The richness of personal interests: A neglected aspect of the nudge debate

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Within the 'nudge' debate there is one assumption that goes unquestioned by advocates and critics alike: that people regularly and predictably make bad decisions. Policymakers necessarily substitute their own idea of what people's interests are and then use nudges to steer the person in that direction. ***Mark White*** *argues that only we can know when we're making bad choices according to our own interests, and that it's not ethical to use psychological tactics to steer people into making different choices.*

Libertarian paternalism has been widely discussed and debated since the publication of Richard Thaler and Cass Sunstein's book *Nudge* and the subsequent implementation of the concept by the governments of both the UK and the US. To some, it represents the prudent and careful use of psychological research to improve outcomes both personal and social, but to others it merely enables further encroachment of the nanny state into each and every individual's realm of autonomy.

One assumption of libertarian paternalism that often goes unquestioned by proponents and critics alike, however, is that people regularly and predictably make bad decisions. We've all heard the litany of failures of prudent choice. We eat, drink, and smoke too much; we exercise too little and see the doctor too seldom. We spend too much, we save too little, and we gamble to excess. Starting from this premise, the disagreement then focuses on whether nudges are an effective and ethical way to help people make better decisions.

The problem with this assumption is that these negative assessments are not made by the decision-makers themselves (except perhaps in judgment of *other* people's behavior). Instead, they represent the judgments of policymakers based on their own ideas of how people should behave, despite the pretension of nudging people to make better choices "in their own interests." In this light, libertarian paternalism and nudging looks a lot less innocuous as it is revealed that people are being steered toward making the choices that policymakers want them to make, not necessarily the choices that people themselves would prefer to make.

Why is there this discrepancy—why is it so difficult for policymakers to ascertain what matters to people? Unlike the agents of social scientists' behavioural models, based on the straightforward pursuit of simple goals such as health and wealth, people make decisions according to their complex, multifaceted, and constantly changing interests. A choice to eat a donut, drink a beer, or spend one's bonus on lottery tickets may not reflect the recommendation of behavioural models. But such models are based on simplistic assumptions that bear little if any relationship to any individual person. Each of the choices above may promote the broader interests of the person making it, no matter what an outside observer may think of the prudence of the particular choice.

This is not to say, of course, that all decisions that people make are truly in their best interests, even as people themselves define them. Each of us is occasionally weak, irrational, and rash—and oftentimes we're aware of this, in which case we can seek out help making choices. We join weight loss centers, for example, to make use of social scaffolding and peer pressure. But *only we can know* when we're making bad choices according to our own interests, which even we may not know perfectly, but certainly better than anyone else. Those close to us, such as our parents, partners, or close friends, may have a good idea when we're making bad decisions, but not policymakers—unless we happen to live with one!

How can policymakers know any person's interests well enough to judge his or her decisions to be counter to those interests? Simply put, they can't and they don't—by necessity they substitute their own idea of what those interests are and then use nudges to steer the person in that direction. This does not imply that the policymakers are selfserving or corrupt, though; I am not suggesting anything of the kind. We can presume that they sincerely think that their idea of people's interests is best for them. It is reasonable, for example, to assume that it's in people's interests to enjoy better health and more money in retirement. But it's not reasonable to assume these are people's sole or primary interests—and it's not ethical to use psychological tactics, based on that assumption, to steer them into making different choices.

While the manipulative nature of nudges is of significant concern, the more fundamental issue in my opinion is to what end people are being nudged. One of Thaler and Sunstein's central examples—and "success" stories—is automatic enrollment in retirement savings programs upon starting a new job. This plan assumes that it is the best interests of people to save for retirement—which, as acknowledged above, is a reasonable interest in general, but is not necessarily the most important one to each person who starts a new job. Under such plans, new employees do have the choice to opt out, but this nudge is designed to take advantage of cognitive biases (such as laziness and procrastination) that we all share and that would lead to the default option being chosen even if they have good reason not to. Thaler and Sunstein judge this program to be a success based on significantly higher rates of enrollment, but this only indicates that the nudge affected people's choices—not that it better promoted their true interests.

Of course, the goal of nudges is not always to promote decision-makers' own interests: sometimes the goal is more communally oriented, such as promoting recycling or organ donation. In cases such as these, nudges are not paternalistic, so my primary objection falls away, leaving the manipulation aspect to withstand its own relevant critiques. In many real-world cases, however, nudges straddle the line between paternalistic and nonpaternalistic goals, such as health interventions justified on grounds of public cost savings. In cases such as this, decisions that would otherwise be private are transformed into public issues through other government programs such as the NHS or Medicare—a fact which can be seen either as justification for the nudges (to lower public health care spending) or a criticism of universal health care systems in general (for making private matters into ones of public concern).

The insightful discoveries that behavioural scientists have made regarding the fallibility of human decision-making can be of tremendous benefit to us all. As with any scientific discovery, however, they must be used ethically; in this particular case, we must be mindful of the respect owed to persons based on their autonomy and dignity. It is up to each of us to choose the way we run our lives, as long as we don't wrongfully infringe on others doing the same. This freedom means that some people may make choices that others would not. But those "others" must not be too quick to rely on behavioural models, constructed on simplistic assumptions regarding human motivation, to condemn those choices as shortsighted or imprudent—terms which may better applied to the paternalistic behavior of policymakers than to those whom they would presume to nudge.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

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