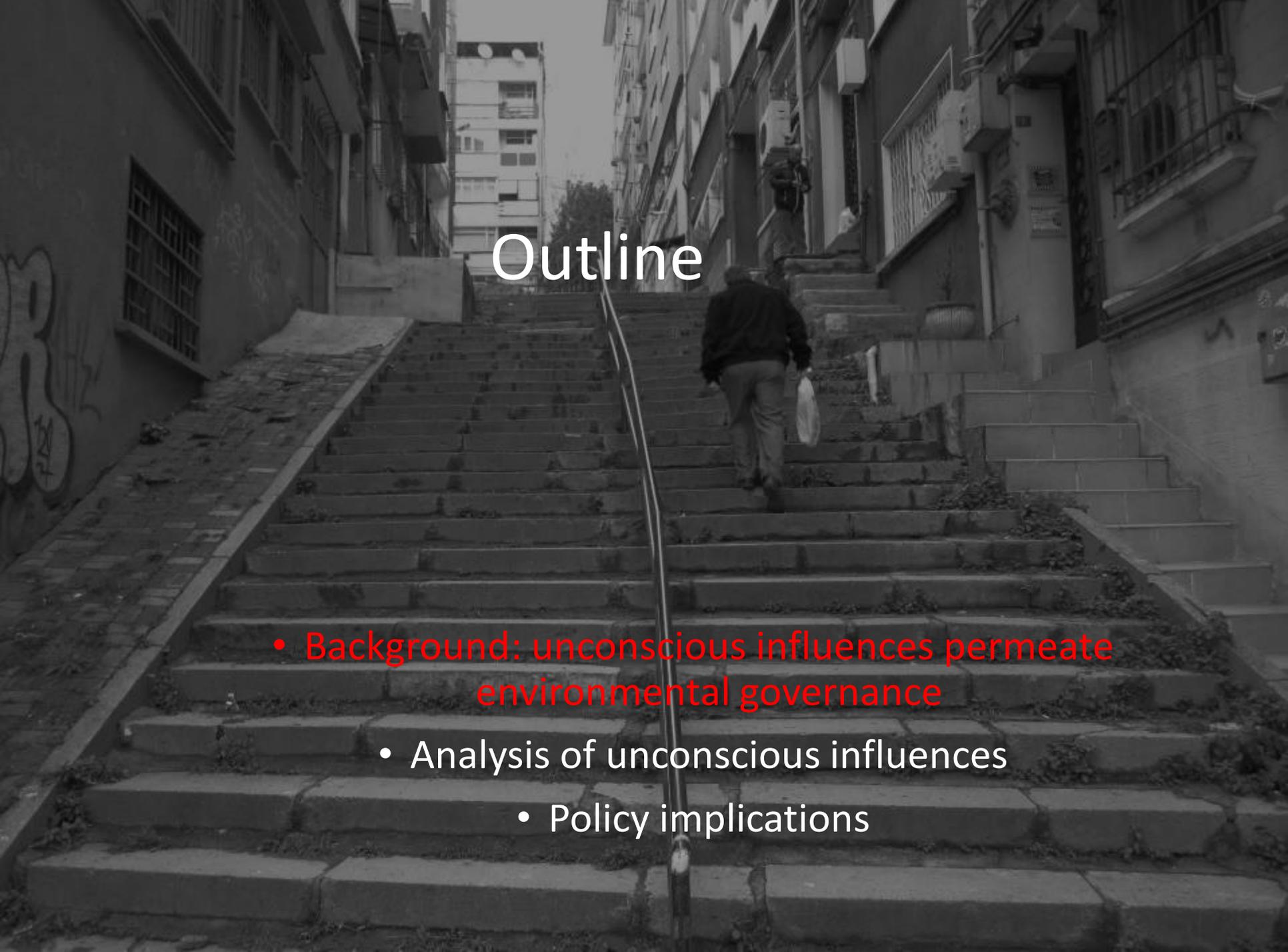




Practical and ethical issues of nudging in environmental policy – Tuuppauksen käytännöt ja etiikka ympäristöpolitiikassa

YHYS Poliittikkadialogi: Kestävä kulutus ja elämäntavat – missä politiikka? Helsinki 3.6.2016
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Nudge: “any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives” (Thaler and Sunstein, 2008: 6)



Outline

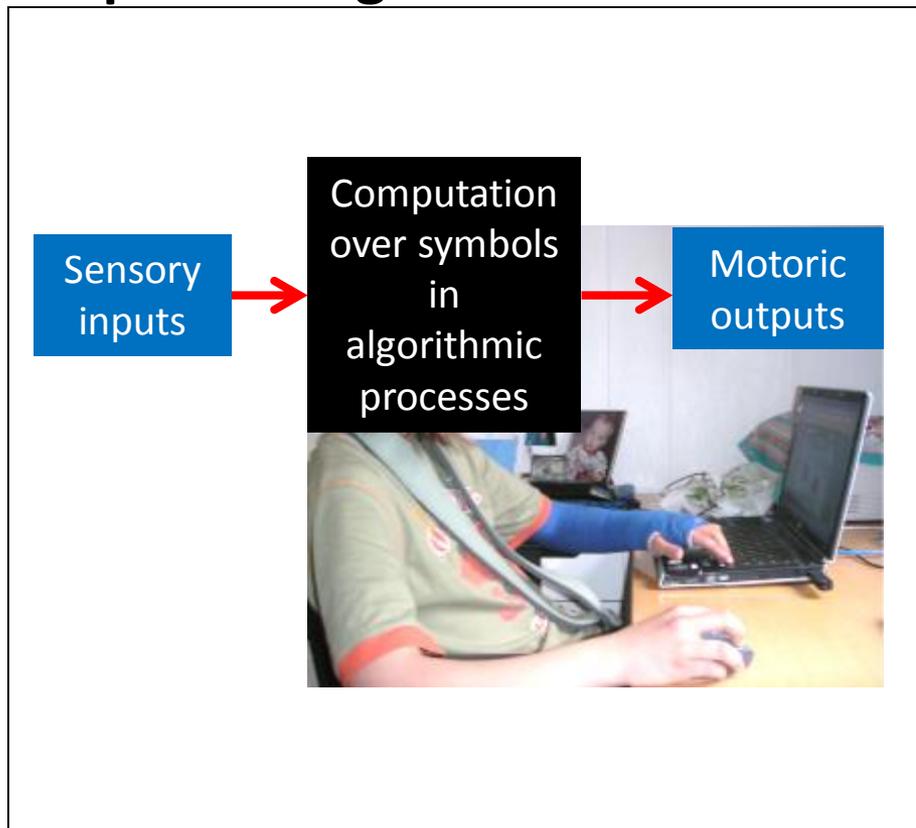
- Background: unconscious influences permeate environmental governance
- Analysis of unconscious influences
 - Policy implications

Examples of nudging devices

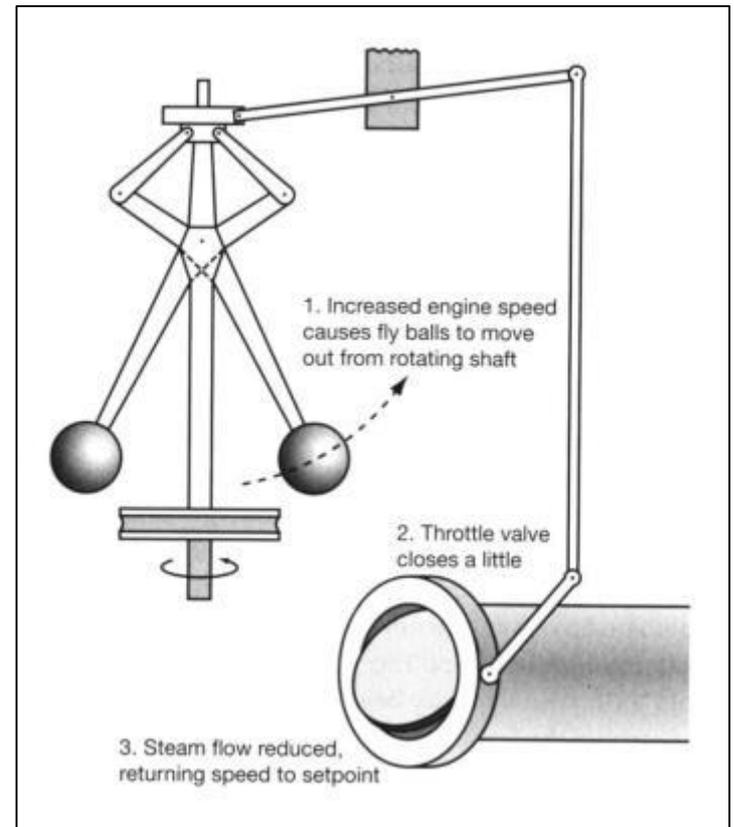
- Giving incentives (e.g., candy at checkout)
- Understanding mappings (transparent pricing)
- Designing defaults (vegetarian meals)
- Giving feedback (online metering)
- Expecting error (password trials)
- Structuring complex choices (purchase recommendations)
- (Thaler and Sunstein 2008)

Dual model of cognition

Type 2: Information processing model



Type 1: Embodied model



Critique of nudging

- ***Ethical critique***: nudging is manipulative and patronizing
 - Unconscious influence
 - Nudgers impose values
 - Nudges unload moral responsibility
 - Stigmatization
- ***Social critique***: nudging is undemocratic and elitist
 - Outsourcing of personal conduct to behavioral managers
 - Public life impoverished
 - Intolerance: "Government knows best"
 - Assumption of rationality, absence of trial-and-error
- ***Cultural critique***: nudging is culturally biased
 - Market orientation versus public deliberation
 - Choice orientation versus practice orientation
 - Insensitivity to semantic variance
 - Insensitivity to unintended consequences

Mistaken dichotomies of nudging

Two systems of mind

- Two systems of mind are fictitious characters: irrational biases are part and parcel of rational free will
- Cognitive process by which human subjects form an understanding of the social and material designs that shape their action is itself shaped by those designs
- ***(1) Need to analyze how biases build up into social practices***

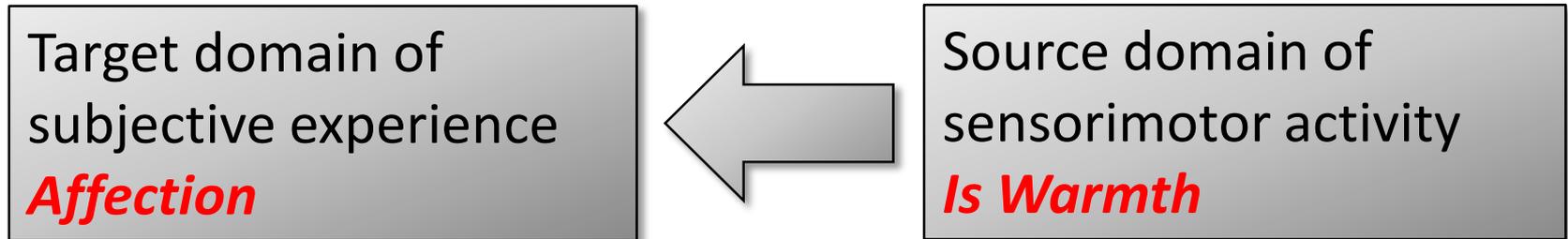
Two classes of citizen

- Critics propose social deliberation as a way to understand the social and material designs that shape human action
- Yet deliberative processes with intensive social interaction bring forth tendencies among participants to nudge others
- ***(2) Need typology of influences***

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(1) Biases built into social practices: Primary metaphor as Type 1 cognition



When connected in an episode, both domains are coactive and strengthen connections between neural circuits supporting the different modalities (associative learning)

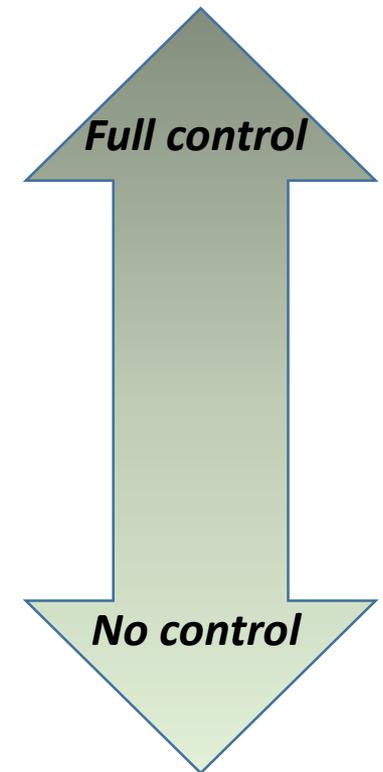
Example of primary metaphorical nudging

Original text	Primary metaphors	Nudged text
In the spring of 2013 the Finnish climate expert Markku Kulmala <i>gets the attention</i> of his audience in a seminar at the University of Helsinki by claiming that <i>well-planned</i> forest management <i>slows down</i> climate change by 20-30 years.	Seeing > Knowing (Wake up > Attention on knowing) Up > Control, Happy Burdens > Difficulties Physical structure > Organization Support > Help	In the spring of 2013 the Finnish climate expert Markku Kulmala <i>wakes up</i> his audience in a seminar at the University of Helsinki by claiming that <i>good</i> forest management is like a <i>parachute</i> that <i>slows down the tailspin</i> of climate change by 20-30 years.

(2) Typology of behavioral influences

(Saghai 2013)

Type of influence	Degree of control
Choice elimination, compulsion, coercion	Fully controlling
<i>Behavioral prod (type 1)</i>	<i>Substantially controlling</i>
Disincentives and incentives	Substantially controlling or non-controlling
<i>Nudge (type 1)</i>	<i>Substantially non-controlling</i>
Rational persuasion	Fully non-controlling



Example of nudging in environmental governance: interpenetration of type 1 and type 2 influences

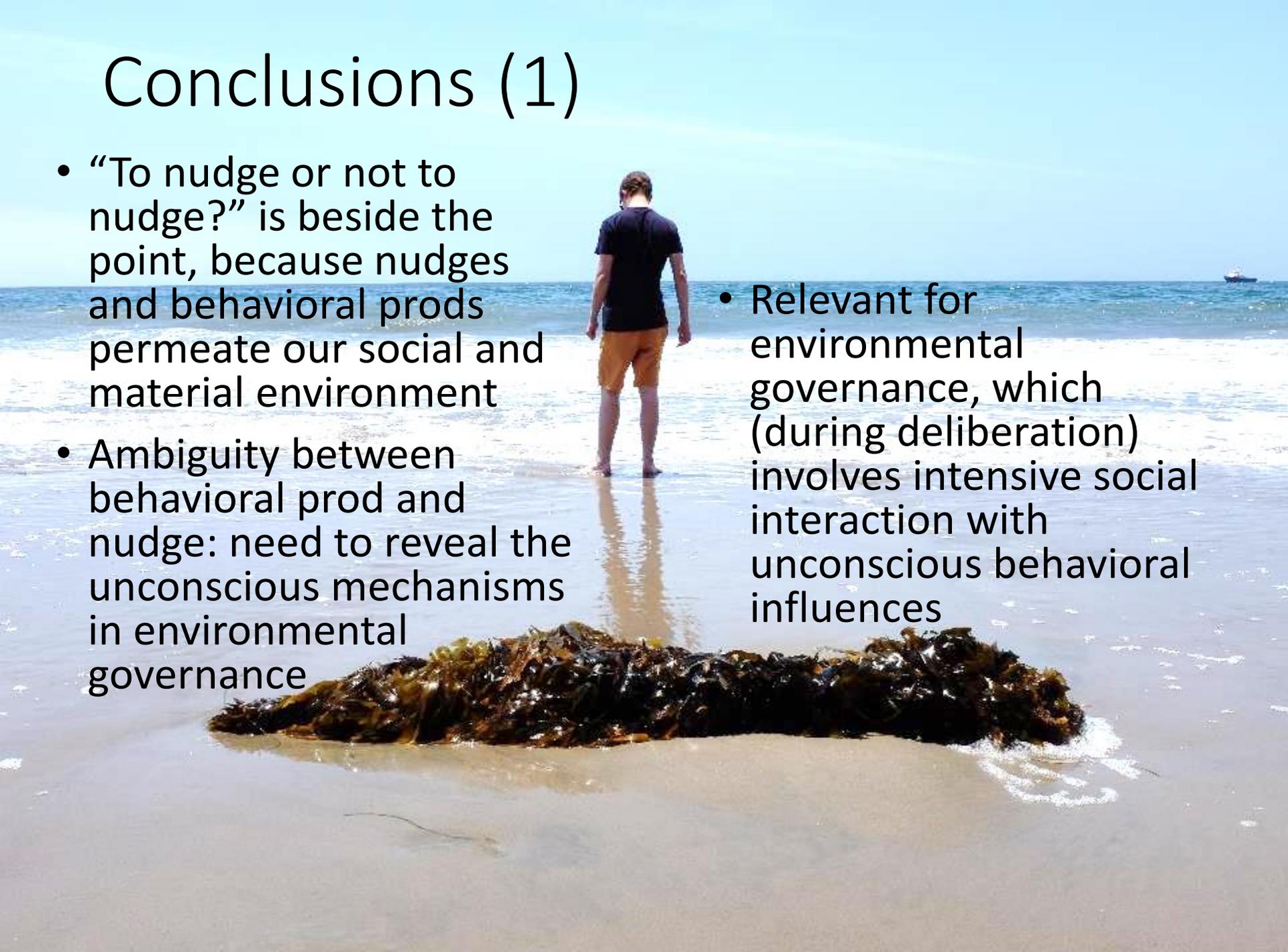
- Elinor Ostrom's irrigation cases from Spain in 1970s
 - Alicante: water **auction** is public so that everyone knows who bids for what price (economic – type 2)
 - Valencia: everyone can see who takes how much water on their **turn** (command-control – type 2)
 - Murcia and Orihuela: everyone can see how **long** each farmer is keeping their water gate open (command-control – type 2)
- **Transparency and observability** constitute the type 1 policy influence that interpenetrates the type 2 economic and command-and-control instruments

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Conclusions (1)

- “To nudge or not to nudge?” is beside the point, because nudges and behavioral prods permeate our social and material environment
- Ambiguity between behavioral prod and nudge: need to reveal the unconscious mechanisms in environmental governance
- Relevant for environmental governance, which (during deliberation) involves intensive social interaction with unconscious behavioral influences



Conclusions (2)

- Relevance of nudging for decentralized global climate policy after Paris 2015
 - Large emitting countries don't want to participate in international agreements for fear of losing reputation in case they fail to meet commitments
 - But if allowed to determine their own contributions, perceived absence of potential loss of reputation persuades countries to pledge more ambitious commitments



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