavior. This is helpful, given the temptation to assume that the often-invisible backgrounds that markets provide to our lives—the layouts of shopping

[26] This term indicates the "warm feeling" that agents experience upon acting in altruistic ways, or in accord with social norms that oppose pecuniary self-interest (see, for example, Andreoni 1989 and 1990, which introduced the term into economic literature).

[27] This term is used to model differences in self-control and willpower as "time-inconsistent, present-biased preferences" (O'Donoghue and Rabin 1999).

centers, the type and quantity of online advertising, or the geographic availability of various food types, for example—are morally neutral, and irrelevant to genuinely important decision making. What the works discussed here suggest is that "neutral" is not a fitting way to describe these backgrounds, given that every choice architecture encourages certain choices (and discourages others).

So, behavioral economics is potentially useful for scholars of religious ethics because it underscores the moral seriousness of market arrangements. Given that the world is increasingly interconnected in complex ways, our economic choices touch our neighbors' lives in part by forming the economic environments in which they make choices. The surprising plasticity of our responsiveness to environments raises the moral stakes of our economic decisions, both collective and personal. We must pay attention to the way that various cultural and institutional structures encourage certain behaviors, attitudes, and patterns of life, and the ways that we are responsible for shaping these very structures.

Attention to this mutual influence can enrich conversations about economic ethics, without encouraging the kind of hysteria that occasionally results when asking how capitalism forms (or deforms) our moral character.[28] The sheer fact that choice architectures always facilitate some sort of desire and action is itself neither good nor bad. In fact, knowledge about how choice architectures work should militate against the more dismal prognoses about life in markets: on the contrary, it suggests that there is no reason not to hope that some of our economic choices can help build (to adapt the words of Peter Maurin) "the kind of society where it is easier for men to be good" (Vishnewski 1976, 5). This is because thinking alongside behavioral economics can help us publicly reason through how to change the conditions we find ourselves in when we decide they do not adequately empower the kind of agency we would prefer. This is the promise held out by Sunstein's political philosophy: the more we learn about the determinants of our economic behavior, the more power we have to influence our own lives, and promote our agency—at least, if agency is understood (against Posner, and with Sunstein) as helping agents to achieve their own reflectively held ends. Likewise, behavioral economics may also be helpful in the larger public quest to ensure that our moral imaginations are not unconsciously limited by the various horizons we have been given. In sum, it stands to empower us with what might be called a kind of reflective moral agency, by helping us to understand and interact with our economic environments more

[28] See, for example, Goodchild 2009; Long 2000; and Bell 2012, each of which in diverse ways indicts capitalism as a force that distracts and deforms its subjects by way of various heresies and idolatries, and presumes—rather than demonstrates—that life in capitalism is, irremediably and almost without remainder, corrupting.

advisedly—above all and especially the environments that appear to have sprung up due to anonymous market forces.

With this in mind, why should we not imagine useful and generative conversations between behavioral economists and religious ethicists (and others who use their work in diverse, non-economic fields) around issues of habit, will, agency, and moral responsibility for economic decisions? To be sure, at present these issues are still framed too narrowly in most behavioral economic literature to satisfy scholars in broader, more humanistic fields. It may be a mark of success, however, that we feel any disappointment in the first place; we should welcome works of science that open doors for conversations across disciplines, even ones that involve disagreement and contestation.

Religious ethicists undoubtedly have something to add to such conversations, including the ability to articulate what is at stake in applying various sorts of economic knowledge to the real world. As the books treated here attest—each of them written for a wide audience, and with diverse applications in mind—behavioral economics will be used far beyond its home field. Even at their most interdisciplinary, chastened, and reflexive, however, economists do not appear inclined to articulate or discuss the presuppositions behind or implications of their findings about human behavior, or to explore the ethical issues brought up by engaging them in everyday life. I hope that scholars of religion, as they attend to the increasingly pressing issue of adapting religious traditions to the moral complexities of contemporary economic life, will be so inclined.[29]

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