

IGPS lecture: Nudge, budge or nuzzle (2)

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Policymakers' best chance of encouraging better decisions by citizens lies with giving them greater security and stability in their lives, not taking the "infantilising" view that they have to be pushed towards particular choices.

That was the message from Professor Graham Room of the University of Bath, giving a lecture to the Institute for Governance and Policy Studies alongside Professor Martin Lodge of the London School of Economics.

They were discussing the idea of nudging, popularised by Richard Thaler and Cass Sunstein in their 2008 book *Nudge*, which relies on designing public services or communications with citizens in ways that push them towards particular choices but without actually closing off options.

Room said nudging had become popular because citizens were seen as having "fallen from grace", being prone to inertia, poor decision-making and excessive fear of loss. That created the supposed need for the "benign paternalism" of nudging.

But this view of citizens was "a little bit infantilising".

For a start, policymakers had to acknowledge that corporations were also "nudging us in a particular direction" and it was important that government act as a countervailing power, regulating and pushing back in an approach that some scholars were describing as "budging".

But even this approach was too reactive, Room said, advocating an approach he described as "nuzzling".

Every citizen had the ability to be "an agile creator and innovator" in our own lives.

But to do that, Room said, "We need safe, secure, predictable [situations]. We need a core of our lives with a degree of certainty and stability around it. If that expanse becomes too shrunken... we just hunker down."

For instance, the UK's recent 'welfare to work' programmes under the Labour government offered new opportunities for job seekers, but also increased uncertainty through sanctions and the more precarious world of work. The response among beneficiary families "was to hunker down, to minimise the possibility of loss, to minimise the chance that your children would be left with nothing".

That kind of "defensive inertia" was not just imperfect decision-making, "but a response to that kind of turbulence and uncertainty. The inertia and loss aversion should be understood in relation to a social context of uncertainty."

The best way to create that certainty in people's lives, Room said, was by "nuzzling close to big actors. We need big actors to produce that safe and stable ground. They also provide us with opportunities as the small fry."

As an example, when he dug up the ground in his garden, it gave the local birds an opportunity to hunt for food. Other examples of "nuzzling" included government serving as a big actor to support business's "animal spirits" and large corporations acting as "standard setters".

More generally, government needed to forge "a new social contract" based around:

- Some security of income for households
- Investment in human capability, especially amongst low income families
- Investing in national innovation systems
- Investing in the stability, resilience and creativity of our social, economic and political communities.

This was "what we need to secure public support for change without fear", Room said.

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