

[Nudge theory and personal liberty](#) [1]

Written by [Dr Eamonn Butler](#) [2] | Thursday 14 April 2011



I'm in Nassau (it's a hard life) at the Association of Private Enterprise Education meeting, where I've been catching up on some of the latest thinking on free-market and libertarian economic issues. This morning I got some interesting insights on the 'nudge' approach ? constructing choices so that we all do the 'right' thing, such as saving more for our retirement or donating our organs to medicine ? from a string of specialists including one with the engaging name of Adam C Smith.

Smith points out that the 'nudge' idea implies the existence of a policymaker who is doing the nudging. And as we know from Hayek, not to mention Buchanan, Tullock and Niskanen, policymakers are less than perfect. Indeed, economists figure that they have even more behavioural shortcomings than the rest of us. That's partly because the information they have, and on which they construct our choices for us, is less complete, and more out of date, than the information we have ourselves.

Another contributor, Dan Houser, contrasts a 'nudge' with a 'shove'. The latter, you feel. The former, you don't. The whole idea is that you are being manipulated without your knowledge. That, says Houser, is a very non-transparent policy. And non-transparency invites politicians and officials to promote their own, hidden agendas. It might even invite corruption. It certainly makes it difficult for the public or the media to check and control 'nudge' policies when they are, by design, unseen.

The classic illustration of the 'nudge' idea is of course the school cafeteria, where kids choose more healthy food if you put the less healthy stuff at the end or at the back. But that example illustrates another problem: how do you know what people's real preferences are if you are constantly manipulating their choices? Our ambition should be to understand our own human nature, not to obscure it, because if we obscure it we cannot deal sensibly with it.

And the school cafeteria illustration is fatally flawed anyway. Most of us think that it is quite right to constrain and channel the choices of children ? that is how children learn behaviour that is beneficial to themselves and their fellow creatures. But I'm not sure what right a self-interested government has to treat us just as if we were children. Do you?

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