A ‘NUDGE’ IN THE WRONG DIRECTION

like many sinister concepts, the idea of governments ‘nudging’ people may seem on first glance somewhat innocuous. Rather than relying on coercion such as using bans, fines and regulation to achieve social change, nudge employs a supposedly more subtle and, seemingly, less intrusive technique. It can involve stressing social norms, like pointing out most of your neighbours have paid their tax on time, to altering the environment by making it easier to find the stairs than the lifts.

But look a little deeper and you are left with an approach that could be considered deceptive, manipulative and lacking in transparency. In short, everything a democratic government should steer clear of.

But the problem is they’re not. For the past couple of years, governments in the US and Europe have been falling over themselves to pilot new nudge policies. And now it is Australia’s turn to get in on the act.

The Liberal government in New South Wales has signed a deal with the UK’s Behavioural Insights Team—the government unit which has been pioneering the approach there. A senior member of the British team—dubbed the nudge unit—will be seconded to NSW for a year from November to assist the Department of Premier and Cabinet. Nothing it seems will be off limits, with officials promising to use it across a ‘range of public policy priorities’.

The approach is based on the book, Nudge: Improving Decisions about Health, Wealth and Happiness, which was published by two US academics in 2008. It argues the public does not always act in their best interests, but often reacts badly when the state tries to point this out. A much better approach, it goes on to say, is to use behavioural science techniques to give people a little prod.

In many ways nudge is not a revolutionary concept. After all, individuals do it all the time in their interactions with family, friends and work colleagues. In business it is routinely deployed to influence the choices customers make. For example, any successful shop will spend time planning where and how they display their products to maximise the chance of people buying them. Of course, our interactions with businesses as consumers are entirely voluntary.

To the supporters of nudge it is appealing because it provides the benefits of top-down regulation while avoiding many of the drawbacks: politicians can guide people to make the ‘right choices’ without dictating them and leaving themselves open to the dreaded accusations of acting like a Nanny State.

But that is where the problems start. The idea that politicians are in a position to presume to understand what people need, better than they do themselves, is unquestionably paternalistic. In a free society it is much better to engage in debate and explain to people why something should be so. That means giving people information and allowing them to reach conclusions about their own interests.

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The growth of nudge

UK
The British government is the most high profile advocate of nudge. The Prime Minister, David Cameron, set up the Behavioural Insights Team—dubbed the ‘nudge unit’—after gaining power in 2010. It has overseen projects covering a range of policy areas from tax to health.

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However, that is exactly what nudge is set up not to do. It treats people like consumers rather than citizens, presenting them with only the information required to lead an individual to a pre-defined conclusion. In a paper published in the New Scientist, political scientist Henry Farrell and statistician Cosma Shalizi argued this approach was destined to result in the wrong decisions. ‘There is no reason to think technocrats know better, especially since it [nudge] offers no means for ordinary people to comment on, let alone correct, the technocrats prescription. This leaves technocrats with no systematic way of detecting their own errors, correcting them, or learning from them. And technocracy is bound to blunder, especially when it is not democratically accountable.’

Alarm bells also ring when you consider the language used by those who believe in nudge. Advocates have spoken glowingly of ‘reframing’ the choices people make and being able to alter behaviour without people ‘fully realising’ it.

‘This is eerily Orwellian. Sociologist Frank Furedi, the author of Culture of Fear, writing in The Australian recently, said that nudge-driven policies played on people’s insecurities and were tantamount to manipulation. He went on to argue that he saw it as a threat to ‘democratic public life’ as it operated on the assumption that attempting politically to convince the electorate of government policies is a ‘pointless exercise.’

‘Since when has it been a democratic government’s brief to wage an ideological crusade directed at altering its citizen’s thoughts?... Remoulding the way people think and act requires a significant erosion of their right to assent to, or reject, policies.’ That, suffice to say, is a nudge in the wrong direction. In fact, criticism of nudge has also been voiced by Danny Alexander, a senior member of the Conservative/Liberal Democrat coalition government in the UK—albeit before his party agreed to share power. Ahead of the 2010 election when he was in opposition, the Liberal Democrat MP said: ‘The danger of the way nudge is being talked about in political circles, particularly in Conservative circles, is that it’s more about a stealthy way of doing politics than being straight with people.’

‘Rather than being explicit about what will happen, it seems to want to lead people to “where we want them to go.” I think that’s illiberal and the kind of lack of transparency that turns people off politics.’ Similar concerns have been expressed by the House of Lords science and technology committee, a group which scrutinises policy on behalf of the upper house of the UK parliament. The cross-party group questioned whether it was ‘ethically acceptable’ for a government to take part in covert interventions like this.

The committee also questioned whether the approaches even worked, querying how rigorously and independently the projects pursued in the UK had been assessed. The British Medical Journal reached a similar conclusion, saying there is no proof of its effectiveness. Yet despite all this, the Liberal government of Barry O’Farrell in New South Wales looks set to follow the UK’s lead. Australians should be more wary of this paternalistic trend in policymaking.

USA
One of the authors of the Nudge book, Cass Sunstein, has spent time working as the ‘regulatory czar’ for the Obama administration where he has had input into pension and health care reform. Nudge has also been deployed to reduce energy bills. In California high energy users have been told how their consumption compared with that of their neighbours, in an effort to shame them into using less.

AUSTRALIA
The NSW government has signed a deal with the UK nudge unit which will see one of its staff seconded to Australia for a year. Officials in NSW say it could be used for anything from encouraging injured workers to return to the job earlier to cutting littering.

What is nudge?

Nudge as a tool for government has been spreading since the publication of the 2008 book Nudge: Improving Decisions about Health, Wealth and Happiness, which was written by US academics Richard Thaler and Cass Sunstein. The authors’ theory is that libertarianism and paternalism do not have to conflict and that the state can act as a ‘guiding hand’, nudging citizens in the right direction.

They argue that people do not always act in their own best interests and are forever making wrong decisions which damage themselves. But despite this, human nature means they do not always respond well to coercion. Instead, they put forward the idea that governments need to make it easier for individuals to make the ‘right choices’.

In policy terms, this means moving away from traditional approaches such as bans, using tax to increase price or increasing regulation. Advocates of nudge like to portray it as less paternalistic than these traditional Nanny State measures, but they suffer from the same conceit that they know what is in everyone else’s best interests.

FRANCE
In French schools it was discovered when teaching technical drawing if the subject was called ‘geometry’ boys did better, whereas if it was simply referred to as ‘drawing’ girls excelled.

DENMARK
In Denmark nudge has been used in a variety of areas. One project involved placing a series of green footprints leading to rubbish bins. These signs reduced littering by 46 per cent. In another trial green arrows were placed in railway stations pointing to the stairs, but this failed to lead to a decline in escalator use. The country even has a Nudging Network for policy makers and researchers to share ideas.