The 'View from *Manywhere*': Normative Economics with Context-Dependent Preferences

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Abstract

We propose a methodology for behavioural normative economics based on a precise characterisation of context-dependence. The key feature of our proposal is to locate normative authority, not in the synoptic and third-person judgement of the social planner ('view from nowhere'), nor in the first-person judgement of the individual ('view from somewhere'), but in the *second-person* ability of the individual to confront conflicting judgements across contexts ('view from *manywhere*'). We offer a definition of the 'context' in behavioural normative economics, propose a critical review of the related literature, and then advance our own proposal. We formulate a normative criterion of 'self-determination' and justify it with two complementary approaches, interpreting the 'view from *manywhere*' either as an extension of Sugden's opportunity criterion, or as an application of Sen's 'positional views' in his theory of justice to behavioural normative economics.

Keywords. *normative economics — social planner — context-dependent preferences — behavioural public policy — second-person standpoint*

JEL codes. B41, D63, D90, I31

1 Introduction

A central and recurrent empirical finding in behavioural economics is that individuals' preferences are context-dependent. Preferences may depend on some aspects of the choice environment, such as the order in which the options are available or the way the choice problem is formulated.[1] A major challenge for normative economics is to determine whether such context-dependent preferences give evidence about individual welfare, or if they can be ignored and treated as normatively irrelevant. Throughout this article, we use the term 'welfare' in the economists' sense of preference satisfaction and avoid references to the philosophically disputed notion of 'well-being'. We use the expression 'standard normative economics' to refer to the branch of normative economics that assumes that individual preferences are integrated, i.e. non-stochastic, context-independent, and internally consistent (Sugden 2018). By contrast, we use 'behavioural normative economics' to refer to the branch of normative economics that is based on the premise that preferences are not always integrated. The overall methodological problem of finding a normative approach that is consistent with the empirical findings of behavioural economics is labelled by McQuillin and Sugden (2012) as the 'reconciliation problem'. Just as welfare economics constitutes the bulk of the literature in standard normative economics, *behavioural welfare economics* has a central place in behavioural normative economics, although there are also non-welfarist approaches (see Harrison (2019) and Lecouteux (2021a) for overviews).

The aim of this paper is to propose an alternative normative approach to the reconciliation problem. We argue that what matters for individuals is neither their actual judgement nor their counterfactual 'enlightened' judgement on what may constitute their welfare, but rather their *ability to confront* the possibly conflicting judgements they may have on what is constitutive of their welfare. As an illustration, imagine the 'dessert problem'. You and your colleagues regularly go to the same restaurant for lunch. You know that the chef prepares very tasty desserts, but they are slightly oversized for you. You therefore face a recurrent choice problem. Should you order a dessert, knowing that it will give you a significant and immediate enjoyment but probably make you a bit sleepy in the afternoon? Your actual choice is very likely to depend on the context: whether some of your colleagues have already ordered a dessert, whether you are in a good or bad mood, whether the chef nicely displayed a dessert close to your table to arouse your appetite, etc. Since your preference for a dessert is context-dependent, it is not clear whether your actual choice constitutes a reliable evidence of what maximises your welfare (and therefore, whether it is the 'good' choice in such a situation). Suppose, in line with the common practice in standard normative economics, that what you ought to do fundamentally depends on your *own judgement* about what constitutes your welfare. The ranking of the available alternatives of choice leading to your welfare defines the welfare relation that the theoretician should use when providing normative assessments about yourself.[2] We can distinguish between three different approaches to define what your 'own judgement' is.

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[1] See Kahneman and Tversky (2000) for an extensive review.

[2] We use the generic term 'theoretician' to name the actual economist, philosopher, ethical theorist, etc., who models the choice problem and who intends to offer a normative judgement. By default, we use the feminine to refer to the theoretician and the masculine to refer to the individual who is modelled by the theoretician.

(i) It is your current judgement in a given choice situation (e.g. it is a rainy day, you have just got a paper rejected, and the dessert looks very nice on the counter, so you order it).

(ii) It is the outcome of a kind of bargaining between your current self and what you imagine your future self will be this afternoon, weighing the pros and cons of both options, and whose result will very likely be context-dependent too.

(iii) It is your counterfactual 'enlightened' judgement about the choice problem, i.e. the rational tradeoff between an immediate enjoyment and a later cost, the result of which being determined by your deeply held values and preferences for different aspects of your life.

The argument we develop in this paper is that option (ii) offers the most satisfying approach to determine individual welfare. Option (i) gives primary importance to the individual's current personal judgement, and thus takes the *first-person standpoint*. Option (iii) considers an 'objective' or context-independent perspective on what individuals ought to do, and thus takes the *third-person standpoint*. The approach we promote takes, instead, the *second-person* standpoint: the characterisation of what individuals ought to do is the result of a fruitful confrontation of their different selves, who are all affected by the choice problem.

Our approach can be presented as follows. Third-person judgements in behavioural normative economics usually define individual welfare as one's counterfactual choices, making 'enlightened choices' in a context-independent environment (Camerer et al. 2003; Thaler and Sunstein 2003, 2009; Bernheim and Rangel 2008; Bernheim 2016; among others). First-person judgements, on the other hand, emphasise that nothing requires that individuals ought to make enlightened choices. It falls on themselves to choose how to live their life. In that regard, context-dependent preferences is not a fundamental issue in normative economics (Sugden 2004, 2018). Our proposal is that (i) we should avoid making a value judgement on how individuals should live (like in the first-person standpoint), while (ii) recognising that context-dependent preferences might still be a normative issue, in particular if individuals are not aware that their behaviour is likely to be influenced by the context. In order to avoid paternalistic claims about which contexts and preferences are 'problematic', we argue that the role of the theoretician should not be to give individuals what they would choose if they were 'enlightened', but to ensure that social institutions are designed in a way that individuals have the *opportunity* to form their own enlightened judgements. In contrast with both the third-person 'view from nowhere' — for which the theoretician defines what the enlightened counterfactual choice of individuals would be — and the first-person 'view from somewhere' — where normative judgements are expressed by individuals themselves — we label our approach as the 'view from *manywhere*'.[3] We then formulate a normative criterion of *self-determination*, according to which one state of affairs is normatively preferred to another if individuals are aware of more factors that influence their behaviour.

The rest of the article is organised as follows. In Section 2 we propose an axiomatic formulation of the reconciliation problem. This allows us to make some of the method-

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[3]We give details in Section 4 on the choice of the neologism '*manywhere*' rather than the term 'everywhere'.

ological challenges raised by the reconciliation problem more explicit, such as the precise definition of the notion of 'context' and the question of the *addressee* of behavioural normative economics. In Section 3 we critically present the third-person standpoint ('view from nowhere') and first-person standpoint ('view from somewhere') in the light of our formal framework. In response to these challenges, Section 4 develops our argument in favour of the second-person standpoint ('view from *manywhere*'). We offer two complementary justifications for our normative approach inspired by Sugden's opportunity criterion and Sen's notion of 'positional views'. Section 5 concludes by discussing some practical implications of our normative approach for behavioural public policies.

2 The Reconciliation Problem

A common response to the reconciliation problem is to draw an explicit distinction between the *behavioural* and the *normative* preferences of individuals. While behavioural preferences correspond to the preferences that guide individuals' actual behaviour and are inferred from their observed choices, it is the satisfaction of their normative preferences that determines their welfare — and thus characterises how individuals ought to choose. This is for instance the case with the distinction made by Kahneman, Wakker, and Sarin (1997) between 'decision utility' and 'experienced utility', and by Beshears et al. (2008) between 'revealed preferences' and 'true preferences' (the latter also being labelled 'normative preferences' in their paper). Such distinction between behavioural and normative preferences is not new. Discussing the soundness of the 'consumers' sovereignty doctrine', Harsanyi (1955) already mentioned 'consumers' notorious irrationality' and the possible distinction between actual and 'true' preferences, defined as 'the preferences [individuals] *would* manifest under "ideal conditions," in possession of perfect information, and acting with perfect logic and care' (p. 311, fn. 7 — his emphasis). The recent literature in behavioural normative economics systematises however these points by assuming that, most of the time, we should expect a discrepancy between what individuals do and what they ought to do.

The aim of this section is to define an axiomatic framework that characterises how normative preferences are derived in standard normative economics, and to highlight the axioms which are questioned by the empirical findings of behavioural economics. We then formally state the reconciliation problem and suggest that an overlooked aspect of the reconciliation problem is the question of the *addressee* of normative economics (*to whom should normative economics be addressed?*). Answering this question is fundamental from a methodological point of view, as it requires the identification of the adequate source of normative authority on individual preferences.

2.1 Defining the 'Context'

Suppose an individual I must choose an option x among the set of available alternatives X. This decision takes place within a specific 'context'. It is important to emphasise that while the notion of context is routinely used in behavioural normative economics and seems rather intuitive, finding a precise definition is a significant issue as it easily leads to circular definitions. We propose a definition adapted from Larrouy and Lecouteux (2018) based on the premise that the context is what *we,* theoreticians, consider as the

'irrelevant' properties of the choice environment (Bacharach 2006, p. 13).

We consider that each alternative $x \in X$ is characterised by a set of different *properties P* — e.g. the location of the dessert, its colour, its shape, etc. A property P assigns a value to x. It can be either 1 or 0 (meaning the property is satisfied or not) or a ranking with different values. Formally, it is a function $P(j) : X \longmapsto \mathbb{N}$ that associates an index from the set of natural integers to each alternative.[4] When facing a choice situation, the individual I is aware of a certain number of properties, which he would use as a basis to compare different alternatives. We denote $\mathcal{P}_I = \{P(j)\}_{j \in J_I}$ the *awareness set* of individual I. We also consider that the individual's choice may be influenced by properties he is *not* aware of. We denote $\mathcal{P}'_I = \{P'(j)\}_{j \in J_I}$ the set of properties that influence the individual's choice without him being aware of it (e.g. some properties of the choice architecture or some implicit social norms).

For simplicity, we assume that the theoretician is in a higher epistemic position than the individual and is thus aware of both sets of properties. This means that the theoretician is aware of all the properties that determine the individual's choice (we do not consider cases in which the individual is aware of some properties that the theoretician is not aware of). The actual choice of the individual can then be characterised by a function that associates an action $x \in X$ to a combination of properties $\mathcal{P}_I \bigcup \mathcal{P}'_I$. This model is similar to Dietrich and List's (2013a, 2013b) model of 'motivationally salient properties' and their approach to model context-dependent preferences (Dietrich and List 2016). It is also similar to Larrouy and Lecouteux's (2018) adaptation of Mandler, Manzini and Mariotti's (2012) model of choice by checklist. Note that for the purpose of this paper, we are only interested in the set $\mathcal{P}_I \bigcup \mathcal{P}'_I$. We will not discuss how individuals weigh these different properties. In particular, we do not require any form of stability or coherence of such weighing relations, as our methodological approach emphasises that the proper locus of a normative appraisal is the awareness set, not the weighing relation.

The last ingredient we need in order to define the 'context' is the notion of 'irrelevant' property of the choice situation. We define $\mathcal{R}_E \subseteq \mathcal{P}$ as the set of properties that the theoretician considers as normatively relevant for the individual I, and the complement $\bar{\mathcal{R}_E}$ as the irrelevant properties of the choice problem from the theoretician's own perspective. In the dessert problem, a property such as the location of the dessert (e.g. within sight or not) is generally considered as irrelevant by most theoreticians. This is because it does not seem that the location of the dessert would have any influence on the welfare of the individual, had the dessert initially been placed close to his table or in the kitchen. A context C is then a vector of values for the properties listed in $\bar{\mathcal{R}_E}$. We denote by $\Gamma \subset \mathbb{N}^{\bar{\mathcal{R}_E}}$ the set of possible contexts. The overall challenge of normative economics is to identify individual welfare while only having $\mathcal{R}_E$ at the theoretician's disposal, but not what the individual himself would consider as relevant properties.

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[4]We do not need that properties map into the set of integers but they must more generally map into a set that can be well ordered by the property. These technical considerations are however of little interest for our argument.

2.2 Behavioural and Normative Preferences

We can now define our notions of *behavioural* and *normative* preferences. I's behavioural preference when embedded in a context $C \in \Gamma$ is denoted as $BP_C \subset X \times X$. We interpret BP_C as a choice ranking (Hausman 2012): '$x \; BP_C \; y$' reads as 'I prefers x to y in context C'. It means that, when asked to choose between x and y in a context C, I picks x. We do not make any assumption about the properties of BP_C, e.g. whether it is transitive or not, or whether it could be interpreted as desires or motives for actions. Instead, we consider it as an analytical index aimed at representing the behaviour of the individual.

We now define $NP_C \subset X \times X$ as the normative preferences of the individual. While BP_C represents how the individual *does* behave, NP_C represents how the individual *ought to* behave. We remain silent for the moment on the perspective from which we define the 'ought to' principle (e.g. the judgement of the theoretician, the judgement of the individual, or the judgement of his multiple selves). Our aim here is to represent the issues raised by the reconciliation problem in a common framework, where the distinction between BP_C and NP_C allows us to distinguish between the 'descriptive' and the 'normative' aspects of individual behaviour. For convenience, assume that BP_C and NP_C are complete relations, $\forall C \in \Gamma$.

While we can directly observe the behavioural preferences of the individual, this is not true of his normative preferences. We suggest that the strategy of standard normative economics to define the individual's normative preferences is to rely — not always explicitly — on two axioms: (i) normative individualism and (ii) behavioural context-independence. Put together, these two conditions imply two additional principles: (iii) normative context-independence and (iv) neoclassical consumer sovereignty. The crux of the reconciliation problem is that the axiom of behavioural context-independence is invalidated by behavioural economics, which requires alternative strategies to define the individual's normative preferences.

According to the principle of normative individualism (Ross 2005, pp. 220-222), the proper locus of normative concern is individual persons, whose values and situations should be taken into account when debating ethical issues such as policy or justice. We translate this principle in our framework as follows.

Normative Individualism (NI). For any pair of alternatives (x, y) and context $C \in \Gamma$, NP_C must be such that

    i. $x \; NP_C \; y$ only if there exists at least one context C' such that $x \; BP_{C'} \; y$,

    ii. $x \; NP_C \; y$ if $x \; BP_{C'} \; y$, $\forall C' \in \Gamma$.

This principle establishes a close relation between the behavioural and the normative preferences of the individual. In a given context C, the choice between two alternatives must be justified in terms of one's behavioural preferences. If I ought to prefer x over y in context C, it is only if there exists a context C' in which I would indeed pick x (condition i.). Furthermore, if the individual always chooses x independently of the context of choice, then he ought to choose x (condition ii.). The fundamental idea of this definition is that what constitutes individual welfare should not be set *a priori*, but rather

inferred from actual choices, although possibly — but not necessarily — in a different context from the current one. If there does not exist any context in which I would prefer x, then x cannot be normatively preferred. And if I always prefers x, then x must be normatively preferred. Since the two conditions are not complementary, the principle of NI remains silent on cases where the behavioural preferences between x and y depend on the context.

The second axiom we formulate is *behavioural context-independence*.

Behavioural Context-Independence (BCI). $\forall C, C' \in \Gamma, BP_C = BP_{C'}$.

BCI states that I's behaviour does not depend on the context in which he is embedded. Unlike NI, which is a normative principle, BCI is an assumption about how individuals actually behave, and is thus subject to empirical test. BCI is consistent with the common practice in standard normative economics, where it is assumed that the context can only have a transitional effect on behavioural preferences and will eventually disappear because individuals adjust to the 'rational' pattern of behaviour (see e.g. Plott's (1996) 'discovered preferences' hypothesis). Combining NI and BCI leads to the two following principles (proofs are in appendix A.1 and A.2).

Normative Context-Independence (NCI). If NI and BCI are true, then $\forall C, C' \in \Gamma, NP_C = NP_{C'}$.

Neoclassical Consumer Sovereignty (NCS). If NI and BCI are true, then $\forall C, C' \in \Gamma, NP_C = BP_{C'}$.

NCI means that individual welfare is defined independently of the context in which individuals are embedded. This can be seen as a normative counterpart of BCI, according to which individual behaviour is independent of the context in which individuals are embedded. NCI has some normative appeal, at least from the theoretician's perspective. It states that individual welfare does not depend on what the theoretician considers as irrelevant properties of the choice problem. Unlike NCI — which remains a largely implicit principle in standard normative economics — NCS is a central argument in standard normative economics in favour of leaving individuals choose as they prefer. NCS indeed states that the normative preferences of an individual over X correspond precisely to his behavioural preferences over X, and that these preferences remain stable across all contexts.

2.3 Normative Economics when Preferences Are Context-Dependent

Behavioural economics provides extensive evidence that the context *has* an impact on individuals' behavioural preferences, which results in rejecting BCI as an empirical statement. As an illustration, consider the Asian disease experiment of Tversky and Kahneman (1981, p. 453). An unusual Asian disease is expected to kill 600 individuals. You are asked to choose between two different health programs. The first one is efficient but costly: you will save for sure 200 individuals and let 400 die. The second one is experimental and risky, with 1 chance out of 3 to save 600 individuals (and no death) and 2 chances out of 3 to save nobody, with 600 deaths. The choice between the two

programs can be framed in terms of gains or losses (the % below corresponds to the share of subjects who choose the program in Tversky and Kahneman's experiment, and N corresponds to the total number of subjects per frame).

Frame 'gain' [N = 152]
A: 200 people will be saved [72%]
B: 1/3 probability that 600 people will be saved,
and 2/3 probability that no people will be saved [28%]

Frame 'loss' [N = 155]
C: 400 people will die [22%]
D: 1/3 probability that nobody will die,
and 2/3 probability that 600 people will die [78%]

In this experiment we can clearly see that behavioural preferences are likely to be context-dependent for many subjects (although some may consistently choose A & C and B & D). The issue for the theoretician is then to determine which program is normatively preferred by individuals (if we can use this expression when facing such a stark choice), knowing that the preferences revealed through their choices are likely to depend on the way the choice problem is framed. The reconciliation problem can then be stated as follows. *How to define NP_C when BCI does not hold?*

If NI is maintained, we need a strategy to identify which contexts are relevant to define individual welfare. While we could maintain the principle of consumer sovereignty — according to which normative preferences always equate behavioural preferences — this might be problematic in apparent situations of 'errors', such as choosing to drive after having too many drinks.[5] This would also suggest that one's normative preferences depend themselves on the context, and that maintaining the principle of consumer sovereignty would therefore lead to the rejection of NCI. In the absence of a decisive principle that could determine for a pair of alternatives x and y the context C such that $x\,BP_C\,y \implies x\,NP_C\,y$, there is no obvious way to characterise NP_C. The only information the theoretician has at her disposal is the set $\mathcal{R}_E$ (the set of properties considered to be normatively relevant from her own perspective). However, she cannot identify the counterfactual set of properties $\mathcal{R}_I$ (the set of properties that an individual would consider as normatively relevant, which would define his normative preferences). This is what Rizzo and Whitman (2009) call the 'knowledge' problem: the problem that the theoretician cannot *know* what individuals' true preferences are.

As a consequence, it might be necessary for the theoretician to rely on her own value judgements in order to define individual welfare. While this may not be a problem in some obvious cases like the drunk driver — for which she can rely on 'platitudes' about what makes individuals better off (Hausman 2012, pp. 92-93) — more complex cases such as the Asian disease or insurance choices (Harrison 2019) pose a dilemma for the theoretician. Similarly to the dessert problem introduced in Section 1, we need to determine *who* should define the normative preferences of the individual: (i) the individual

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[5]The most significant problem of driving under the influence of alcohol is that someone else may be hurt. We however only consider here the risk for the driver himself. That is, independently of whether he may cause an accident involving a third party, it is reasonable to assume that it would be preferable from the perspective of his own welfare not to drive in such a situation.

himself in the current context, (ii) his different selves who are (somehow) all concerned with the choice problem, or (iii) his counterfactual 'enlightened' self (whom Infante, Lecouteux, and Sugden (2016) refer to as the 'inner rational agent').

2.4   To Whom Should Normative Economics Be Addressed?

An important — although often overlooked — question that must be addressed when defining what the individual ought to do (her normative preferences) is *'according to whom?'*. While behavioural normative economists usually consider that context-dependent preferences are problematic from a normative standpoint, it is also because what counts as the context is the result of their *own* value judgements about what is 'relevant' in the given choice problem. For example, we could imagine that an individual considers in the dessert problem that the location of the dessert *is* a relevant property of the choice problem. It is unclear why the theoretician should be entitled to impose her own normative judgement about what counts as a relevant property.

Most of the literature in behavioural normative economics considers that it is the role of the theoretician, as an external observer, to characterise the individual's welfare function. When the theoretician does not imagine herself directly in such a position, she usually addresses her recommendation to an abstract 'social planner' according to the economist's usual jargon (Kahneman, Wakker, and Sarin 1997), to a non-less abstract 'choice architect' (Thaler and Sunstein 2009) or to an actual consultant advising her clients (Harrison and Ross 2018). When defining individual welfare here, it is a third-person standpoint: it is the impersonal perspective of an external observer who benevolently thinks about what is objectively good for individuals. Borrowing the terms coined by Nagel (1986), Sugden (2013) calls such a standpoint the 'view from nowhere'. Sugden argues that the theoretician should refrain from making value judgements on individuals' preferences, and that the adequate standpoint for making a normative judgement is instead the first-person one. This means that the only judge of what constitutes one's welfare is oneself, not an external third party. What matters here is not the content of one's preferences, as judged by an external party, but that social institutions are designed in a way that each individual has the ability to satisfy any preference he *might* have (Sugden 2004, 2018). We label Sugden's approach the 'view from somewhere', since the position to judge what is normatively relevant is here the position of the individual himself being embedded in a specific context.[6]

We are sympathetic to Sugden's position that normative economics should be addressed to individuals rather than to the abstract social planner. What matters is not how individuals actually behave, but that they have the means to choose the kind of life they might desire. However, unlike Sugden who considers that the theoretician should only take individuals' behavioural preferences to define their normative preferences, we recognise the possibility that individuals may consider some of their incoherent preferences as problematic, had they been aware of such incoherence (e.g. choosing A & D in the Asian disease experiment without noticing that the two problems are actually

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[6]The expression 'view from somewhere' was, anecdotally, the title of a workshop held in September 2019 at the University of East Anglia in honour of Robert Sugden. The expression is also used in (presumably) unrelated literature such as in Wilson (2007) and Wallace (2019), where the authors share the same concern about the difficulty of making objective assessments from an external position.

identical). We advance the view that individuals should not only live in a society that guarantees their ability to satisfy their own preferences, whatever they might be, but also that they should have the opportunity to avoid manipulation and the unduly influence of factors that they are not aware of.[7]

In order to highlight the distinction between the addressees of the different approaches in behavioural normative economics, we introduce some further notations to define what we mean by the 'individual'. An individual $I = \{I_{C'}, I_{C''}, I_{C'''}, ...\}$ is an enduring living entity, whose selves $I_{C'}, I_{C''}, I_{C'''}$, etc. are connected over time by some relations.[8] When I faces a choice problem in a context C, he exists through a particular self I_C embedded in this context $C \in \Gamma$. Furthermore, we consider the counterfactual self I_0 describing how I would choose in a 'context-free' environment — guaranteeing that his choices only depend on properties that are considered as relevant from the theoretician's perspective. Knowing that the individual I is embodied within different selves $I_{C'}, I_{C''}, I_{C'''}$, etc. over time, this will likely lead to incoherent behaviours *as judged by* I_0 (or equivalently, as judged by the theoretician). Indeed, third-person approaches in behavioural normative economics are addressed to I_0. It is assumed that I is willing to let the social planner choose for himself because nothing guarantees that the choice of I_C will correspond to the choice of I_0. By contrast, Sugden (2004, 2018) intends to address his recommendations to the 'responsible person' I, who turns out to be embodied within every I_C. We share the position of Sugden that the correct addressee of normative economics should be I — whom we call the *enduring* individual, to be distinguished from his multiple selves $I_{C'}, I_{C''}, I_{C'''}$, etc. We add, however, that it is necessary for every I_C to have a minimal ability of self-reflection, giving him the possibility to imagine himself in another context, and then to form counterfactual judgements about how $I_{C'}, I_{C''}, I_{C'''}$, etc. would choose in their own context.

3   A Review of Behavioural Normative Economics

Before developing our normative approach, we briefly review how the literature in behavioural normative economics has dealt with the axioms introduced above, in particular whether (i) BCI is maintained, (ii) BCI is rejected while maintaining NI and NCI, (iii) BCI and NCI are rejected while maintaining NI, (iv) BCI and NI are rejected while maintaining NCI.

3.1   Keeping NI, NCI and BCI: the Framework of Bernheim and Rangel

The aim of Bernheim and Rangel (2008) is to extend standard choice welfare analysis to situations where individuals make 'anomalous' choices of various types commonly iden-

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[7]This ability of critical self-reflection does not require individuals to form an enlightened judgement like the one of the idealistic 'inner rational agent' populating most models in behavioural normative economics (Infante, Lecouteux, and Sugden 2016). We refer to a much weaker condition that remains compatible with the actual cognitive capacities of psychological beings (see Christman (2009) for a detailed discussion). Such a notion of self-reflection might however still be too demanding for Sugden, who has a Humean view of individual psychology (Sugden 2020).

[8]More precisely, we assume there exists an ontological criterion that defines the identity of an individual over time but we remain silent on *what* could possibly constitute such an identity (e.g. psychological, physical, narrative or sociological relations). See Mitrouchev and Buonomo (2020) for a critical discussion.

tified in behavioural economics. In this approach, frames are, by assumption, irrelevant to the definition of individual welfare. Frames are akin to the irrelevant properties in our framework that are constitutive of the context. The principle of their approach — that they refer to as *behavioural welfare economics*, and which is the first occurrence of the expression — is to identify operational misunderstandings of the relationship between means and outcomes (which they treat as 'mistakes') that can be elicited with the use of cognitive data (Bernheim 2016). The social planner's goal is then to delete 'anomalous' (or 'suspect') choices in order to construct an individual welfare function.

The singular strategy of this approach is to maintain BCI. It is recognised that individuals' preferences may change across contexts, though for the sake of normative analysis BCI is 'rescued' by restricting the choice domain that serves as the input in normative analysis to 'non-ambiguous' choices. The framework of Bernheim and Rangel may be considered as a pragmatic approach to the reconciliation problem. It extends the revealed preference framework by taking into account the cognitive processes of individuals without modifying its overall principle. According to this principle, an alternative is unambiguously preferred to another one if and only if the second is never chosen when the first is available (meaning that NI is preserved). Since BCI is maintained by construction of the set of choices under consideration, NCS and NCI are maintained on the restricted set of choice data that are considered to be 'unbiased'. Removing the 'ambiguous' data from welfare analysis implies, however, that the theoretician cannot form normative judgements about cases in which the behavioural preferences of individuals are too inconsistent. This means that the range of situations which can be studied is rather limited: it does not offer normative guidance for many cases where preferences are not integrated.

3.2   Keeping NI and NCI: Behavioural Paternalism

Behavioural paternalism takes the satisfaction of individuals' 'true' preferences, i.e. preferences that are not distorted by cognitive biases, as normatively relevant. The most famous account is given by Thaler and Sunstein (2003, 2009) in their defence of libertarian paternalism. Other forms of paternalism have been advocated in the literature, e.g. Camerer et al.'s (2003) asymmetric paternalism, Loewenstein and Ubel's (2008) light paternalism, and Dalton and Ghosal's (2011) soft paternalism. All of them share the idea that the maximisation of individual welfare, through the satisfaction of individuals' true preferences, should be the ultimate goal of normative economics. The rationale behind this approach is that an individual would make 'adequate' choices only in a context-free environment and without cognitive limitations (the counterfactual self I_0). In this approach, BCI is therefore rejected while NI is maintained (this refers to the 'as judged by themselves' clause of Thaler and Sunstein (2009)). It is noteworthy that the rejection of BCI leads to the rejection of NCS, while NCI is maintained. In this approach, it is indeed not in the interest of I to choose as he prefers because the actual choice of I_C is likely to differ from the error-free choice of I_0.

Within our framework, two objections can be made against the justification of behavioural paternalism and the use of true preferences as the normative preferences. First, and as argued by Infante, Lecouteux, and Sugden (2016), nothing guarantees that the inner rational agent I_0 would generate preferences that are integrated. If we interpret

the inner rational agent as a counterfactual entity — i.e. what I would prefer if he was free from reasoning limitations and the influence of the context — we would need an algorithm ensuring that various conflictual behavioural preferences can be integrated into a single integrated normative preference. There is however little literature discussing whether the conditions of Arrow's impossibility theorem are meaningful for questions of multiple selves.[9] Steedman and Krause (1986) and Binder (2014) characterise the conditions under which the aggregation is possible (or not) at the intrapersonal level. In a nutshell, this literature suggests that such an aggregation may only be possible if the degree of conflict between the various behavioural preferences is low. This implies that we have no reason to expect *a priori* that a counterfactual true preference BP_0 would be integrated — unless we arbitrarily select a context C' for which $BP_{C'}$ turns out to be integrated itself, and set $NP_C = BP_{C'}$ as the correct normative preferences. Second, behavioural paternalism presupposes that the normatively relevant properties for the individual correspond *precisely* to the properties that the theoretician considers as relevant — and therefore that we can maintain NCI. This assumption however ignores the 'knowledge' problem mentioned above (the problem that the theoretician cannot *know* what individuals' true preferences are). For instance, the theoretician cannot know *a priori* whether the individual ought to be risk-averse or risk-seeking in the Asian disease experiment. She can only state that he should choose consistently across frames. This problem suggests that NI may not be respected in behavioural paternalism, despite the narrative promoted by tenants of this literature. Behavioural paternalism indeed imposes *consistency* as a normative criterion: the idea that the 'true' self is one's neoclassical *alter ego* I_0. Consistency appears however to be more controversial than it seems, and would require additional justification.[10]

3.3 Keeping NI and NCI: the Quantitative Intentional Stance

Another approach that intends to offer welfare measurement while acknowledging that BCI is invalidated is the *quantitative intentional stance* towards behavioural welfare economics (QIS henceforth) proposed by Harrison and Ross (2018). Their normative approach is based on Dennett's (1987) externalist account of preferences and beliefs. These are not defined as inner mental states that are the cause of individual behaviour, but rather as attributions to oneself and others that make one's behaviour *socially* understandable. In this approach, looking for a notion of welfare does not require investigating individuals' mental states. Instead, it requires interpreting individual behaviour in terms of the theoretician's own language of subjective expected utility. According to Harri-

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[9]The problem that arises when individual preferences are context-dependent — or more generally, not integrated — is that the theoretician cannot unambiguously define the individual's normative preferences from his collection of behavioural preferences. From a methodological point of view, such a problem of preference *integration* is closely related to the standard discussion in social choice theory about preference *aggregation*. The main difference between the questions of preference integration and preference aggregation is that the former is concerned with *intrapersonal* aggregations of preferences (aggregating different preferences belonging to the same individual), while the latter is concerned with *interpersonal* aggregations of preferences (aggregating different preferences belonging to distinct individuals). This similarity between behavioural normative economics and social choice theory is mentioned by Sugden (2018) in the preface of the *Community of Advantage* (pp. viii-ix), where he draws a parallel between his critique of Sen's impossibility of a Paretian liberal (Sen 1970; Sugden 1985) and his proposition of the individual opportunity criterion (Sugden 2004).

[10]See Arkes, Gigerenzer, and Hertwig (2016) and Lecouteux (2021b) for an extensive analysis of the lack of normative justification of consistency.

son and Ross, laboratory experiments are the adequate environment in which individual choices can be interpreted as the satisfaction of preferences, given subjective beliefs. This is because such experiments are considered as 'small worlds' — in Savage's (1954) terms — where subjective expected utility can hold. Harrison and Ng (2016, 2018) and Harrison and Ross (2018) for instance characterise the risk preferences of individuals by eliciting the most likely preference structure (expected utility or rank-dependent expected utility) in simple experimental tasks. They then use those risk preferences as the welfare metric for choices among insurance products or portfolios.

Within our axiomatic framework, the QIS rejects BCI and keeps NI as well as NCI. Unlike behavioural paternalism, it offers however an operational measure to determine the normative preferences of individuals. In this approach, normative preferences correspond to the behavioural preferences that the individual would reveal in a laboratory experiment, where the 'noise' and uncertainty of the surrounding environment is minimised. The third-person standpoint is here explicit and pragmatically justified: in many cases, the theoretician is not advising an abstract social planner but is hired as a consultant to advise an actual client. Even though 'errors' are defined in a much more restrictive way than in behavioural paternalism, NCS is (as a result) rejected, but with the explicit consent of the client, who expresses his willingness to delegate his states of affairs to the theoretician. Unlike Bernheim and Rangel (2008), the QIS offers an operational approach to normative economics, though it faces a similar limitation: it is only applicable to 'preferences that violate [expected utility theory] but [which] are nevertheless well ordered' (Harrison and Ross 2018, p. 22).

3.4   Keeping Only NI: the Opportunity Approach

An alternative approach to the reconciliation problem is to reject NCI and to base normative assessments not on welfare but on opportunity. This strategy values the freedom of choice of the individual, while acknowledging that such freedom can properly be exercised only if the individual lives in an institutional context, whose aim is to promote individual freedom. In this section we focus on Sugden's contribution to the debate (other contributions are reviewed in Lecouteux (2021a)).

Sugden (2004, 2018) argues that the theoretician is not entitled to make value judgements on individuals' preferences. According to him, an individual should be seen as 'a continuing locus of responsibility', treating his past, present and future actions as his own, whether or not these actions were or will be what he would like them to be now (Sugden 2004, p. 1018). Such a quality of 'responsible person' gives normative authority to the judgement of the individual on his own actions. The correct normative standpoint is here not a third-person one (that of the theoretician) but a *first-person* one (that of the individuals themselves). Sugden's approach to normative economics can thus be labelled as the 'view from somewhere': rather than letting the theoretician make a value judgement on individuals' states of affairs, it is up to individuals themselves to choose whether some social institutions (e.g. competitive markets) are normatively acceptable. Sugden suggests that by maximising individuals' opportunity sets, a market society is mutually beneficial for its individual members.[11] The normative authority of markets lies here in

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[11]The maximisation of opportunity sets means here that we cannot further increase the opportunity set of one individual without reducing the opportunity set of another individual.

their ability to extend individuals' opportunity sets, rather than in their ability to satisfy individuals' preferences.

In this approach, normative economics is not about satisfying individuals' preferences but about the nature of social arrangements. In the dessert problem, it is up to the individual to choose as he prefers (even though his choice is likely to be context-dependent), and there is no 'correct' choice to be defined by a third party. Using our axiomatic framework, this means that both BCI and NCI are dropped, and that the adequate context for the definition of normative preferences simply corresponds to the *current* context. We therefore obtain the following version of the consumer sovereignty principle.

Behavioural Consumer Sovereignty (BCS). $\forall C' \in \Gamma, NP_{C'} = BP_{C'}$.

The formulation of BCS is similar to NCS, although the latter imposes that individuals' normative preferences are context-independent (because of BCI). BCS, on the other hand, does not impose any constraint on the normative preferences of the individual: he must be allowed to satisfy any preference he *might have*, even though these preferences may change depending on the context.

By endorsing the first-person standpoint, Sugden avoids the critique of imposing an *ad hoc* normative criterion.[12] His approach however also imposes a stronger version of NI, where all contexts *must* be considered as normatively relevant. This is mostly because Sugden's (2018) approach is a *defence* of the market (as explicitly acknowledged by the subtitle of the *Community of Advantage*). His main concern is that many behavioural economists follow the third-person standpoint and question the legitimacy of market institutions by pointing out apparent incoherences in individual behaviours. This motivates his search for an alternative foundation of normative economics (in terms of opportunity rather than welfare) that does not require what he judges to be untenable assumptions about individual behavioural preferences.

Sugden's approach remains however silent on relatively uncontroversial cases that could be highlighted by behavioural economists such as (i) self-acknowledged failures of self-control (e.g. drug addiction) or (ii) cases where one's preferences are strongly influenced by external factors (e.g. aggressive marketing or adaptive preferences). Sugden's (2017) response to (i) is that genuine problems of self-control are quite rare, and that they are not comparable to more common inconsistent behaviours such as not respecting one's diet. While the former can indeed raise serious normative concerns, the latter is simply an everyday incoherence that is part of what constitutes a normal life. Little is said however on (ii). It is for instance difficult to disentangle cases of adroit marketing (such as a baker who prominently displays her nicest desserts rather than offering them already wrapped in cellophane) and cases of the implementation of manipulative techniques such as using ambient scent in supermarkets as a strategy to induce different moods and desires (Akerlof and Shiller 2015). There is no decisive criterion to identify which cases can be considered or not as outright forms of fraud and deception on behalf of firms, which would violate the rules of fair competition.

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[12]See Mitrouchev (2019) for a summary and critical review of Sugden (2018).

3.5   Rejecting NI: Experienced Utility

The contributions we have considered so far intend to maintain NI as the basis of normative economics (even though we highlighted some difficulties in behavioural paternalism, which imposes consistency as a normative criterion). The *experienced utility* approach theorised by Kahneman, Wakker, and Sarin (1997) consists in drawing a distinction between 'decision utility' — the weight given to an outcome in a decision — and 'experienced utility' — the hedonic quality of an experience. Translated into our framework, decision utility is derived from behavioural preferences and experienced utility from the satisfaction of normative preferences. It is acknowledged that decision utility is context-dependent, and therefore that BCI should be rejected. The underlying assumption of the theory is that individuals intend to maximise their happiness but are refrained from doing so because of biases (in a similar way than the literature using true preferences as the normative criterion). Unlike the framework of Bernheim and Rangel (2008) and behavioural paternalism, NI is however rejected: normative preferences are not defined from the choices of the individual but are postulated *a priori*.

The normative stance suggested by Kahneman (1999) is to define 'objective happiness' according to a set of normative rules that are external to the subject. The experienced utility approach therefore keeps NCI. Since normative preferences are defined independently of the individual's behaviour, it also rejects NI, and therefore NCS. As previously argued, imposing normative rules that are external to the subject sounds arbitrary however and may require further ethical justification.[13]

4   The View from *'Manywhere'*

Rather than leaving the task of defining the 'correct' context to the theoretician (as in the third-person standpoint) or merely accepting the current context (which can be set by a third party, for better or worse), we propose that it should fall to the enduring individual to define his own normative preferences. It is only through the fruitful confrontation of his different selves I_C that I will be able to choose what makes him better off, while limiting the risk of being manipulated or unduly influenced by a third party. We introduce the second-person standpoint in order to highlight the distinctive feature of our approach, and propose a normative criterion of *self-determination*. We justify this criterion by making an analogy with Sugden's (2004, 2018) opportunity criterion, as well as with Sen's (2009) 'positional views' in his theory of justice.

4.1   The Second-Person Standpoint

The second-person standpoint locates normative authority in *others*. It is because I recognises the authority of others to make claims and expect something from him that I can be held morally responsible for his actions when they impact others. Darwall (2006) uses as an illustration the right a person A has that others (a person B, for instance) do not step on his feet. B's stepping on A's feet is morally questionable not only because it causes

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[13]In a recent interview given to *Hareetz* (an Israeli online newspaper), Kahneman (2018) actually stated that he abandoned this normative approach because he does not believe anymore in the definition of 'objective happiness' he had initially formulated with his colleagues. For a critical review of experienced utility measurement and a discussion of each axiom of this normative theory, see Mitrouchev (2020).

harm to A (which is a third-person reason for not stepping on A's feet), but also because B violates the right A has that others do not step on his feet. Unlike a general moral principle such as 'do not cause harm', this is a second-person reason for not stepping on another one's feet because it has a direct addressee: the morally responsible individual B.

The second-person standpoint can also be addressed to *oneself*. Just as A has a second-person reason that B does not step on his feet (because it is his right and a legitimate demand), A has a second-person reason to not step on others' feet since he may later feel guilty and hold himself responsible for violating others' rights. In the dessert problem presented in the introduction, I's afternoon self (who intends to be productive) has the right to claim that I's current self does not ruin his later productivity by ordering a dessert. If I's current self recognises that this is a legitimate demand, he is accountable for actions that will affect his afternoon self's productivity. However, the same is true of I's current self. He has the right to claim that I's afternoon self does not impose the ruining of the end of the meal by skipping dessert. If I's afternoon self recognises that this is a legitimate demand, then he cannot blame his current self for ruining his later productivity by ordering a dessert. Given the potential conflict between the claims of the current and afternoon selves, it is necessary to settle this dispute by establishing a contract between I's different selves.

A way to minimise the effect of potential regret — which is a common argument in the literature to justify paternalistic interventions — is to ensure that the individual I is initially aware of such potential conflict, and that I takes responsibility as an enduring individual for the actions of his different selves. In the restaurant, once I is well aware of the tradeoff between an immediate enjoyment and a later productivity, I can choose whether his current self should order the dessert or not, knowing the consequences for his afternoon self. As a result, none of his selves would be able to legitimately blame the other for taking the dessert or not.[14] Managing the relationships between his different selves is the role of the enduring individual I, whose identity defines the nature of these relationships.[15] The adequate standpoint to form one's normative preferences is therefore the 'view from *manywhere*' since the relevant positions to judge what is the 'right' choice are the *many positions* from which one could see the choice problem.[16]

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[14]It is possible that I's afternoon self later complains about the current self ordering the dessert, but this would not be a 'legitimate' complaint if the dispute has already been settled. The problem of such a complaint is that the afternoon self wants the current self to skip dessert, while *immediately* enjoying the benefits in the afternoon. In this case, the afternoon self does not fully appreciate the opportunity cost that the current self supports. See Lecouteux (2015) for a detailed treatment of this point in the case of retirement savings.

[15]We do not treat pathological cases of personality disorders, to which it would be hard to apply our normative approach.

[16]An earlier version of this paper used the term 'view from everywhere'. This formulation suggested that one is required to confront *every* perspective of a choice problem in order to make an adequate normative judgement. Such standpoint would however require an exhaustive confrontation and an endless phase of critical self-reflection. As a consequence, it would require that individuals have unlimited cognitive capacities. Furthermore, the exhaustiveness of the view from *everywhere* would lead to an omniscient perspective akin to the one of the 'view from nowhere' (though no individual nor theoretician is able to offer such a perspective). We thank Uskali Mäki for suggesting to us the neologism *manywhere*, which is more faithful to our normative approach based on intrasubjective judgements rather than on an objective judgement.

Our argument is that the adequate standpoint for making normative analysis when preferences are context-dependent should be the second-person standpoint. Rather than defining normative preferences with respect to an arbitrary external criterion stated by the theoretician (that would always privilege the inner rational agent I_0), or systematically equating normative preferences with the current behavioural preferences (meaning that such a criterion would always privilege the current self I_C), what should matter is the *process* of confronting one's different perspectives on a choice problem. It is questionable to state that either I_0 or I_C should always have the final say on how I should choose. On the one hand, imposing I_0 as the self who has the normative authority would be unacceptable for an individual who values e.g. spontaneity (which is hardly concliiable with the consistent behaviour of I_0). On the other hand, imposing I_C would be unacceptable for an individual who considers that some contexts are normatively questionable. Instead of grounding normative authority on either I_0 or I_C, our normative approach defends the idea that it falls to I to choose what makes him better off.

As an illustration, consider again the Asian disease experiment. According to the first-person standpoint, there is not necessarily a problem in choosing inconsistently across frames: it falls to I_C in each choice problem to choose the best program. According to the third-person standpoint, I_0 ought to choose consistently across frames if the theoretician imposes the principle of *invariance*, implying an equivalence between the choice problems A & C and B & D.[17] According to the second-person standpoint, what matters is that the individual embedded in a particular context (say, the *gain* frame) should also have the means to be able to imagine herself in the other context (say, the *loss* frame). It is then only by becoming aware of these two frames — in terms of lives saved and lost — that I will be able to avoid a genuine and unintentional framing effect. Eventually, this will lead him to determine the 'best choice', *as judged by himself*. What matters is however not his *final* choice (e.g. choosing A & D), but that he has the possibility to confront the different views prior to his decision.

4.2   The Self-Determination Criterion

Recall some of the notations we introduced in Section 2. $\mathcal{P}_I$ is the set of properties that I is aware of, and $\mathcal{P}'_I$ is the set of properties that I is not aware of. The normative criterion we propose is the following.

Self-Determination Criterion. *Consider the sets of properties $\mathcal{P}_{1I} \bigcup \mathcal{P}'_{1I}$ and $\mathcal{P}_{2I} \bigcup \mathcal{P}'_{2I}$. The set of properties $\mathcal{P}_{1I} \bigcup \mathcal{P}'_{1I}$ is normatively preferred to $\mathcal{P}_{2I} \bigcup \mathcal{P}'_{2I}$ if and only if (i) $\mathcal{P}_{2I} \subseteq \mathcal{P}_{1I}$ and (ii) $\mathcal{P}'_{1I} \subseteq \mathcal{P}'_{2I}$.*

For a given choice situation X, it is better for I to have (i) a wider awareness set, and (ii) a restricted set of unknown properties. Condition (i) allows the individual to consider the choice problem under additional new perspectives, e.g. the *loss* frame in the Asian disease experiment, which may considerably decrease the appeal of program A. Condition (ii) allows the individual to become aware of factors that influence his behaviour, e.g. the influence of a marketing campaign exploiting consumers' potential incoherent

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[17]For a precise definition of the principle of invariance, see Tversky and Kahneman (1986). Note however that considering the frames of *gain* and *loss* to be identical in the Asian disease experiment may actually not be self-evident. See Jullien (2016).

preferences (such as highlighting the daily rather than the monthly payments of a credit to minimise the perceived cost). What matters is *I*'s ability to *accumulate and confront* many views from different perspectives.

Note that we do not expect individuals to look at every possible perspective on a given problem, which would require the extraordinary cognitive capacities of the inner rational agent. Our criterion states that it is better to live in a society in which individuals tend to be aware of more and more factors amongst all the factors that influence their behavioural preferences. If behavioural economists find a new result about how individuals behave, they ought to convey the information to these individuals rather than to benevolent nudgers who could use such knowledge as a way to promote what *they* think is best for these individuals.

A possible limitation of our normative criterion is that we only allow for comparisons between nested sets of properties, and are unable to rank overlapping sets according to the criterion.[18] This is however a genuine issue only in cases for which we would need precise measurement of awareness sets. As we will briefly discuss it at the end of this paper, the interventions supported by our normative criterion consist in improving individuals' critical thinking ability, their use of heuristics, as well as their risk literacy. But unless we face a situation in which we have to choose which program to teach (this would require a qualitative ranking of awareness sets), the main added value of our normative criterion is to shift the focus from outcomes and preference satisfaction to the factors that shape individual choices and the dynamics of preference formation.[19] We now propose two complementary justifications of our normative criterion: in terms of opportunity and in terms of 'positional views'.

4.3   Opportunity Extended

First, we can interpret our normative criterion as an extension of Sugden's (2018, Ch. 5) individual opportunity criterion to the process of preference formation. Sugden emphasises that the theoretician should not try to answer for others the question 'how should one live?' (which is the subject matter of ethics) but rather the question 'how do we live together?' (which is rather a *political* question). According to Sugden, economists are more legitimate to have a say on political questions than on ethical ones. In his approach, societies must be such that the opportunity of individuals to act on any preference should be maximised. A point that is however not discussed by Sugden (2018) is whether individuals have the ability to merely *conceive* other preferences and lifestyles. We follow Davis (2011), who argues that individuals have the capacity to critically reflect upon their own evolving preferences and to continually redefine their identity through self-reflection. If we accept such a dynamic view of personal identity, we should consider that individuals' behavioural preferences do not *pre-exist* the choice situation, but are rather *progressively determined by the process of choice*. As Nozick (1981) puts it,

> 'The reasons [considered in deliberation] do not come with previously given precisely spec-

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[18]Note that we find a similar difficulty with Sugden's individual opportunity criterion. See Sugden (2018, p. 85).

[19]Given our definition of 'context' and 'property', we hypothesise that we could extend measures of freedom of choice to measure the degree of opportunity in the formation of one's preferences (to be discussed below). See e.g. Bavetta and Guala (2003) and Bavetta (2004).

signed weights; the decision process is not one of discovering such precise weights but of assigning them.' (p. 294)

If what matters is living in a society that allows individuals to satisfy any preference they might have, this necessarily requires ensuring that social institutions allow individuals to experience different preferences. This means fostering (or at least not deterring) the creativity of individuals. A good way to ensure that individuals do not stay stuck in a single conception of their life is to make sure that they have the opportunity to learn. The process of preference formation is likely to be path-dependent, i.e. it depends on the individual's initial sets of representation of the world. If the individual is only aware of one way to look at the world (e.g. he always chooses the cheapest alternative), then his opportunities to learn new preferences are very likely to be reduced (see Schubert's (2015) 'opportunity to learn' criterion). But if we value opportunity with choice sets and accept that one's identity is the result of an evolving process and critical reflection upon one's experiences, then opportunity also seems to be valuable when considering the sets of possible future identities (Buchanan 1979 [1999]; Dold 2018). In line with Dold and Schubert (2018), our normative criterion emphasises that economists should contribute to improve the *process* through which I forms his own normative preferences, but they must not focus on the satisfaction of his behavioural preferences.

The problem one might have with an approach that promotes 'teaching' new preferences or properties to individuals is that the theoretician can be suspected of teaching only what *she* thinks are valuable preferences (e.g. preferring cycling over taking one's car or saving more for one's retirement). Our aim is not to promote a normative approach in which we should tell individuals what 'good' preferences are, but rather to make sure that they are well informed, i.e. that they are aware of what makes them prefer some options over others. In this regard, it could be perfectly fine to have an unhealthy lifestyle (e.g. drinking too much alcohol, smoking or eating too much). Our normative criterion of self-determination states that it is even better to have an unhealthy lifestyle when one is aware of the factors that led one to have such a lifestyle.

4.4 Positional Views

A complementary justification of our normative criterion is the parallel we see with Sen's (2009) concept of 'positional views' in his theory of justice. Baujard and Gilardone (2017, 2019) emphasise that Sen's theory of justice is 'poorly understood', which is why it continues to raise many debates, such as the proper place of capabilities in his theory of justice. We suggest that one of the reasons of these misunderstandings is the specific standpoint Sen proposes in his theory of justice, which is a second-person standpoint. Sen explicitly rejects third-person approaches, which consist of defining a normative criterion in a transcendental perspective. At the same time, he considers that individual preferences are not necessarily informative about individual welfare. This is because of the phenomenon of adaptive preferences: first-person judgements about one's welfare can depend on one's current state of deprivation. Our argument in this paper is based on exactly the same concerns. We consider that the theoretician should refrain from imposing what she thinks individuals should desire (because of the arbitrariness of such a standpoint), but at the same time, she should acknowledge that there might be problematic situations in which satisfying individuals' behavioural preferences may not be in

their best interests.

Discussing the case of normatively problematic preferences in Sen's work (1985, 1992, 2001), Sugden (2006) argues that the position of Sen implies 'that "we", as ethical theorists, can claim to know better than some particular individual what is good for her' (p. 34 — for him in our terms). According to Sugden's reading of Sen, the viewpoint from which this normative judgement is formulated is 'the viewpoint of a moral observer, making "judgements", "assessments" or "evaluations" of a person's state from outside' (p. 36). Theoreticians would then impose as the social standard 'the kinds of lives that a majority of [our] fellow citizens, after reflective deliberation and open debate, judge to be valuable' (p. 40). However, Sen (2006) rejects this 'monstrous political philosophy' (p. 89). He argues that the emphasis should be put on the *process* through which individual desires are formed and confronted, while guaranteeing *in fine* the respect of his own preferences. It is true that the theoretician have predefined ideas about what counts as a good life, but such ideas should only serve as inputs among other inputs in the collective discussion.

Our proposal turns out to be very similar to Sen's normative approach. The role of the theoretician should not be to impose her own conception of a good life, nor to convince individuals to endorse what is collectively considered as a good life. Instead, her role is to guarantee that individuals live in a society that promotes their ability to enter into such a phase of self-reflection, so that they could have the opportunity to choose the kind of life they might desire. Promoting individual self-reflection does not mean that individuals ought to endorse a 'rational' lifestyle — such as the one promoted by the proponents of behavioural paternalism. Instead, it means ensuring that individuals do not stay trapped in a lifestyle they could consider as problematic if they became aware of the reasons leading to such a lifestyle. In the dessert problem, 'being within sight' may be a necessary condition for many individuals to actually order the dessert — implying that I never orders the dessert when it is not within sight. The self-determination criterion means that it is better for I to be able to imagine what he would do in another context (when the dessert is within sight). Whether I turns out to order the dessert much more frequently (because he considers that the location of the dessert does not matter that much) is however not relevant with respect to the self-determination criterion.

According to Baujard and Gilardone (2019), the concept of 'positional views' in Sen's (2009) *Idea of Justice* accommodates the two positions of (i) not imposing the normative preferences of the theoretician, and (ii) acknowledging that some preferences might be problematic from individuals' own perspective. A positional view is defined as 'an individual judgement towards any social state, considering objectively the context from which she or he is able to assess this social state' (Sen 2009, p. 3). One's positional view can evolve if some information from different positions is communicated. For example, the individual's judgement on a policy debate (like the implementation of a universal basic income) is likely to depend on various elements that characterise his current position (positional parameters), such as being in a situation of poverty or not, being in a health condition that limits his opportunities of employment, etc. Positional views can be 'objectivised' because they can be described by the individual (e.g. being poor or not, being handicapped or not, etc.). The notion of 'objectivised' here does not presuppose that there is one 'correct' way to describe such positional views (or that such positional

views are objectively true or have an independent existence), but that they can be made understandable to others. Since such positional views '(1) may influence observation and (2) can apply to different persons' (Sen 1993, p. 127) they can constitute a relevant input for collective decision. The confrontation of such positional views in a phase of public deliberation then contributes to the emergence of an *intersubjective* view on the question. We advance that it is only by confronting many views from different positions that individuals can collectively form an enlightened judgement about a specific state of affairs. The relevant inputs for normative analysis are therefore the views of all the various individuals that constitute society. Confronting different positional views offers a way to *widen* the informational basis of all participants.

The approach we promote — the 'view from *manywhere*' — is based on a similar reasoning. Each self I_C can 'objectivise' his current position/context C based on the various properties P that characterises C. If I_C has the ability to imagine the context C' of $I_{C'}$ that is described by different values of the properties P, then I_C can enter into this phase of self-reflection and form *in fine* an *intrasubjective* judgement. The normative criterion of self-determination means that we should widen the number of properties the individual is aware of. This means increasing I's ability to characterise the various contexts C and then widening the informational basis of his intrasubjective judgement. Just as in our proposal, Sen's (2009) theory of justice shifts normative appraisal from *outcomes* to the *process* of choice, and does not make any presumption about the outcome of public reasoning. This means that there is no ready-made theory of what a 'good' society is (or what 'good' preferences are) but that there is a general approach (confronting the different views on the same question) that contributes to form collective judgements. If the theoretician turns out to be aware of some positional parameters (in our framework, the properties P) then she ought to inform individuals about these properties. Whether individuals eventually take them into consideration is however not relevant to the theoretician. What matters is that each self I_C has the ability to imagine what his preferences in other contexts would be, and possibly choose to act on the basis of the preferences of another self $I_{C'}$, depending on how I — as an enduring individual — defines his identity and relationship between his different selves.

5   Concluding Remarks

In this paper we propose an alternative answer to the reconciliation problem by distinguishing between different standpoints one could take to define individuals' normative preferences. We first precisely define the notion of 'context' in terms of irrelevant properties of the choice problem, as judged by the theoretician. We then formulate some axioms used in standard and behavioural normative economics, which allow us to contrast different normative approaches proposed in the literature of behavioural normative economics. We argue that third-person approaches are limited by their commitment to NCI (normative context-independence) and the need to define an external — and potentially arbitrary — normative criterion. We also underline that first-person approaches fail to identify cases in which one's behavioural preferences could be normatively problematic (such as the issue of adaptive preferences). Our contribution is to propose a second-person approach to normative economics, according to which the definition of one's normative preferences should be the result of an intrapersonal discussion and fruit-

ful confrontation of different perspectives on a choice problem. This approach — that we label the 'view from *manywhere*' — states that our aim as theoreticians should be to widen the informational basis of individuals so that they can have the opportunity to adapt their own preferences, *as judged by themselves*. This can solve some of the issues of first-person and second-person approaches, since the 'view from *manywhere*' (i) remains agnostic about how individuals should choose, and (ii) ensures they have the means to understand why they choose as they do, and the possibility of changing their choices if they want to.

Throughout the paper, we briefly alluded to policy guidances that could result from the different normative approaches we discussed. By conferring a significant role to the external observer (the theoretician being the only judge of the normative authority of individual preferences), third-person approaches may easily give a justification for paternalistic regulation (such as the introduction of *nudges*) in order to steer individuals' behaviour into what they think is the 'right' direction (Thaler and Sunstein 2009). First-person approaches, on the other hand, take individuals' preferences as their protected sphere of liberty and reject any policy intervention aiming at interfering with the expression of individuals' freedom of choice. Whatever their preferences turn out to be, individuals are considered as responsible persons in these approaches — i.e. they are accountable for their own choices. The implication is that there is no need for paternalistic regulation. The aim of the theoretician is here only to ensure that society is organised in such a way that individuals can express their freedom of choice. In these approaches, the exclusive aim of public policies should be to guarantee the respect of the rules of fair competition.

By focusing on the internal process of preference formation, the second-person approach offers a rationale for more 'educational' policies. The aim is to foster individuals' abilities to reflect critically on their own preferences and increase their opportunities to learn new preferences. Theoreticians — when they are confident in having a larger awareness set $\mathcal{P}_E$ than the one of individuals — should ensure that society guarantees that each individual can learn new properties and accumulate complementary views on different choice situations. This is typically the philosophy of the *boost* agenda (Grüne-Yanoff and Hertwig 2016) inspired by Gigerenzer and Todd's (1999) simple heuristics program and by Gigerenzer's (2015) call for reforming school curriculums in order to improve individuals' health, financial, and risk literacy.

A   Appendix: Proofs

A.1   Proof of NCI

By contradiction, suppose that NCI is false and that there are two contexts C and C' such that $x\ NP_C\ y$ and $y\ NP_{C'}\ x$. By condition i. of NI, this means that there should be a context C'' such that $x\ BP_{C''}\ y$ and another context C''' such that $y\ BP_{C'''}\ x$, which violates BCI. This implies that NCI is true when both NI and BCI are true.

A.2 Proof of NCS

By BCI, we know that there are not two contexts C and C' such that $x\ BP_C\ y$ and $y\ BP_{C'}\ x$. This means that as soon as condition i. of NI is satisfied, so is condition ii. So if $x\ BP_C\ y$, we have $x\ NP_C\ y$. By BCI and NCI (which is implied by NI and BCI), we also know that the relation remains stable across all contexts C and C' for BP and NP, which means that $NP_C = BP_{C'}$.

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