



Governing temptation: changing behaviour in an age of libertarian paternalism

Introduction: changing behaviour in the twenty-first century

The desire to change, modify and influence behaviour is a defining characteristic of economic, cultural and political power. Corporations continually attempt to change patterns of economic behaviour through slick marketing campaigns, branding strategies, and pricing systems. States, and the associated processes of governing, are simultaneously dedicated to the correction of pathological forms of behaviour, and the more subtle modification of the multifarious everyday decisions that are made by citizens. Specifically in relationship to modern forms of government, questions of when, where and how behaviour can be changed are central to broader debates concerning the legitimate place of the State within personal and community life. Historically, the liberal philosophy of government has determined that State intervention within the regulation of personal conduct is only legitimate if it serves to prevent *harm to others* (Mill, 1985[1859]). As John Stuart Mill asserts, '[personal] good, either physical or moral, is not a sufficient warrant' (ibid) for the governmental orchestration of personal conduct. This research project is predicated on the assumption that new techniques of government-sponsored behaviour change are circumventing traditional, liberal modes of limitation on State action, and opening up a new horizon of possibility for governmental policies.

The new era of behavioural governance that this project explores has been shaped and defined by key intellectual developments. Intellectually, the emergence of new understandings of behavioural economics and psychology have shattered conventional understandings of the nature of personal decision-making and how individual behaviour can be influenced. The emergence of the new discipline of behavioural economics (and related studies of neuroeconomics) has, for example, been associated with a critical questioning of the assumptions of rationality that have infused accounts of *homo economicus* (Thaler and Sunstein, 2008). The most important insight of behavioural economics is not, however, the perhaps obvious realization that we routinely fail to make rational and perfectly informed decisions in the market place. What behavioural economics has revealed is that the *choice architectures* that surround us (from the pensions forms we fail to complete and the recommended minimum repayment assessments at the bottom of our credit card bills, to the placement of tobacco and alcohol in shops and bars) often actively contribute to the formation of harmful patterns of socio-economic behaviour. At the same time, work within behavioural psychology has exposed the different ways in which it is possible to shape human behaviour through the subtle targeting of the human conscious and sub-conscious by various *nudge strategies*. These nudge strategies include fairly traditional advertising campaigns, sophisticated design initiatives that focus on the layout of school canteens, and administrative techniques that attempt to ensure certain forms of optimal behaviour (these may include the introduction of presumed and differed consent in organ donation schemes, or the introduction of favourable default positions on company pension options).

In addition to key intellectual developments, a series of socio-economic processes have also been central to the rise of new forms of behaviour change policies. Increasing levels of personal debt and financial mis-

management (related to a credit culture, the pensions crisis, and the growth of the gambling industry); the rise of new forms of personal health problems (related to dietary practices and sexually transmitted diseases); problems of social disorder and family breakdown (particularly pertaining to perceived delinquency and youth crime); and the new challenges presented by the need to address climate change, have all served to generate debate concerning the role of state institutions in redressing harmful socio-economic and environmental practices. In the wake of the credit crunch and the 100-month climate change warning, the accumulation of socio-economic and environmental problems has been connected with the indulgencies of a neo-liberal society, and used to justify new forms of state intervention in details of everyday life (see New Economics Foundation, 2008).

The rise of libertarian paternalism in the UK: from nanny to avuncular state

One of the most prominent intellectual and policy-based responses to this new era of possibility for behaviour change has been the idea of *libertarian* (or soft) *paternalism*. Popularized by the Chicago academics Richard Thaler and Cass Sunstein, libertarian paternalism is best thought of as a basis for increased government intervention within the details of everyday life in a society that is not ready for the full return of a nanny state. Weaving together the insights of behavioural economics and psychology, with a concern for poor decision-making in the arenas of personal health, finance and environmental management, libertarian paternalism attempts to fuse a freedom to choose with the desire to care. According to Thaler and Sunstein (2008) libertarian paternalism is paternalistic to the extent that it tries to “[...] influence people’s behaviour in order to make their lives longer, healthier, and better [...] we argue for self-conscious efforts, by institutions in the private sector and also by government, to steer people’s choices in directions that will improve their lives” (page 5). It remains libertarian to the extent that “[...] choices are not blocked, fenced off, or significantly burdened. If people want to smoke cigarettes, to eat lots of candy, to choose an unsuitable health care plan, or to fail to save for retirement, libertarian paternalists will not force them to do otherwise” (ibid). The practical counterparts to libertarian paternalism are the aforementioned nudge strategies. Nudges support the principles of libertarian paternalism to the extent that they “[a]fter people’s behaviour in a predictable way without forbidding any options or significantly changing their economic incentives [...] Putting the fruit at eye-level counts as a nudge. Banning junk food does not” (ibid page 6).

While the notion of libertarian paternalism was popularized first in the US (we note that Barack Obama has just appointed Cass Sunstein to head the *Office of Information and Regulatory Affairs*), it has been emerging as a principle of governmental practice for several years in the UK. While the ideological pragmatism of libertarian paternalism resonates strongly with New Labour’s Third Way philosophies, it was not until 2004 that it started to systematically inform policy development in the UK. In 2004 the Cabinet Office’s Strategy Unit published *Personal Responsibility and Changing Behaviour: the state of knowledge and its implications for public policy*. This report provided a systematic overview of the ways a British style of libertarian paternalism could be realized in a range of policy arena. Following the publication of this report a series of government White Papers have attempted to map out the opportunities and mechanisms for guiding behaviour change in relation to financial, health, and environmental decision-making. One thing that is apparent in our review of contemporary British libertarian paternalist policies so far, is that, unlike their America counterparts, they are being justified on the basis of affording citizens greater choice and freedom from the State in the *co-production* of personalised government service delivery (in the US libertarian paternalism appears to be much more about justifying the presence of the State in everyday life).