

# Rethinking Justice from a Behavioral Political Economy Perspective

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## Abstract

New experimental evidence on economic behavior has suggested that other-regarding, social preferences play an important role in people's decisions to support more redistributive outcomes. Altruism as a form of social preferences arises as a particularly important addition to the neoclassical utility model for such decisions. This paper develops an argument that taking altruism seriously leads to new and unexpected challenges for the Rawlsian constructivist theory of justice and the liberal democratic theory of Robert Dahl. The main implication of taking altruism seriously for democracy is that it opens up a new possibility for exploitation. Partly due to this, the presence of altruistic preferences at once explains why rational agents in Rawls's theory set up institutions that give priority to liberty over equality, and suggests that Rawls's own starting assumptions should lead us to more redistribution than what the Difference Principle prescribes. A revised theory of democratic justice would require both greater redistribution and a more expansive set of political rights to protect individuals from the new danger of exploitation that arises in presence of altruistic motivations. The implications of the argument are illustrated with empirical cases from American Political Development, redistribution in OECD countries, and economic exploitation in the political economy of development.

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