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Cass R. Sunstein and Lucia A. Reisch

Behavioral Economics and Public Opinion

In recent years, there has been a great deal of discussion of uses of behavioral economics in policy circles, with a focus on empirical, conceptual and ethical questions. On the basis of data from many nations, our forthcoming book asks and answers a question pressing in democratic and nondemocratic nations alike: *What do citizens actually think about behaviorally informed policies?* (Short answer: They approve of them.) In the process, we ask and answer two other questions as well: *Do citizens of different nations have identifiable principles in mind when they approve or disapprove of behaviorally informed policies?* (Short answer: Yes.) *Do citizens of different nations agree with each other?* (Short answer: Mostly yes, but with intriguing qualifications, involving diverging levels of trust and different evaluations of liberty.) This article previews our book, providing new insights into public approval of nudges and similar policies based on behavioral insights.

Background

In recent years, many governments have implemented behaviorally informed policies, focusing on “nudges” – interventions that preserve freedom of choice, but that also steer people in certain directions.¹ A reminder is a nudge; so is a warning. A GPS device nudges; a default rule, automatically enrolling people in some program, is a nudge. To qualify as a nudge, an initiative must not impose significant material incentives (including disincentives).

In its initial decades – from about 1970 to about 1995 – behavioral science was mostly focused on individual choices rather than public policy. Daniel Kahneman and Amos Tversky – joined by economists Richard Thaler and Robert Shiller, among others – explored what people actually do, whether they are deciding among gambles, trading consumer goods, choosing medical treatments or investing in the stock market. But in public policy circles, the use of be-

havioral science is now widespread. In many nations, it has become fundamental to policy choices in areas that include highway safety, health care, environmental protection, consumer protection, cigarette smoking, national security, tax policy, opioid use, poverty, retirement and much more.

In the United States, for example, behavioral economics has played an unmistakable role in numerous domains, especially in domestic policy. It has been used by the Department of Agriculture (in promoting better nutritional choices), the Department of Treasury (in improving retirement plans), the Consumer Financial Protection Bureau (in helping consumers to decide among mortgages) and the Environmental Protection Agency (in producing fuel economy labels on new motor vehicles). Recent initiatives enlist tools such as disclosure, warnings, simplification, norms and default rules. As a result, behavioral findings have become an important reference point for policymaking in the United States.

In the United Kingdom, the Behavioural Insights Team has the specific goal of incorporating an understanding of human behavior into policy initiatives. The Team has used these insights to promote initiatives in numerous areas, including smoking cessation, energy efficiency, organ donation, consumer protection and taxpayer compliance strategies in general. A great deal of money is being saved. Dozens of nations now have their own behavioral insights teams, with important efforts underway in Canada, the Netherlands, Ireland, Australia, Singapore and the European Union.

Examples of nudges that governments have already implemented include graphic warnings for cigarettes; labels for energy efficiency or fuel economy; “nutrition facts” panels on food; default rules (as in automatic voter registration); a website like data.gov or data.gov.uk, which makes a large number of data sets available to the public; and even the design of government websites, which list certain items first and in large fonts. It is important to recognize that the goal of many nudges is to make life simpler, safer or easier for people to navigate.

Notwithstanding that fact, behaviorally informed approaches have created both academic and political controversy, above all from those who believe that they do not treat people with respect, or that they can amount to forms of manipulation. In these circumstances, it is essential to learn what people think, even if their own answers cannot dispose of the normative questions. This is why we collected empirical data from numerous nations.

¹ R.H. Thaler, C.R. Sunstein: *Nudge: Improving Decisions About Health, Wealth, and Happiness*, New Haven 2008, Yale University Press.

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The study

Starting in 2014, we have progressively built a database on the public approval of a set of 15 health, safety and environmental nudges in 18 nations.² Joining a growing interest in public attitudes towards the nudges and behavioral insights that are used by more than 200 governments and behavioral units worldwide, we searched for empirical evidence to answer questions such as:

- Do people approve of nudging and nudges in general?
- Does approval depend on the aim of the nudge?
- Which type of nudges do people accept? For instance, do people prefer so-called “System 1” nudges that target our emotions and fast responses, or are “System 2” nudges that target our cognitive deliberative mind more accepted?
- Which groups of people – the young or the old, the better or the less educated, the richer or the poorer, men or women – like (or dislike) which types of nudges? Why is this the case?
- Are there systematic correlations between approval rates and people’s political attitudes? Their health status? Other attitudinal variables? What about societal factors such as “trust in government”?
- How do countries, representing different cultural clusters and political systems, differ in their approval of nudges?
- Are there countries or cultural clusters with similar approval patterns? How can this be explained?

The national surveys took place between 2015 and 2018, covering 18 countries: Australia, Brazil, Belgium (Flanders), Canada, China, Denmark, France, Germany, Hungary, Ireland, Italy, Japan, Mexico, Russia, South Africa, South Korea, the UK and the US. The surveys were conducted as online representative surveys covering at least 1 000 respondents per country.³ The fieldwork has been executed in collaboration with renowned market research

institutes. The 15 items of the list of nudges (Table 1) were presented in random order. Respondents were asked whether people would “approve” or “not approve” of such a hypothetical policy by their government.

Next to the 15 nudges and detailed socio-demographics, the different waves of the survey covered additional variables such as political attitudes, perceived risks, social trust, trust in government, individual concerns and individual health status.

Results in a nutshell

Our largest conclusion is that while citizens generally approve of health and safety nudges (with important qualifications), the nations of the world appear to fall into three distinct categories:⁴

- The first group of nations, primarily liberal democracies, have strong majorities that approve of nudges whenever they (a) are seen to fit with the interests and values of most citizens and (b) do not have illicit purposes. This group includes e.g. Germany, Brazil, South Africa and the US.
- The second group of nations have overwhelming majorities that approve of nearly all nudges. This group includes e.g. China, Mexico and South Korea.
- The third group of nations usually show majority approval of nudges, but at markedly reduced approval rates. This group includes e.g. Denmark, Hungary and Japan.

We recognize that each of these simple points requires considerable elaboration. Furthermore, we go into greater detail with regard to which national characteristics are associated with whether nations fall in one category or another – and also about the very important issue of trust. Among other things, we have also learned that citizens generally do not approve or disapprove of nudges as such; everything depends on the direction in which people are being nudged. By contrast, people often have strong opposition to mandates and bans, even if they approve of the direction in which they push people.

Regarding who likes nudges, a clear result of the earlier studies is that women approve of the relevant nudges more than men do – in all countries and for almost all nudges. There are some indications that more liberal and

² In the US, a longer list of nudges was employed; see C.R. Sunstein: *The Ethics of Influence: Government in the Age of Behavioral Science*, New York 2016, Cambridge University Press, see Chapter 6, pp. 116–158. Thirteen were chosen and two were added for the European and worldwide surveys. In Ireland and Belgium (Flanders), country-specific nudges were added. In some countries, some variables were not employed (e.g. preference for a political party in China, for obvious reasons). Note that the list of 15 nudges does include two interventions that do not qualify as a nudge: subliminal advertising (which is by definition not transparent) for healthy foods in cinemas, and a meat-free day per week in public cafeterias (which might in practice be perceived more like a ban than a nudge). We included these “pseudo-nudges” intentionally for analytical reasons.

³ We thank the Behavioural Insights Team of the Government of Flanders in Brussels (Veerle Beyst), the Universidad Nacional Autónoma de México (Felipe De la O López from UMAM) as well as Liam Delaney from University College Dublin for allowing us to use some of their survey data.

⁴ C.R. Sunstein, L.A. Reisch, J. Rauber: *A worldwide consensus on nudging? Not quite, but almost*, in: *Regulation & Governance*, first published 26 July 2017.

Table 1
The list of 15 nudges

| | |
|-----|--|
| 1. | The federal government requires calorie labels at chain restaurants (such as McDonald's and Burger King). |
| 2. | The federal government requires a "traffic lights" system for food, by which healthy foods would be sold with a small green label, unhealthy foods with a small red label and foods that are neither especially healthy nor especially unhealthy with a small yellow label. |
| 3. | The federal government encourages (without requiring) electricity providers to adopt a system in which consumers would be automatically enrolled in a "green" (environmentally friendly) energy supplier, but could opt out if they wished. |
| 4. | A state law requiring people to say, when they obtain their driver's license, whether they want to be organ donors. |
| 5. | A state law requiring all large grocery stores to place their most healthy foods in a prominent, visible location. |
| 6. | To reduce deaths and injuries associated with distracted driving, the national government adopts a public education campaign, consisting of vivid and sometimes graphic stories and images, designed to discourage people from texting, emailing or talking on their cellphones while driving. |
| 7. | To reduce childhood obesity, the national government adopts a public education campaign, consisting of information that parents can use to make healthier choices for their children. |
| 8. | The federal government requires movie theaters to provide subliminal advertisements (that is, advertisements that go by so quickly that people are not consciously aware of them) designed to discourage people from smoking and overeating. |
| 9. | The federal government requires airlines to charge people, with their airline tickets, a specific amount to offset their carbon emissions (about ten euros per ticket); under the program, people can opt out of the payment if they explicitly say that they do not want to pay it. |
| 10. | The federal government requires labels on products that have unusually high levels of salt, e.g. "This product has been found to contain unusually high levels of salt, which may be harmful to your health." |
| 11. | The federal government assumes, on tax returns, that people want to donate 50 euros to the Red Cross (or to another good cause), subject to opt out if people explicitly say that they do not want to make that donation. |
| 12. | The federal government requires movie theaters to run public education messages designed to discourage people from smoking and overeating. |
| 13. | The federal government requires large electricity providers to adopt a system in which consumers would be automatically enrolled in a "green" (environmentally friendly) energy supplier, but could opt out if they wished. |
| 14. | To halt the rising obesity problem, the federal government requires large supermarket chains to keep cashier areas free of sweets. |
| 15. | For reasons of public health and climate protection, the federal government requires cafeterias in public institutions (schools, public administration buildings and similar) to have one meat-free day per week. |

Source: Authors' elaboration.

younger people also tend to approve more, but results are more granular and contradictive. We have speculated previously on potential reasons for our results, but many issues remain to be explored and explained.⁵

What is new

Both of the authors have been involved in behaviorally informed policymaking in various countries. In light of occasional controversy about normative questions, we have been exploring how citizens in many nations think about behaviorally informed policies. We have discussed the results sketched above on academic conferences and policy panels in different countries, with academics, policy-makers, industry and practitioners from these countries. This has certainly contributed to our understanding of the country results.

5 See e.g. L.A. Reisch, C.R. Sunstein: Do Europeans like nudges?, in: *Journal of Judgment and Decision Making*, Vol. 11, No. 4, pp. 310-325; C.R. Sunstein et al., op. cit.; C. Loibl, C.R. Sunstein, J. Rauber, L.A. Reisch: Which Europeans like nudges? Approval and controversy in four European countries, in: *Journal of Consumer Affairs*, forthcoming.

It has also raised our interest in digging deeper into *why* people approve or disapprove of nudges. For a small set of countries (Germany, Denmark, South Korea and the US), representing three cultural clusters and the three country groups, we have hence repeated the 15 nudge questions. It will be interesting to see whether approval rates have dropped or increased within the past two years. We also added a set of individual variables for a more detailed analysis of our hypothesis. For instance, we are interested in whether the body mass index of an individual is correlated with his or her attitudes towards health nudges. Moreover, we used data sets that are publicly available, including Trust in Government surveys and the World Value Survey, to test some of our hypotheses. While we are still in the field, early results are intriguing – but we will not spoil the surprise.

We note that while many of our findings and supporting analyses have been published elsewhere, some of them have not, and we have not come close to collecting the full story. We hope, and think, that the whole will be greater than the sum of its parts, and permit us to offer some larger claims that we have not yet been able to make.