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The politics of 'Nudge' [1]

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The initiative to let people paying by credit card or using cash machines donate to charity shows that the government is looking hard at the politics of 'nudge.' Properly implemented, it should not trick people onto a path they would not otherwise have taken.

Some, mostly on the left, have talked about requiring smokers to take out a licence, or of a weekly limit on the units of alcohol people may consume. This is simple coercion, and has nothing to do with nudge. The aim of nudge is to make life easier by presenting opportunities, not about making life difficult for those who perversely take choices the state disapproves of.

Some in the medical profession want the default position on organ donation to be a presumption of consent, with the implication that your body belongs to the state unless you go to the trouble of specifically saying otherwise. This again is not nudging people but using their inertia to take them where they might not choose to go.

Nudge is about altering the choice architecture, as Thaler and Sunstein put it. One of their examples concerns organ donation. Roughly two-thirds of people approve of it, but only about a quarter sign up for it. Some states now ask the question when people apply for a driver's licence. They do not presume consent, but simply ask the applicant to tick yes or no. About two-thirds tick yes, roughly the number who approve of it. The aim is to present people with an easy opportunity to express a choice.

It is, of course, open to abuse. People will clamour for what they call a nudge to stop people from doing things they disapprove of. Already Nanny State is looking for ways to make it difficult for people to do what they want to. They will try to use opt-outs to coerce people by their own inertia. Nudge, done properly, is about making choices easier, not harder.

Giving people the opportunity to make charitable donations when they use plastic cards is a good idea, and will probably increase charitable donations. The banks and local business communities should ensure this does not exclusively favour the big name fashionable charities, but includes worthwhile efforts that are smaller scale or more locally based.

This is commendable. But watch out for any attempt to use your inertia to steer you. Freedom should be the default.

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