

BEHAVIORAL ECONOMICS: THE NEW APPROACH TO DESIGNING THE PATERNALISTIC ROLE OF THE STATE IN THE ECONOMY

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Abstract

The idea about the significance of the psychological dimension of human behavior is not new and it has existed in the social sciences since long time ago. In accordance with this, this paper attempts to base economic analysis on psychological research, which is manifested in economic theory through the affirmation of behavioral economics. The paper emphasizes the importance of 'new behavioral economics', which, on the basis of rejecting the concept of maximizing rationality, opens a new dimension of understanding of the justification of government interference in the sphere of economy and society. In relation to this, the paper discusses the implementation of paternalistic measures and interventions directed toward correcting and reducing numerous cognitive mistakes and psychological anomalies created during the realization of economic decision making.

Key words: behavioral economics, economic rationality, 'new paternalism', behavioral failures, state paternalism in Serbia.

БИХЕВИОРАЛНА ЕКОНОМИЈА: НОВИ ПРИСТУП ОСМИШЉАВАЊУ ПАТЕРНАЛИСТИЧКЕ УЛОГЕ ДРЖАВЕ У ЕКОНОМИЈИ

Апстракт

Идеја о значају психолошке димензије људског понашања није нова и међу друштвеним наукама постоји од давнина. У складу с тим имамо и настојања да се економска анализа постави на темељима психолошких истраживања, што свој облик испољавања у економској теорији поприма кроз афирмацију бихевиоралне економије. У раду се апострофира значај „нове бихевиоралне економије“ која, на темељу оспоравања концепта максимизирајуће рационалности, отвара нову димензију разумевања оправданости мешања државе у сферу привреде и друштва. С тим у вези биће речи о потреби спровођења патерналистичких мера и интервенција усмерених на отклањање или редуковање бројних когнитивних

грешака и психолошких аномалија насталих приликом реализације процеса економског одлучивања.

Кључне речи: економска рационалност, бихевиорална економија, „нови патернализам“, бихевиорални пропусти, државни патернализам у Србији

INTRODUCTION

The appearance of the new analytical approach that introduced and strengthened the name behavioral economics, has obtained in the theoretical literature a status of one of the most interesting and important events in the economic science during the previous decades. Its constitution as an independent sub-discipline within the economic science, formed at the boundary and the meeting point of economic and psychological research, occurred in the 1970s.

The ideas and approaches developed in the field of behavioral theory almost instantly received academic acknowledgement. This allowed the theory to reach economic mainstream, which, among other things, caused certain changes and transformations of some segments and their parts. The character of these changes was not concerned so much with the level of real research practice as with the acceptance and application of its general conceptual representations by the significant, and perhaps a higher number of, contemporary economic theoreticians. The obvious popularity of behavioral ideas is seen, inter alia, in the superficial listing of the areas in which they are acknowledged and actively used: consumer choice theory, financial theory, theory of production, theory of employment, theory of investment and saving, theory of economic development, game theory, and others.

This paper focuses on the attempt to determine the theoretical relevance and practical foundation of the basic ideas and concepts underlying behavioral economics. Accordingly, the aim of the paper is to gain realistic insight of its importance from the standpoint of improving the understanding of economic behavior, as well as the potential contribution in terms of developing the ‘innovated’ concept of the importance of state participation in directing and regulating the economy and the society. This aim is achieved through examination of the hypothesis about the fact that behavioral economics can be a useful tool for paternalistic measures and interventions directed toward reaching a higher level of rationality of economic actors. Therefore, special attention is given to the analysis and evaluation of the normative assumptions from which behavioral economics starts, with the intention to analyze the effects of the gradual change from the ‘welfare state’ to the ‘paternalistic state’.

The research will be directed toward the identification and determination of the area of economic and social life, which can be the topic of conceptual and analytical debates based on the theoretical achievements of behavioral economics. In relation to this, we will observe the instrumental position of behavioral economics in terms of a possible impact on deepening the understanding and justification of state interference in the socio-economic sphere. Special attention will be given to the examination of potential effects of implementing paternalistic measures and interventions of the Republic of Serbia, primarily in the light of accepting the elementary norms of market behavior, lessening the extent of the irrationality of economic actors, as well as directing their impact toward making better decisions about the utilization of resources.

This study involves a theoretical and structural analysis of the study topic, based on the elaboration of the available secondary sources. This means that we will use empirical studies of various authors who have dealt with the issue in order to test this hypothesis. Then, through a combination of the historical-deductive method, which starts from the obvious facts pertaining to the presence of irrational forms of economic choice in Serbia, and the hypothetical-deductive method, which is based on certain assumptions, we will draw logical conclusions regarding the necessity of state interference in the case of cognitive anomalies and irrational action of economic actors.

GENERAL CHARACTERISTICS OF BEHAVIORAL ECONOMICS

The behavioral economic theory has been created as a symbiosis of economic science and psychology. It is a process that can be characterized by the example of another 'powerful' trend in the multidisciplinary studies of socio-economic issues. On one hand, there is a tendency toward idealization of the application of economic methodology on the level of all social sciences; on the other hand, there is a very 'strong' current that glorifies the impact of the psychological factor in all social occurrences. Regarding the supremacy of the psychological, the economic methodology usually uses the term 'psychologism', while the term 'psychological imperialism' is primarily used for the purpose of providing an equivalent balance to 'economic imperialism'.

'Psychological imperialism' is connected with the primacy of psychological laws in the field of economics, and as such it represents a strong alternative to the occurrence that marked the second half of the XX century in the field of the social sciences – 'economic imperialism'. The essential trait of the abovementioned tendency can be seen in the application of the economic approach in the analysis and explanation of occurrences that have not traditionally been an object of research in the economic science (Becker, 1968, 1976, 1996). We start from the assumption that the laws of

the market are not valid only in the economic sphere of social life, but that they are also the basic point of all the other forms of social relations (Petrović & Stefanović, 2013, pp. 247-265)

Generally, the process of convergence of scientific knowledge and economic science does not only propose that its approach and methods be used in other sciences, but also allows the ongoing influence and integration of other scientific disciplines in the field of economic science. Therefore, in the case of behavioral economics, the multidisciplinary character assumes the form of a psychological quest into the economic sphere of social life, while the economic theory assumes the role of a 'colonized territory' (Glaeser, 2004).

We can mark the 'old behavioral economics' related to H. Simon and J. Katona, created in the 1950s and the 1960s, as a 'forerunner' of the 'new behavioral economics' (Agner & Loewenstein, 2006, p. 20). Simon was the first to create the foundation for the conception of bounded rationality at the time when the dominant camp of economic thought was proclaiming the attitude that people make rational choices. According to him, a human being is not perfect and as such he has limited knowledge and capabilities, which does not guarantee optimal allocation of resources and maximization of utility in the complex circumstances and conditions of decision making (Simon, 1978). Katona is well-known for being the first one to use the term 'behavioral economics', with the intention to point out that habits have a key role in directing economic behavior. He reminded us about extensive empirical evidence that routine behavior is very present in the economic life (Katona 1951, p. 52) and that it refers equally to the sphere of consumption as well as to the sphere of real business. Therefore, it is necessary to analyze the habits and all the other types of routine behavior in order to understand the real functioning of the economy, which is why business activities should not only be observed as a process of continuous adjustment to the changed economic conditions.

Although the ideas of the 'old behavioral school' have left a certain mark, the majority of economists ignored them in practice, which is why the abovementioned course of research did not win the status of an independent sub-discipline in the field of economic science. It is especially surprising that although there were logical expectations about the continuity in the development of the behavioral approach, we have a situation that the 'old behavioral economics' did not have any noticeable impact on the appearance and understanding of the 'new behavioral economics' (Agner & Loewenstein, 2006, pp. 26-27). In fact, the 'new' behavioral approach was formed separately from the previous attempts directed toward basing the economic theory on psychological research. Its affirmation in the economic theory began with the publishing of two articles of the well-known psychologists D. Kahneman and A. Tversky (Kahneman & Tversky, 1974, 1979). In the articles they criticized the orthodox theory of expected utility,

proposing an alternative concept of reaching decisions in conditions of uncertainty, known by the name 'prospect theory'. The same importance was given to Thaler (1980) in terms of popularization of the ideas of behaviorism. In his famous article he listed ample empirical evidence about the suboptimality of economic decisions.

Kahneman, Tversky and Thaler wanted to elaborate the empirically adequate theory of choice in their articles and the aim of the theory was to realistically describe the process of economic decision making. Following their example a large number of economists and psychologists entered the process of 'dismantlement' of the model of rational choice, introducing more and more denying facts. Among the active representatives of behavioral economics, we can mention G. Akerlof, D. Ariely, C. Camerer, G. Loewenstein, D. Laibson, M. Rabin, C. Sunstein, etc. The impact of behavioral economics on the overall corpus of economic research has become so strong and diversified, that it was characterized as a revolution in the development of modern economic thought (Costa-Font, 2011, p. 551).

The fact that these authors belong to different theoretical orientations, among other things, has contributed to the strengthening of the idea that behavioral economics is actually an umbrella term that includes four research traditions: (1) the Carnegie school of Richard Cyert, James March, and Herbert Simon; (2) George Katona and the Michigan school; (3) the Oxford group; and (4) the Stirling school (Jefferson & King, 2010, p. 214). There are opinions that behavioral economics as a general term can be associated not only with four but with eight different approaches: (1) Simon and the Carnegie school; (2) Katona and the Michigan school; (3) psychological economics; (4) Harvey Leibenstein and the X-efficiency theory; (5) George Akerlof and behavioral macroeconomics; (6) Richard Nelson, Sidney Winter, and the evolutionary theory; (7) behavioral finance; and (8) Vernon Smith and experimental economics (Tomer, 2007, pp. 469-475).

BEHAVIORAL ECONOMICS AND THE 'NEW PATERNALISM'

Behavioral economics does not interpret economic behavior in accordance with the standard model of rational choice. Its representatives insist that the real life abounds with the examples of irrational behavior, which is primarily associated with numerous psychological constraints and anomalies. In relation to this, behavioral imperfections related to inconsistency regarding the process of discounting, the changeability of the psychological and emotional state, the dependency on the context, the lack of self-control, overly strong optimism, the orientation toward the status quo, etc. are most often mentioned (Rizzo & Whitman, 2009, pp. 932-943).

By pointing out the fact that people can make choices that are not consistent with their best interest, the representatives of behavioral economics came up with the idea that a paternalistically oriented

government can help individuals make better decisions. Thus we arrive at the affirmation of a new normative program of behavioral economics known as 'the new paternalism'.

Although by raising the question of rationality they risk being accused of abandoning economic science itself (Hodgson, 1988, p. 74), the proponents of this idea have fairly reasonable explanations, which confirm the relevance of their intentions and understandings. Among them, we should emphasize pragmatic meaning, according to which it is only on the basis of rejecting the maximizing reality that it is possible to take certain steps in order to direct the actions of economic actors toward stimulating this rationality. Accordingly, this is the position of the behavioral economists who, starting from the boundedly rational of the economic subjects and the need for including the government in order to reduce and eliminate this boundedly rational behavior (Jolls&Sunstein, 2006, p. 199), return to the development and the affirmation of the idea of paternalism.

In principle, paternalism withstands "interference with a person's liberty of action justified by reasons referring exclusively to the welfare, good, happiness, needs, interests or values of the person being coerced" (Dworkin, 1972, p. 65). Although it does not bear the mark of government interference, paternalism primarily refers to the activity of enacting laws and measures that facilitate the process of decision making. Depending on how deeply we enter the process of individual decision making, we can differentiate between 'hard' and 'soft' paternalism (Madhadam&Gutmann, 2013, pp. 1-20). Even though, all other conditions being the same, we give priority to the 'soft' paternalism and the characteristic of minimal limitation of the freedom of choice, we should not underestimate the justification of introducing some immediate prohibitions, direct limitations, as well as high taxes and other state charges. When measures of the 'soft' paternalism do not yield the desired results, it is justified that the government should intervene by 'fierce' limitation of the free choice.

Economic theory in principle is negatively oriented toward the policy of paternalism and limitation of the freedom of choice. The traditionally used argument about when to make an exception and allow limitation of the freedom of choice is related to the situation when the activity of some economic subjects endangers the interests of others. In that sense, government interference is justified and is associated with 'market failures' and the unlevelled sharing of income. However, the idea of behavioral economics is to add another 'behavioral' reason to the stated reasons for justified government interventionism. In this way the rejection of paternalistic government interventionism that starts from the traditional economic theory is 'pushed' aside, opening a new, incomparably wider, field of government activism. It is simultaneously a consistent part of the new analysis of reasonability of government interventionism,

whose basic message is that if people are not immune to the appearance of systematic mistakes while making decisions, the task of the state is to help them direct their behavior toward the rational usage of all available resources.

Paternalistic Measures and State Interventions

The instruments of the state policy that are supported by the ‘new paternalists’ represent a complex combination of the legislative and administrative prohibitions, taxes, offering of information that is needed, as well as certain means of persuading and manipulating the ‘architecture of choice’. It is not only about the new original recommendations but also about the multitude of the usual instruments of government regulations that were used previously. In principle, the behaviorists find all forms of government regulations to be desirable and allowed if they result in efficient prevention and correction of cognitive and psychological biases (Rizzo et al., 2009, p. 910).

Among the abovementioned forms of state interference in the process of making individual decisions, the one that is believed to be ‘the strongest’ is the one that introduces explicit prohibitions and limitations of individual choice. According to the ‘new paternalists’, the limitation of individual behavior is justified when the irrationality of the economic subjects is so prominent that its correction using the ‘soft’ paternalistic measures (offering necessary information or manipulating the ‘architecture of choice’) is almost impossible. Consequently, we propose that laws be introduced in all areas in which there is high risk of irrational behavior of economic actors.

Direct limitations and prohibitions are less supported by the representatives of behavioral economics and ‘new paternalism’ than some traditional instruments of government regulations, such as ‘sin taxes’ (alcoholic drinks, smoking, and games of chance) and unhealthy food and drink taxes (greasy food, carbonated beverages, etc.) (O’Donoghue&Rabin, 2003, pp. 190-91). By increasing the expenses related to consumption of harmful goods (junk food), ‘sin taxes’ can reduce the negative consequences caused by weak will and hyperbolic discounting, thus redirecting the individuals of limited rationality to the more reasonable and socially acceptable behavior.

A relatively simple way recommended for correcting the mistakes that people make under emotionally and psychologically ‘heated’ conditions is related to the legal definition of the cool-off periods. These periods can be predicted for the period before and for the period after reaching important decisions (Camerer, Issachoroff, Loewenstein, O’Donoghue& Rabin, 2003, p. 1239). When buying a car, for example, there are the following possibilities. The first is that when the individual signs the contract to buy the car, he can wait several days before he takes

it (during which time he can change his mind). The other possibility is that he takes the car immediately, but under the condition that he can return it during in the following several days. An interesting example of determining the ex-ante cool-off period is related to the family law (Капелюшников, 2013, p. 85). According to this approach the official registration of marriage does not take place immediately after applying or after stating the wish to get married. Instead, the precise time is planned in which it is possible to remove the eventual influence of the 'heated' psychological state on the making of important decisions such as forming a family. The example of the ex-post cool-off period can be found in the Law on Consumer Protection, in which there is a possibility for the buyers of durable goods to return these goods in a certain period with a full refund.

One of the instruments that is actively supported by the 'new paternalists' is concerned with mandatory disclosure of certain information during the signing of important contracts, related to e.g. loans, mortgages, and leases, as well as during purchasing of high-risk goods and services. In relation to this, they believe that the sellers of products that are harmful to health are obliged to provide consumers with detailed information about certain risks (with explanations, statistical indicators, etc.). To battle irrational passions (e.g. games of chance) they propose disclosure of the information about the calculated probability of the actual chances of winning certain premiums and winnings.

Bearing in mind that provision of adequate information does not necessarily have the desired effects, the 'new paternalists' offer measures that could influence not only human consciousness, but also the subconscious. For example, to struggle against smoking it is possible to use warning labels and terrifying pictures on the packs of cigarettes.

The policy of mandatory disclosure of information is particularly efficient when giving loans to consumers. Since misguided behavior is often present in the financial sphere and since its price is rather high, the behaviorists recommend that the customers should be adequately informed about all banking products and services. In connection with that, we should mention the example of the USA, when a new approach was introduced in the regulation of consumer loan under the direct influence of the behaviorists (Wright & Ginsburg, 2012, p. 1057).

The contribution of behavioral economics in the field of promoting government regulations can best be seen through the support of the manipulation of 'architecture of choice' (Ibid., p. 1056). This is related to the fact that the state is due to make a choice for, and instead of, an individual in certain cases, since we can assume that he cannot deal with such a task in certain situations. For example, one could propose to the workers to automatically participate in the savings plans (Sunstein & Thaler, 2003, p. 1172), which helps rectify the mistakes connected with the inconsistency and weakness of will, hyperbolic discounting, etc.

The Possibilities of Implementing Paternalistic Measures in Serbia

Due to the fact that the government has a discretionary right of establishing institutions, as well as the right of formulating, implementing, and guaranteeing the policy of reforms, its role in the context of economic and social development can be considered as a key one. As regards the Republic of Serbia, the expectations of the government are additionally rising, taking into account that there are serious and essential reforms ahead, on the road to establishing the market rules of conducting business. Because of the numerous social and economic problems, the slow acceptance of market norms of behavior, the irrational behavior of a large number of economic subjects, the skepticism toward entrepreneurship, etc., it seems that there are huge tasks facing Serbian government and its political authorities, and also a decisive 'battle' to create the conditions necessary for the development of a 'healthy' market economy.

The citizens of Serbia still have an aversion to the new individualistic arrangements, entrepreneurship, and developmental impulses based on the realization of individualistic motives and actions. It is possible instead to identify the collectivist mentality of our community, which is largely a result not only of the socialist heritage, but also of the deep cultural and historical roots. As opposed to the protestant ethics, the Orthodox countries are still dominated by the aspects of conscience related to the egalitarian and paternalistic syndrome (Sekulović 2002, p.110). In this sense the Republic of Serbia is not an exception, considering that the help of every kind is expected from the government, from finding work and jobs, through solving problems of unpaid salaries and financial compensations for the workers that become unemployed in the process of transition, to protecting domestic manufacturers from merciless foreign competition (a widely accepted opinion of the state's role).

Considering all the challenges the Serbian government is facing, it seems fairly justified that the government should take into serious consideration some of the recommendations of the representatives of behavioral economics and the 'new paternalism' during implementation of its actions. The significant experience related to the problems that follow the process of economic and social behavior while transitioning from a planned into a market economy leads us to the conclusion that, among the socio-economic domains of life that deserve the 'protecting hand' of the state, the following three warrant a closer analysis.

1. The choice of the sphere of economy – the legal and illegal – is the subject of research of different social sciences. It is a common sociological standpoint that the lawbreakers are completely irrational people and that they easily take on business in the grey sphere of economy. Contrary to this, the lawbreakers behave completely rationally according to the classical analysis, and their motivation is essentially not different from the motivation of other people. This means that the potential lawbreakers

reach fully rational decisions about whether to ignore the law or not, comparing the net gain that they can make by breaking the law with the benefit gained by engagement in completely legal activities.

The representatives of behavioral economics pointed out that the egotistic nature of human beings can put the economic interest above obeying the law and regulations, not taking into account all the potential expenses and not denying that rational judgment can underlie the choice between doing business in the 'legitimate' or the 'grey market'. In fact, when the material gain is given priority, its fulfillment is related to avoiding tax and other obligations, which minimizes transactional expenses. However, research by the renowned sociologist A. Oleinik (2002, pp. 508-511) has shown that by moving into the illegal sphere of doing business, economic agents save on one type of expenses, but on the other hand, they pay a high price for the illegality. Consequently, it seems that, as opposed to the citizens of the developed market economies, the majority of Serbian population is still unaware of the high cost of illegal activities. There are many affairs connected with tax evasion, illegally conducted tenders, failure to fulfill contract obligations, high level of corruption, etc. Sometimes we cannot avoid the impression that many individuals, especially those with important state functions, have been openly breaking the law, easily ignoring the possibility of becoming the object of interest of the control and repressive state organs and bodies.

Hence, we seriously doubt that the carriers of economic activity in Serbia are capable and adequately educated to make a right decision in favor of the choice of legal or illegal sphere of business. Even if we set aside the fact that obeying the law is the obligation of every moral person, it seems that in Serbia the illegally obtained material gain is overestimated while the numerous advantages of doing business by the law are underestimated. This model of behavior thoroughly depicts the problem of hyperbolic discounting and the resulting tendency toward fast acquisition of benefit. Pressured by the economic problems and difficulties, many people in Serbia have become impatient concerning the growth of the standard of living. As a result, they exhibit certain 'short-sightedness' during decision making that is related to determining the relationship between utility and expenses.

The short-term rate of discount and the insufficient understanding of the relationship between 'the price of legality' and 'the price of illegality' definitely constitute a valid argument in favor of undertaking paternalistic measures and interventions. This implies making a list of systematic measures, the restrictive ones and, more importantly, the informative and educational ones. The overall involvement of the government in this sphere should help raise awareness about the allowed ways of obtaining economic benefits, as well as strengthen the belief about the fact that it is more beneficial to operate in accordance with the law in the long run.

2. The stimulation of investments and determination of the economic areas and branches in which people should invest their capital is not done exclusively according to the rules of functioning of a spontaneous economic system. Although market economies usually use the mechanism of price signals as a dominant way of providing information, the situation in Serbia now demands that the government dedicate itself more seriously to the problems of investment and incentives for the beginner entrepreneurs. Domestic entrepreneurs usually begin an activity in the tertiary sector, governing themselves by the level of the initial capital, the relative simplicity of doing jobs in the service sector, and the speed of the required administrative procedure for the establishment of firms and companies.

From the perspective of the 'new behavioral economics', giving to the service sector during the investment is definitely suitable for the cognitive shortcoming marked as 'dependency on the context'. In fact, under the influence of the still present traditional cultural milieu, which does not approve of the complete supremacy of private ownership over state ownership and individualism over collectivism, people tend to think within certain frames (framing effects). Therefore, it should not come as surprising that after graduating from schooler university, citizens of Serbia first try to find employment in the public sector. If they do not succeed, the next option is the relatively long waiting period on the labor market or the starting of their own business. Regarding the latter option, it is very likely that the tertiary sector will be chosen, because for a long time it has been treated as the expected standard related to the allocation of resources in times when new information and ideas are lacking.

The government can interfere with the process of directing the decisions regarding which areas are profitable for investment if it deems it necessary to stimulate the manufacturing sector. In this sense, providing the necessary information and advice, as well as the adequate combination of the legislative, fiscal, and other administrative measures, can greatly influence the individuals to try out their knowledge and skills in the real sector of the economy.

The importance of paternalistic intervention of the government, or the consequences of its absence, can be observed as early as in the recent past. As we know, a certain number of citizens have earned considerable sums of money during the privatization of the most successful firms. The amounts based on compensation and selling of the shares have often been measured by thousands or hundreds of thousands of Euros, which represents a small fortune in the domestic circumstances. However, in the absence of recommendations and a desirable government campaign about how to use the earned money to invest in and open new firms, the members of the newly rich families started to spend immoderately, which is evident in their purchase of expensive real-estate, land, luxurious cars, travel arrangements to luxurious destinations, etc. Many of them spent all

of their money and were left without a job or any idea about how to find another one. Therefore, it appears that things might be different if there were certain government programs and instructions on how to invest so much money, especially if we know that our citizens at the time were not skilled at the market way of thinking and rational judgment related to the future economic movements and events.

3. Giving loans to citizens is a typical aspect of economic life, which is a consistent part of the priority fields of interest of the representatives of behavioral economics and the 'new paternalism'. The primary reason for this is that it is exactly in the sphere of taking out loans and using credit cards that the behavior of a considerable part of the population contradicts the hypothesis of rationality and the assumption about the maximizing behavior.

After a long loaning abstinence of the citizens during the 1990s, a large number of citizens of Serbia resorted to relatively careless and intensive loaning, following the beginning of democratic and transitional changes accompanied by the arrival of foreign banks and the expanded offer of numerous banking products. They often did this without proper information about the price of consumer loans, the expenses of processing and administration, and the interest rate on using credit cards (the so called allowed and disallowed 'minus'(being 'in the red')), which, together with numerous hidden taxes and charges, enhanced the sudden growth of credit indebtedness of the citizens.

The behavior of economic actors in the sphere of credit spending is a typical example of the empirical confirmation of the behavioral conception about the consumers as boundedly rational subjects, inclined toward making cognitive mistakes. From the aspect of the domestic circumstances, particular emphasis should be given to those related to the optimistic thinking concerning the amount of payment and the certainty of keeping a job. Accordingly, we perceive the logical directions of the impact of paternalistic policy as aimed toward solving this issue of existential importance for many citizens of Serbia. Meanwhile, the recommendations of the behaviorists should not be reduced to merely fulfilling the justified demands for providing all the relevant information pertaining to the loaning process. It is even more important to support the making of loaning contracts in which the implicit credit clauses will be given as the obligatory elements of the standard banking products. It is desirable to change the complex variants of the loaning arrangements with a multitude of various additional conditions, starting from their basic, simpler, variants. As regards the credit cards, we should think about the usefulness of separating their saving and transactional function, where, for example, one type of credit card would serve only for withdrawals, while another would serve for purchases. Finally, starting from the numerous negative experiences related to the irrational use of credit cards by the citizens of Serbia and

warnings from some behaviorists that the boundedly rational individuals are definitely incapable of using such complex financial instruments without a negative impact on their own well-being (Wright et al., 2012, p. 1058), we should probably analyze those ideas concerned with the introduction of more restrictive rules of their issuing.

Based on everything stated above, we can conclude that in Serbia it is necessary to take into account numerous paternalistic recommendations, whose practical realization requires acceptance of the measures that differ with regard to their character and the intensity of their impact. In some cases the advantage should be given to the paternalistic options connected to persuasion, giving advice, education, etc. For example, it could be the case of advice related to acceptance of the automatic model of saving, since we should expect the restructuring of the system of mandatory social insurance. However, we should not underestimate the justification of introducing some immediate prohibitions, direct limitations, as well as high taxes and other government charges. When measures of the 'soft' paternalism do not yield the desired results, it is justified that the government intervene through 'fierce' limitation of free choice.

CONCLUSION

Although the rational choice theory proved to be very useful, its findings are often not confirmed in empirical research. That conclusion, among others, was drawn especially by the prominent representatives of the new analytical direction, established and fortified under the name behavioral economics. Its research, conducted based on acknowledgement of economic and psychological factors and aspects, shows that economic actors relatively frequently behave irrationally, displaying numerous cognitive and behavioral errors.

Since behavioral imperfection leads people into situations where they can make choices that are inconsistent with their best interest, the representatives of behavioral economics came up with the idea that a paternalistically oriented government can help these individuals make better decisions. Thus we arrive at the affirmation of the new normative program of behavioral economics known as 'the new paternalism', which lies on the border between the laissez-faire economy and the traditional ('hard') paternalism and which seeks to identify and establish new rules of behavior in the function of maximization and optimization of individual choice (e.g. automatic registering of the unemployed into the programs of saving, taxes for irresponsible behavior, or elimination of the rules about the maximum number of hours without paid compensation for overtime work).

On the basis of the new ideas about measures and instruments of the government, the 'new paternalism' was affirmed as an alternative to the traditional school of liberal philosophy and economic theory. In fact,

being the opposing opinion to the classical liberal tradition, which takes the bounded rationality of the individuals as an argument in favor of not spreading and broadening the quantity of state interference in the sphere of economy and private life, the 'new paternalism' pushes forward the idea of premeditated engagement of the state with the aim of improving the quality of human decisions.

Considering that the degree of rationality of economic actors in Serbia is additionally reduced compared to the level of rationality that characterizes the average carrier of economic activity in the developed market economies, we can place almost all spheres of economic and social life under the 'protecting hand' of the government. Relying on the experience whereby the citizens of Serbia showed special inclination toward making behavioral and cognitive failures, this paper was particularly focused on explaining and proposing the guidelines for creating and accepting state regulations in the domains of loaning, investment, legal economic activity, etc. Furthermore, all the aforementioned ideas and recommendations fall within the context of contribution to the systematization, affirmation, and development of the parts of assumptions of behavioral economics, which confirmed the ability of the basic hypothesis to be a useful tool for creating paternalistic measures and interventions directed toward reaching a higher level of rationality of economic actors.

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БИХЕВИОРАЛНА ЕКОНОМИЈА: НОВИ ПРИСТУП ОСМИШЉАВАЊУ ПАТЕРНАЛИСТИЧКЕ УЛОГЕ ДРЖАВЕ У ЕКОНОМИЈИ

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Резиме

Бихевиорална економија представља релативно нови и перспективни правац истраживања, који у значајној мери утиче на стање и будућност економске науке. Иако економисти не одустају лако од коришћења формалних модела базираних на претпоставци о савршеној рационалности економских актера, представници бихевиоралне економије нуде бројне емпиријске доказе о томе да ре-

ално економско понашање нема много тога заједничког са хипер рационалним хомо економиком (homoeconomicus). Бихевиорална економија се на тај начин декларише као субдисциплина у оквиру економске науке, чије је кључно обележје супротстављање рационалном моделу избора - фундаменту на којем почива класична економска анализа.

Међутим, упркос почетном утиску о оштрој подвојености, однос бихевиоралне економије према конвенционалним моделима рационалног избора није нимало једнозначан и може бити предмет различитих анализа. Примера ради, она одбацује њихов дескриптивни карактер, не доводећи при том у питање нормативне захтеве и интенције тих модела, посебно када се има у виду могући утицај истих на остварење индивидуалног и друштвеног благостања.

Свесни чињенице да појединци могу испољавати бројне когнитивне и бихевиоралне „промашаје“ приликом доношења одлука о употреби ресурса и на тај начин чинити изборе који нису конзистентни са њиховим најбољим интересима, представници бихевиоралне економије заговарају снажан заокрет у односу на традиционалне антипатерналистичке позиције класичне економске теорије. По њиховом дубоком уверењу, само патерналистички оријентисана држава може помоћи појединцима да доносе боље одлуке, што је из угла вредносног поимања економске науке праћено афирмацијом новог нормативног програма познатог под називом „нови патернализам“.

Ослањајући се на идеје бихевиоралне економије, „нови патернализам“ заступа средњу варијанту између лесе фер (laissez-faire) система и традиционалног („тврдог“) патернализма. Од „старог патернализма“ он се разликује како по нормативним стандардима тако и по препорученим облицима државне интервенције. Наиме, представници „старог патернализма“ игнорисали су жеље и преференције индивидуа, претпостављајући да држава боље од свих зна у чему се састоји њихово стварно задовољство. Позиција „новог патернализма“ принципијелно је другачија из разлога што инсистира на уважавању субјективних преференција и интереса самих индивидуа, настојећи при том да помогне људима како би они остварили оно што сами желе, а што нису у стању да учине услед когнитивних и психолошких ограничења.

Када је у питању Република Србија, бројни економски и социјални проблеми утицали су на стварање превеликих, чак и прилично неумерених очекивања везаних за спровођење различитих државних активности и мера. У светлу негативних искустава о досадашњем ангажовању државе, као и пољуљаног поверења и применљивост постојећих теоријских концепција и модела о улози државе у економији, прилично охрабрује аргументација присталица бихевиоралне економије и „новог патернализма“. С тим у вези чини се прилично оправданим то да влада, приликом израде економских мера и програма свог деловања, уважи неке од препорука представника бихевиоралне економије, а све у циљу ублажавања степена нерационалности економских актера и усмеравања њиховог деловања у правцу доношења квалитетнијих одлука о употреби ресурса.