

# The EU needs to embrace behavioural insights in the design of its policies

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*In recent years, the United States and the United Kingdom have been developing policies that 'nudge' citizens into making decisions that are better for their own health and welfare. However, the European Commission is yet to systematically embrace behavioural insights in the design of its policies. [Alberto Alemanno](#) argues that it is now time for policy-makers around the world to take account of this new approach to policy-making which is both cost-efficient and preserves the individual's right to choose.*



At a time when the European Union (EU) wants to change the behaviour of citizens to tackle a broad range of social problems, such as climate change, excessive drinking, obesity and tobacco consumption, the EU should consider not only the social, economic and environmental impact of all policy options examined but also their behavioural impact. This will enable the European Commission to not only foresee citizens' reaction to a given policy option but also to design policies that actually take account of real-world behaviour. After having relied on the assumption that it can only change people's behaviour through rules, regulations and incentives, it is time that the EU [began designing policies](#) that better reflect how people really behave, not how they are assumed to behave.

Besides a few isolated initiatives displaying some behavioural consideration (e.g. [revision of the tobacco products directive](#), consumer rights-directive, consumer information regulation), the EU has not yet shown its commitment to systematically integrate behavioural research into its policy-making. Given the potential of this regulatory approach in attaining effective, low-cost and choice preserving policies, this outcome seems inadequate when measured against the EU's commitment to smart regulation contained in the Europe 2020 Strategy. One way to take seriously the findings of behavioural research would be for the European Commission to introduce a [behavioural test](#) into its regulatory impact assessment system.

In recent years, findings in behavioural sciences have highlighted the complex cognitive framework in which people make decisions. In particular, behavioural economics, by refuting the neoclassical assumption of human full rationality, revealed a set of psychological biases, often called heuristics, capable of explaining why too often people make choices that seem to go against to their best interests.

Thus, for instance, due to the tendency of people to stick to the default option, inertia and 'default rules' have large effect on social outcome: unless you are automatically enrolled in a saving plan, you are unlikely to opt in. Framing and presentation can also influence individual behaviour: when patients are told that 90% of those who have a certain operation are alive after three years, they are more likely to have the operation than when they are told that after three years 10% of patients are dead. In other words, choices are not only made on the basis of the expected outcome but tend to be affected by the relevant frame. Similarly, information that is vivid and salient can have a greater impact on behaviour than information that is statistical and abstract: pictorial warnings on tobacco products produce greater dissuasive effects than text warnings. Finally, in multiple areas, individual behaviour is largely influenced by the perceived behaviour of other people. In particular, perception of the social norm in a given community may affect risk-taking, vis-à-vis – for instance – tobacco, drug and alcohol consumption.

These findings have important implications not only for the well being of European citizens but also for regulatory policy. While advertisers and marketers have exploited for years these patterns of irrationality to promote sales, public authorities are new to the game. Under both Barack Obama and David Cameron, policy makers have recently been encouraged to draw on behavioural and social sciences insights in the design or implementation of new regulations, an approach commonly called 'nudge'.

Inspired by 'libertarian paternalism', it enables the creation of public policies that steer citizens towards

making positive decisions as individuals and for society while preserving individual choice. Acting as ‘choice architects’ policy makers organize the context, process and environment in which individuals make decisions. Thus, placing an emoticon (sad face) on a prohibitive energy bill has the potential to nudge consumers towards less energy consumption. Rearranging the display of food makes it more likely that the healthy option is chosen. Switching from an ‘opt-in’ to an ‘opt-out’ system for organ donation may increase the number of organs available thus saving lives.

Although the results of the first nudging experiments are mixed, there seems to be an emerging consensus around the idea that regulation cannot work effectively or efficiently if regulators do not consider how people respond to their measures.

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*Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.*

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