MODULE 9: STRATEGIES

The ethics of nudging and Behavioural insights
Attention is scarce, easily distracted, quickly overwhelmed and subject to switching costs.

Willpower is a limited resource that may easily be depleted. It also requires competencies to exert.

Making sense of the world provided limited memory, attention, information & processing power.

Forgetting, overlooking, relegating, multitasking, distracted, cognitive dissonance, inertia & procrastination, mental taxation, self-directed blame, sensitivity to framing & arrangements, doubt & regret, social motives & meanings, holding on to pre-existing beliefs, bad at stats, over- & under-confidence, having difficulties with abstractions, relying excessively on “rules of thumb”, incentives & sticky status quo.

Choices are shaped by contextual cues, the arrangement & framing of options as well as by preferences & incentives.

Behavioural Insights strategies: In the innermost ring one finds examples of behavioural insights strategies that contains specific behavioural insights that may be used to understand as well as influence target behaviour.

Diagnostic indicators: Certain phenomena indicates the relevancy of each diagnostic domain. These phenomena are referred to as diagnostic indicators.

Diagnostic aspect: The diagnostic aspect contains the broader psychological theories that has been developed to account for a particular aspect of behaviour as defined by the ABCD. Thus, the aspect contains psychological theories of attention, belief-formation, choice and determination.

Aspects of behavioural problems: ABCD characterizes between four aspects of behavioural problems: Attention, Belief-formation, Choice and Determination. A Behavioural Problem may be caused by several factors within one aspect as well as by factors from several aspects. ABCD allows the practitioner to conduct an systematic inquiry into each aspect as well as matching of strategies to problematic aspects.

Categories of Behavioural Insights strategies: For practical convenience behavioural insights strategies are sorted in to broad categories that functions as easily identifiable keys to more specific behavioural insights strategies.
SOME POPULAR CONCERNS

THE ETHICS OF NUDGE

(1) Nudging is unethical because practitioners are trying to intervene in peoples lives. They have no right to do this.

(2) Nudging is unethical because practitioners are deciding what is good for me and then try to impose this behaviour.

(3) Nudging is unethical because it is insensitive to personal differences. Individuals have heterogeneous preferences and nudges cannot be tailored to each individual.

(4) Nudging is unethical because it is about manipulating peoples choices! Thus nudging cannot be reconciled with the values of democratic institutions and will always be in conflict with the fundamental respect of individual autonomy.
NUDGE AND THE MANIPULATION OF CHOICE

THE ETHICS OF NUDGE

(1) Regulatory.
(2) Normative.
(3) Insensitive.
(4) Manipulation.

Beaker, nudges are liberty preserving you can always choose otherwise. No one is forcing you.

That defense is inconsistent with the psychological theory upon which nudges rely.
Beaker, nudges are liberty preserving you can always choose otherwise. No one is forcing you.

… but notice, (1) to (3) are not objections to nudging or nudges as such.

There are rather objections to regulating behaviour in general. That is, it’s about general ethics and policy.

So as long as nudging respects the same ethical rules as other regulatory efforts, that’s fine.*

However, nudging do have the advantage that in some cases individuals are free to choose otherwise.

So nudging is usually about soft regulation.

(1) Regulatory.
(2) Normative.
(3) Insensitive.
(4) Manipulation.
... ok. But it is still a matter of manipulating peoples choices. That is not ethically ok.

Well, here is the point. You are always being nudged and you cannot avoid to nudge people.

Hmmmm…. Let’s look at this argument a bit carefully….
THE PARALLEL BETWEEN TRADITIONAL ARCHITECTURE & CHOICE ARCHITECTURE

1. “There are many parallels between choice architecture and more traditional forms of architecture” (3)

2. One such is that just as a traditional architect must eventually build some particular building, a choice architect must choose some way of organizing the context that she is responsible for and in which people make decisions (4)

3. An even more “crucial parallel is that there is no such thing as a neutral design” (3)

4. Thus, it turns out to be impossible to avoid influencing people’s choices and behavior

5. The idea that it is impossible for a choice architecture to nudge in one way or another is a misconception

6. The anti-nudge position is a literal non-starter

A nudge is any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives.

Every situation has a choice architecture.

There is no such thing as a neutral choice architecture.

Hence, as a choice architect you cannot avoid influencing peoples choices and behaviour.

So you cannot be against nudging as such.

Ethics is not an issue, then.
“A nudge is any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives”

Thaler & Sunstein 2008, 6

“In accordance with our definition, a nudge is any factor that significantly alters the behavior of Humans, even though it would be ignored by Econs.”

Thaler & Sunstein 2008, 8

… there seems to be a clear and important distinction to be made between a given context that accidentally influences behaviour in a predictable way, and someone – a choice architect – intentionally trying to alter behaviour by fiddling with such contexts.

Thus, we suggest that a nudge henceforth is best understood as the intentional attempt at influencing choice, while it is accepted that the settings of any given decision-making context may accidentally influence choice and behaviour in predictable ways as well. …

The notion of “nudge” then, should only apply when someone intentionally tries to influence our behaviour without the use of regulation or fiddling around with incentives.

**A nudge is any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives.**

*Thaler & Sunstein 2008, 6*

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**A nudge is a function of any attempt at influencing people’s judgment, choice or behaviour in a predictable way, that is (1) made possible because of cognitive limitations, biases, routines, and habits in individual and social decision-making posing barriers for people to perform rationally in their own self-declared interests, and which (2) works by making use of those limitations, biases, routines, and habits as integral parts of such attempts.*

*Hansen, PG (2016) The Definition of Nudge and Libertarian Paternalism: Does the hand fit the glove? The European Journal of Risk Regulation*

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**You are always being nudged.**

**Hence, being nudged is unavoidable.**

**You cannot complain about something that is unavoidable.**

...Yes, in particular because it is a matter of manipulating peoples choices.
That is not ethically ok.

Well, here is the point. You are always being nudged and you cannot avoid to nudge people.

But you can avoid to nudge other people, and though you might often be nudged, this does not provide practitioners a carte blanche to nudge other people as they like. Ethics is crucial.

Well, okay. But then let's say: as long as you adhere to Rawls' 'publicity principle', then it's okay to nudge other people.

But you can avoid to nudge other people, and though you might often be nudged, this does not provide practitioners a carte blanche to nudge other people as they like. Ethics is crucial.
As long as a government or policy maker is willing to defend his use of behavioural insights it may be regarded as "transparent" in the sense of Rawls’ 'publicity principle' and is hence ethically defensible.

"If a government adopts a policy that it could not defend publicly, it stands to face considerable embarrassment, and perhaps much worse, if the policy and its grounds are disclosed.” (245)

"The government should respect the people whom it governs, and if it adopts policies that it could not defend in public, it fails to manifest that respect. Instead it treats its citizens as tools for its own manipulation. In this sense, the publicity principle is connected with the prohibition on lying. Someone who lies treats people as means, not as ends.” (245)

"We think that the publicity principle is a good guideline for constraining and implementing nudges, in both the public and private sectors.” (245)
...Yes, in particular because it is a matter of manipulating peoples choices. That is not ethically ok.

Well, okay. But then let’s say: as long as you adhere to Rawls’ 'publicity principle', then it’s okay to nudge other people.

But if people are being manipulated then they will never ask the practitioners. So the “willingness to defend” is quite a hollow principle and may be an object of individual variance.
As long as a government or policy maker is willing to defend his use of behavioural insights it may be regarded as “transparent” in the sense of Rawls’ ‘publicity principle’ and is hence ethically defensible.

* That is, with certain exceptions.

"In the abstract, subliminal advertising does seem to run afoul of the publicity principle. People are outraged by such advertising because they are being influenced without being informed of that fact. But what if the use of subliminal advertising were disclosed in advance?" (245)

"We tend to think that it is not [legit] - that manipulation of this kind is objectionable precisely because it is invisible and thus impossible to monitor.” (246)

[* But didn’t they just say that the anti-nudge position was a literal non-starter?]
A psychological sense of manipulation
Psychological manipulation in the sense of intending to change the perception, choices or behaviour of others through underhanded deceptive, or even abusive tactics.

Technical sense
Different from neutral and technical sense, i.e. the intentional manipulation of a straightforward cause-and-effect relationship.

Epistemic transparency is a psychological notion that applies to any attribute of an intervention that is provided in such a way that

- Who?
- What?
- Why?
- How?

behind it is transparent to the subjects of the intervention as a result of the intervention.¹,²

¹ Artificial transparency
² Variances in transparency
TRANSPARENT & NON-TRANSPARENT NUDGES
THE ETHICS OF NUDGE

Epistemic Transparency

Epistemic Non-transparency

AGENCY & DUAL PROCESS THEORY
THE ETHICS OF NUDGE

PERCEPTION

INTUITION SYSTEM 1

REASONING SYSTEM 2

PROCESS

Fast
Parallel
Automatic
Effortless
Associative
Slow-learning

CONTENT

Percepts
Current stimulation
Stimulus-bound

Conceptual representations
Past, Present and Future
Can be evoked by language

Slow
Serial
Controlled
Effortful
Rule-governed
Flexible
### TYPE 1 (BEHAVIOUR) & TYPE 2 (CHOICE) NUDGES

#### THE ETHICS OF NUDGE

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<th>Epistemic Transparency</th>
<th>Epistemic Non-transparency</th>
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<tbody>
<tr>
<td>Type 2</td>
<td>&quot;ACTIONS&quot;</td>
<td></td>
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<tr>
<td>Type 1</td>
<td>&quot;BEHAVIOUR&quot;</td>
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### A FRAMEWORK FOR THE ETHICAL EVALUATION OF NUDGES

#### THE ETHICS OF NUDGE

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<th>Epistemic Non-transparency (Psychological manipulation)</th>
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</thead>
<tbody>
<tr>
<td>Type 2</td>
<td>&quot;ACTIONS&quot;</td>
<td>Transparent facilitation of choice</td>
</tr>
<tr>
<td>Type 1</td>
<td>&quot;BEHAVIOUR&quot; (technical manipulation)</td>
<td>Transparent influence of behaviour</td>
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