

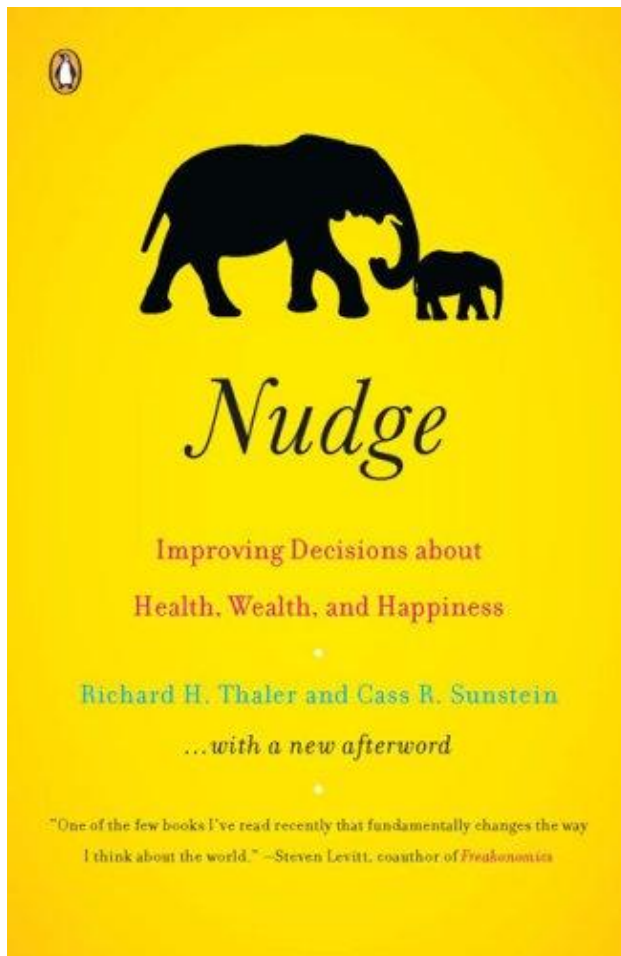


# Nudges – experiences and considerations

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# 2008



A seminal book on how psychology and behavioural economics can deliver new, better, science-based policies to improve **health, wealth and happiness**

## **Background - experience**

*2008 – 2011: working as an economist on research and innovation policies at the European Commission. Using insights from experimental economics.*

*2011 – 2016 Leader of a small team of behavioural economists at the Joint Research Centre of the European Commission. Topics: Tax compliance, health (prevention), anti-corruption measures.*

*Since 2016: Work in (and on) Ukraine*

## **Background – independence**

*No profit – oriented work of the team*

*Independent inhouse Think Tank of the European Commission – provider of impartial advise.*

# Context of work: Benevolent nudging



**Homo reciprocans** as a benevolent policy maker, who would like to help the citizen, by methods, which are all on the bright side of human behaviour

Selfish and rational **Homo oeconomicus** as policy maker:  
Citizen would only respond to incentives (taxes and fines) and punishment (e.g. prison)

# The issue of benevolent nudging

*There seem to be no "nudge for free".*

*Nudges like drugs?*

*Either they are not effective (at all, or in the long run), or they cause unintended side effects.*

## Examples

*Research of Matteo Galizzi on motivating obese people to do more sport.*

*Keys & Wang "Perverse Nudges: Minimum Payments and Debt Paydown in Consumer Credit Cards"*

*Damgaard & Gravert: "The hidden costs of nudging: Experimental evidence from reminders in fundraising"*

# Another issue – the nature of policy makers

*Also policy makers (Members of parliament, members of government, administration) are human beings, subject to behavioural biases.*

*So no easy transfer of insights to implementation of policies.*



## Little use for insights from behavioural sciences?

- *No, there are cases, where insights from behavioural sciences can lead a benevolent policy maker to stir better policies.*
- *Particularly economic lab experiments are very helpful to demonstrate to policy makers key features of human behaviour they might have ignored.*

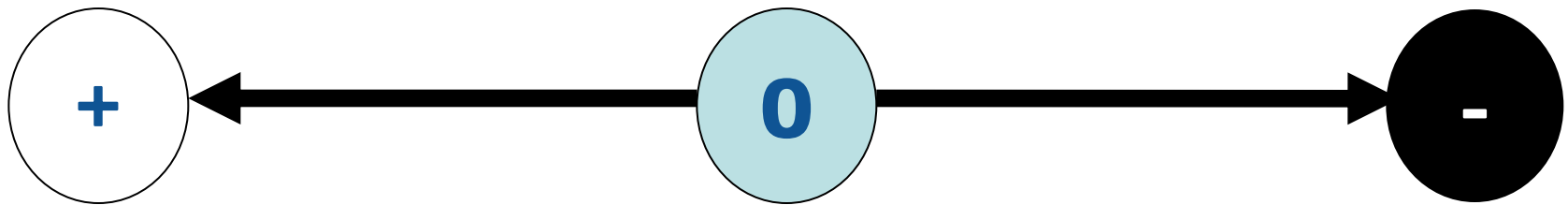
# Another, underused, application of insights from behavioural science

*So far discussion mainly on benevolent use of nudges/insights from behavioural sciences.*

*Unfortunately insights from behavioural sciences also used by "malevolent" policy makers.*

*Excellent research could help to develop measures against such malevolent use of "nudges".*

# Malevolent nudging



**Homo reciprocans** as a benevolent policy maker, who wants to help the citizen, by methods, which are all on the bright side of human behaviour

**Homo rivalis** as a malevolent policy maker, who does not care about wellbeing of citizens, but own power at any cost, by whatever methods, if need be also by harnessing the dark side of human behaviour

# Examples of malevolent nudging

*Obviously no handbook of malevolent nudging available.*

*Examples:*

*Disinformation- influencing the information environment of citizen (own citizens, citizens of other countries) via e.g. troll factories*

## Examples of malevolent nudging

*Ingroup-outgroup aversion can be induced very easily, in the economic lab it needs just two groups of more than 3 people to induce outgroup-aversion.*

*Inducing ingroup-outgroup polarization can be used to destabilize other societies (key word: Hybrid warfare), while stabilizing own electorate.*

# The issue with malevolent nudging

- *Issue: Malevolent nudging does not look for publicity. Just the opposite – malevolent nudging avoids publicity and transparency. No academic journal on “How to manipulate the people”.*
- *Usually authors/organizers of malevolent behavioural interventions don’t reveal their identity. Difficult to find reliable evidence on targeted manipulation.*

# Need for more insights from behavioural sciences

*Protection against malevolent use of insights from behavioural sciences, like*

*e.g. tools which help to understand better where disinformation has been spread intentionally to harm others.*

*or tools which would help to spot attempts to polarize artificially societies for bad intentions.*

## Resume

*The power of nudges possibly overestimated in the past.*

*However, insights from behavioural sciences are and will be helpful to provide guidance to policy makers.*

*We have to accept the possibility of use of behavioural insights for malevolent purpose.*

*Need to develop tools to handle such malevolent use.*





**Merci pour votre attention**