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The Moral Economic Man

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Fighting against corruption in India

„5th Pillar” NGO issues the zero-rupee note to shame corrupt officials into not demanding bribes. Transforming social norms is the key to fighting petty corruption.
Problems

(1) Is human behavior self-interested or norm-following?

(2) Which factors determine the ethicality of economic behaviour?

Homo Oeconomicus

Self-interested, utility-maximizing being.

Counter-examples: Japanese group loyalty, cooperative behaviour in competitive contexts
Homo Sociologicus

Norm-following, social being;

Counter-examples: social anomy, corporate transgressions,

Ultimatum Bargaining Game
Human behaviour is co-determined by utility calculations and moral considerations.

Amitai Etzioni (1929)

"I & We" paradigm

utility ⇔ ethics

↓     ↓

behaviour

People try to balance utility and morality.
Human behaviour can be predicted by the moral character of the agent and the relative cost of ethical behaviour.

Indecent Proposal is a drama movie, starring Robert Redford and Demi Moore

Husband and wife, David and Diana Murphy are in Las Vegas in an attempt to win money to cover David's real estate investment. They encounter millionaire John Gage who falls in love with Diana, and offers one million dollars for a night with her.
Predicting the ethicality of behavior (1)

If the moral character of the agent is strong and the relative cost of ethical behavior is low then ethical behavior can be expected.

Predicting the ethicality of behavior (2)

If the moral character of the agent is weak and the relative cost of ethical behavior is high then unethical behavior can be expected.
http://www.transparency.org/

Summary

(1) Human behaviour is co-determined, by utility-calculations and moral considerations.

(2) Human behaviour can be predicted by knowing the moral character of the agent and the relative cost of ethical behaviour.