

# Introducing Moral Virtue Ethics into Normative Economics for Models with Endogenous Preferences

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This paper proposes a framework to balance considerations of welfarism and virtue ethics in the normative analysis of economic models with endogenous preferences. We introduce the moral evaluation function (MEF), which ranks alternatives based purely on virtue ethics, and define the social objective function (SOF), which combines the Social Welfare Function (SWF) and the MEF. We apply this framework to a rational addiction model without externality to show that the optimum tax rate for the addiction model can be positive when virtue ethics is given a positive weight. We apply this framework to an intergenerational altruism model to show that, when the optimum bequest tax rate is nonzero under pure welfarism, the laissez faire policy of the zero tax rate can be optimum when a virtue ethics consideration is added.