

NUDGE OR NUZZLE? IMPROVING DECISIONS ABOUT ACTIVE CITIZENSHIP

Graham Room, University of Bath

Abstract:

In recent years ‘nudge’ has come into fashion as a form of policy intervention, under the inspiration of behavioural economics. It has encouraged policy analysts to move away from models of the ‘rational actor’ and instead to start from consumers, clients and citizens as they actually are. Nevertheless, nudge raises larger questions about public policy and the relationship between government and the citizen. This paper takes critical stock of nudge, offers an alternative in terms of ‘nuzzle’ and lays out the very different standpoint on policy to which this points. In doing so, it also puts in question the disciplinary paradigms which underpin ‘nudge’ in the scientific literature, and their underplaying of the social and institutional context of individual behaviour. It offers a perspective on public policy as providing security and supporting creativity: with government under critical scrutiny by citizens, rather than vice versa.

Key Words: Behaviour, citizenship, libertarian paternalism, uncertainty

1. INTRODUCTION

How can and should governments set about achieving their objectives? More particularly, how can they get individuals and organisations across society to change their ways, as a means to some larger public goal?

One method is legislation – for example, on wearing seatbelts or not smoking in public spaces. Another is to use financial incentives and penalties – for example through the tax system. In recent years however ‘nudge’ has come into fashion, under the inspiration of behavioural economics and, in particular, Thaler and Sunstein’s widely cited *Nudge: Improving Decisions about Health, Wealth, and Happiness* (2009).¹

‘Nudge’ has had a number of positive effects on policy analysis, debate and practice. It has encouraged policy analysts to move away from models of the ‘rational actor’ and instead to start from consumers, clients and citizens as they actually are, with their biases and inadequacies, as illuminated by empirical

¹ Recent contributions to the debate include John (2009), Oliver (2013) and Leggett (2014), each of whom provides a useful stocktaking on this burgeoning literature. For a useful overview of some of the literature and debates, see also <http://economicspsychologypolicy.blogspot.co.uk/2012/04/behavioural-policy-readings.html> The House of Lords Science and Technology Committee (2011) reviews the practical effectiveness of nudges but also their limitations, if not used in combination with a range of other interventions.

research in the 'behavioural sciences'. It has encouraged policy bodies to ensure that they communicate clearly with their clients and customers, in language they can understand.

Nevertheless, nudge raises larger questions about public policy and the relationship between government and citizen. This paper takes critical stock of nudge, offers an alternative in terms of 'nuzzle' and lays out the very different standpoint on policy to which this points. In doing so, it also puts in question the disciplinary paradigms which underpin 'nudge' in the scientific literature, and their underplaying of the social and institutional context of individual behaviour.

2. NUDGE

Thaler and Sunstein start from the difficulty that governments encounter, in persuading individual citizens to take simple actions, even where these are self-evidently in their best interest. One example is making adequate provision for their pensions, through the variety of personal pension plans now available. The evidence suggests that individual citizens recognize the risks they are running, of suffering a major drop in their income when they retire: but they hesitate to make the choices and investments that would reduce this risk.

Thaler and Sunstein reckon that citizens in many ways behave irrationally. Their judgements are replete with biases and blunders, they suffer from inertia, they are poor at assessing risks and they are unreasonably loss-averse (Ch 1). Just as a parent nudges a child, they should therefore be 'nudged' in the direction the government deems good for them – and which, indeed, they themselves on reflection generally agree is for the best. Even then, it is not with all citizens that Thaler and Sunstein are equally concerned: their particular focus is on 'the least sophisticated', who they reckon are in greatest need of such guidance (pp 252-3).

What form should this guidance take? The science underpinning 'nudge' suggests that what matters is the 'choice architecture' that people face (Ch 5). They are prone to make poor decisions when the options presented to them align with (or 'switch on') their biases and fallibilities. The remedy is to reconfigure these choices, so that these very traits will lead them to opt for what the government judges to be in their best interests. The sequencing of decisions is also critical. Here Thaler and Sunstein are imitating the marketing strategies of corporations, who structure the default options that they place before consumers, on the assumption that they will generally choose whichever of these involves the least trouble. The most oft-cited (if somewhat trivial) example is the layout of products in supermarkets and cafeterias.

'Nudge' has been well-described as 'libertarian paternalism'. This might however seem a very modest form of paternalism, compared with that which traditional welfare states are often accused of embodying, where the citizen is said to be left with few if any options. Nudge leaves the citizen to make the final choice: government can structure the 'choice architecture'; but if, despite this, citizens still make the wrong choices, that is their responsibility.

But what if the citizen, far from being lazy or short-sighted, is simply but profoundly dissatisfied with *all* of the options which the government offers? In the case of pensions, for example, citizens may have insufficient confidence that *any* pension arrangement will be sufficiently robust long-term, to justify investing a significant portion of their earnings here and now. They may also have insufficient trust in the other institutions involved, including financial intermediaries and employers. Citizens may take the view that government and the community have the duty to provide financially for all older people, at

least at a basic level, as part of the social contract with all citizens; and they may therefore deplore the tacit message, that government is seeking to withdraw from any such contract. The citizen may want not a choice, but a guarantee of well-being and security instead.

3. BUDGE

Thaler and Sunstein take many of their practical illustrations from supermarkets and cafeterias. It is from these that they develop their argument that public policy makers cannot but shape the menu of choices that individual citizens confront: and that they should therefore do so having explicit regard to the public good.

Even so, rather than proceeding so quickly to the public policy maker, Thaler and Sunstein might have given more extended attention to the role that those supermarkets, corporations and other organisations play, as they nudge and motivate individual employees, consumers and citizens in different directions, which may not be consistent with the public good. Government may better achieve its objectives by engaging with such institutions and attempting to foresee how their nudges and its own are likely to play out in combination. Thus for example Thaler and Sunstein point to high rates of obesity in the US, as an example of the poor choices that consumers make, but fail to highlight the behaviour of the food industry in nudging those choices.

This is central to Oliver's (2013) plea for a shift from 'nudge' to 'budge'. Profit-oriented corporations engage in behaviour that can be socially harmful: he cites the alcohol and food industries, tobacco and motor vehicles, but the list could be greatly expanded. The regulation of those corporations, so that the choices they offer consumers are more consistent with the public good, is what Oliver describes as 'budge'. But such regulation should arguably go beyond the examples he takes – such as the more effective labelling of foods – to include regulation and restriction on corporate lobbying of government by such corporations (something to which Thaler and Sunstein do at least allude: Ch 17). Leggett (2014: 16) makes a similar point, using the language of 'shove'.

A parallel argument is advanced by Weyman and his colleagues (Weyman et al., 2012). Their research is concerned with UK government efforts to nudge employees to extend their working lives. They provide a systematic review of a wide range of evidence, much of it gathered through the DWP, the government department responsible for national policies on retirement and pensions. The research highlights the role of employers and employment practices in shaping the retirement decisions that individuals make; and the importance therefore of employment contexts, for government efforts to nudge individual behaviour in new directions.

Even so, Weyman and Oliver still tend to view the individual citizen as responding to an array of nudges: albeit these are now seen as embedded in a variety of institutional contexts, shaped not only by the benignly paternalist public policy maker, but also by the perhaps less noble corporation or employer. As with Thaler and Sunstein, the citizen remains the somewhat reactive consumer of the services and products of corporations and governments.

This however is not unproblematic. It ignores the active role of citizens, seeking to shape the society within which they live, albeit under circumstances not wholly of their own choosing. If citizens are characterised by inertia and blunders, this may attest not to their cognitive biases, nor even to the choice architectures with which they are faced, but to the social, institutional and political influences

and obstacles that they face, in playing such a creative role. ² This will provide us with an alternative basis for thinking about policy interventions: a critical alternative to the assumptions that underpin ‘nudge’: one which we will capture in terms of ‘nuzzle’. ³

4. ACTION IN FACE OF UNCERTAINTY

‘Nudge’ asks how individual citizens make choices: and why, in particular, they make choices which do not align with their own best interests. Why do they allow their inertia and short-sightedness to overwhelm rational self-interest; and given that they do, is not a benign and responsible government entitled – and indeed obliged – at the very least to nudge them in the right direction?

We come to individual decision-making with a different set of questions - and a different vantage point for viewing policy interventions. Individual actors, in a complex and evolving social and economic ‘ecosystem’, are afflicted not so much by inertia, bias and short-sightedness, but by uncertainty as to how the future will unfold, and what consequences will follow from any train of actions that they pursue. ⁴ She or he needs some solid ground: a sufficient expanse that is safe and predictable. Too shrunken that ground – too much turbulence and uncertainty – and the actor in question will ‘hunker down’ and wait for times to get better.

Thus for example, in the UK both New Labour and the Coalition government of 2010-15 sought to move people off welfare and into work, pressing them to take responsibility for themselves. Millar and Ridge have been following a panel of lone parents, as they move from social benefits into work. The conditions for benefits have tightened and the nudges to find work have increased. However, Millar and Ridge show that the new welfare-to-work regime has only intensified the uncertainty which many lone mothers face. For many, there is no ‘slack’ for risk-taking in search of larger opportunities: the best they can hope for is just to ‘keep the show on the road’ (Ridge and Millar, 2011; Millar and Ridge, 2013).

Such uncertainty is not confined to the most disadvantaged groups. It is also for example reinforced by the positional races that have developed over recent decades within the UK education system. Both

² More generally, Thaler and Sunstein may have moved away from economic orthodoxy’s fixation on the rational actor; but they retain its very weak or ‘thin’ notion of social institutions. There is reference (Ch 3) to ‘following the herd’ but little to the cues and nudges which are mediated through the social institutions in which we are all involved and into whose rules we are socialised. Instead, the great majority of the examples which they cite involve physical cues associated with the built environment and electronic cues associated with machines and IT systems. In this they remain wedded to a rather abstract form of methodological individualism (Lukes, 1973).

³ ‘Nudge’ has captured the attention of policy maker and analysts, in part because the word itself has been so well-chosen. It grabs our attention no less than the products displayed to advantage in the supermarket and cafeteria. Thaler and Sunstein – and their publisher – have thought carefully about how we, the educated public, choose the books we read and the ideas which we adopt as fashions. ‘Budge’ (Oliver, 2013), ‘shove’ (Leggett, 2014) and ‘think’ (John et al., 2009) are chosen by their respective champions to follow suit: they have a rhetorical purpose: and so, of course, does ‘nuzzle’. When we juxtapose these ideas, and the competing visions they provide of polity and public, we must not allow the rhetoric to excuse us from turning the ideas in question into a robust analytical framework for evidence-based enquiry.

⁴ Clark and Heath (2014) draw together evidence that inequality exacerbates society-wide anxiety and that in the UK this has driven the so-called ‘social recession’, with a decline in volunteering and ‘informal kindness’. Chung and Mau (2014) review evidence across different European countries concerning subjective insecurity, in particular in relation to employment and the labour market. See also Orton (2014).

Labour and Conservative governments have expanded the freedom of parents, in principle at least, to send their children to the State school of their choice. Le Grand (2007: Ch 3) argues that this has led to competition among schools, driving up educational standards, to the benefit of everyone. Thaler and Sunstein (2009: Ch 13) likewise welcome such competition.

The counter-argument is that the policy has created insecurity for schools and parents, a race in which particular schools emerge more strongly than previously as middle class territory. Schools get locked into vicious and virtuous spirals of decline or expansion, with deleterious consequences for equality of educational opportunity (Lauder and Hughes, 1999; Davies, 2000). On such a turbulent terrain, parents are pushed into a stampede after whichever school appears to be best, so as to avoid positional disadvantage for their offspring.

These reforms to State education were intended to expand choice. More however than choice, what families may want is some secure ground from which to venture forth: the guarantee of a high quality local school that is available to all and supported by most. That choice was not however on offer (Room, 2011: Ch 15).

Uncertainty is different from risk, inasmuch as relative probabilities can in principle be attached to the latter but not to the former. This is a distinction that Keynes for example was at pains to stress, building on the work of Knight (Keynes, 1936: Ch 12; Skidelsky, 2009: Ch 4). Thaler and Sunstein (Ch 1) blur the difference. It is moreover important to notice that uncertainty tends itself to be socially distributed, with more advantaged groups progressively displacing its burden onto those in a weaker position (Marris, 1996: Ch 7).⁵ These include the people Thaler and Sunstein describe as ‘the least sophisticated’ and whom they reckon are their prime candidates for nudge.

This goes to the heart of our disagreement with nudge. Shall we view the mistakes and fears of ordinary people, in face of the choices they confront, as evidence of their own cognitive limitations: limitations which policy makers should seek to understand, drawing upon the best empirical psychology, and take into account, in framing their interventions? Or shall we view these mistakes, fears and inertia as a response – hunkering down - to the uncertain and turbulent world in which people find themselves? In this case the policy implications will be quite different, concerned with extending the safe and solid ground on which citizens find themselves.

This disagreement then extends also to our view of human thinking and action. Thaler and Sunstein (Ch 1) echo Kahneman (2011), in his distinction between ‘fast’ and ‘slow’ thinking: what they term the ‘Automatic System’ and the ‘Reflective System’ for thinking. The former involves simple rules of thumb (‘heuristics’), the latter more considered and systematic assessment of a situation. Slow or Reflective thinking thus approximates to rational action (albeit bounded rationality under conditions of imperfect information). Most of our actions however – if only because of the hectic multiplicity of situations we face in any one day – have to be addressed by fast thinking, the Automatic System. It is this - and the rules of thumb that it uses – that often produces biases and blunders in our decision-making, even if it does enable us to handle the multiple tasks of the day with an economy of effort.⁶

⁵ The classic discussion of how the social context of different social groups shapes their perception of time, uncertainty and risk is Mannheim (1936): but see also Hoggart (1958).

⁶ Some other writers, making a similar distinction between these two sorts of thinking within the human cognitive architecture, see such heuristics as an exigency of human evolution (Loasby, 1999: Chs 3,8). Oliver (2013) in his

Here we use a similar distinction between two sorts of thinking and acting: but set now within a social context, requiring analysis in terms of sociology and political economy rather than behavioural economics and psychology. Again, we start with the sort of social action that is involved in the majority of our actions each day: the 'ordinary' situations which we handle almost unthinkingly, using standard templates and rules of thumb, which we learn as members of society and adapt to our particular contexts. This Weber (1949) described as 'habitual' action. Such rules of thumb and conventions are carried within the social institutions that surround us: but they vary considerably and are a matter of learned practice, rather than being psychological characteristics of the individuals in question.⁷

When faced with novel and anomalous situations, uncertainty and turbulence, human actors must bring more thoughtful and focussed attention to bear. This is what we may term 'agile' – as distinct from 'habitual' - action (Room, 2011: Ch 8). This goes beyond rational action theory as normally defined. There the social actor is confronted with a menu of options carrying particular costs, benefits and consequences. Agile action in contrast, rather than taking that menu as given, actively re-shapes the institutional and technological landscape on which social interactions play out, so as to re-shape the options it offers. Such actions involves the use of mental models as to how the world is likely to unfold and how it can be steered (models which, again, must be seen as carried within the social institutions that surround us, rather than being a psychological characteristic of particular individuals). This is even more demanding, when faced with fellow actors who are also seeking to steer it, but in quite different directions.⁸

Nevertheless, for agile action to be possible, habit must suffice for most situations of everyday life. Too much uncertainty and turbulence, and the range of 'ordinary' situations to which rules of thumb can be applied will greatly shrink. There will then be too little solid ground that is safe and predictable: all that can be done is to 'hunker down', wait and hope.

5. NUZZLE

In face of uncertainty, social actors need some safe and solid ground. It is this that bigger actors can provide: whether we speak of the formal organisations – political, commercial, educational - in which we are enmeshed or the more informal communities – religious, cultural, residential - around which we

treatment of 'budge' also seeks to draw on a variety of literatures that utilise such arguments. There are however significant differences in these accounts, depending on the overall theoretical position adopted.

⁷ The investigation of how institutions carry such rules, how they vary, and how individuals learn, practice and adapt them, has long been central to sociological enquiry, from such classical writers as Weber and Durkheim to such contemporary writers as Giddens, Goldthorpe, Bourdieu and Schön. There remains however a considerable gulf of non-communication between the paradigms of enquiry they employ and those of much behavioural psychology and economics.

⁸ This notion of 'agile action' (Room, 2011) owes much to Crouch's discussion of 'institutional entrepreneurs' (Crouch, 2005: see esp pp 67-8), which he likewise offers in critique of rational expectations theory. This we treat as a general category or ideal type of social action. It also resonates with longer-standing debates in sociology: see for example Dawe (1970) on the 'sociology of control'. Also relevant is the substantial literature on experimentation under uncertainty, concerned with the 'mental models' we construct, for envisaging the range of possible out-turns, and as a guide to our choices of action. Notable contributors include Simon (1969), Holland (1995) and North (1990). For an overview of the social psychology literature on mental models and decision-making under conditions of uncertainty, see Breakwell (2014: 104-8).

build our identities. It is by nuzzling close to them, that we can keep the uncertainty and turbulence we face within manageable bounds.⁹

From these anchorages we can then venture forth as creative and agile actors, re-shaping the world within which we live, albeit just on a modest scale. Indeed, as well as providing a realm of stability, big actors provide us with new opportunities for enterprise. The birds follow the gardener or farmer, as s/he breaks up the soil and disrupts the cosy shelter afforded to beetles and worms. The social and political small fry similarly nuzzle close to the powerful, not just because they offer protection, but also because, as movers and shakers, they disrupt their larger environment. These disruptions may bring uncertainty for many, but we sense that within this flux, there may be opportunities for us also.¹⁰

In short, it is by keeping close to the big actors that we can best glimpse the future, limit the uncertainty that we face and devise our own strategies of action. It is also via the big actors - and their connections - that we may be able to access and secure the additional resources that these strategies will require.¹¹ Nevertheless, big actors may also stifle creative initiatives, multiply the uncertainties to which smaller actors are exposed and incorporate them into their domains on adverse terms. These possibilities must also figure in any empirically and policy-oriented application of 'nuzzle'.

We will use this perspective principally in relation to citizens, whether acting individually or collectively: for this is the principal ground of which nudge has sought to take possession. Nevertheless, it is worth noticing that this is a generic model of human action, applicable to a wider range of social actors. We can therefore anchor our concept of nuzzle within a larger social science literature, before we proceed to apply it to public policies and citizens in particular.

In relation to business entrepreneurs, 'nuzzle' may not offer a particularly novel perspective: it is for example well-captured in the literature on disruptive technologies and innovations (Christensen, 2003).

⁹ These big mover dynamics are well-illuminated in game theory by a Stackelberg game (heuristically helpful because of its simplicity, limited as it is to a single round). One player goes first and others have then to accommodate themselves as best they can, on the terrain that the first mover has already occupied (Stackelberg, 1952; Tirole, 1988: 8.2). Stackelberg himself applied this to industries with a dominant firm; subsidiary players undertake 'satisficing' behaviour by reference to whatever this big mover has done. Stackelberg depicts a nested structure of positional advantage within the resulting market: 'The oligopolists of the first category rule the roost and they fight for the most favourable positions in the market. The oligopolists of the second category must adjust their position to that of the stronger competitors, but they compete with one another for the crumbs left by the latter. [Similarly], those of the third category ... dominate the next categories below them....' (Stackelberg, 1952: 221). As Stackelberg notes, such a market enjoys greater stability than simple oligopoly because there are clear distinctions in terms of size and power.

¹⁰ There is a well-developed literature on 'first mover dynamics' (Pierson, 2004). Those who move first into a new market or a new technology may be able to establish a self-reinforcing position of advantage. It can however be dangerous to move first: it may be better to move second, once the first movers have revealed the extent of those dangers: albeit what is then left may be only a subsidiary place in the pecking order. Even so, second movers may be able to develop niches of their own (see the literature on the so-called 'minority game', starting from Arthur (1994)). There is however never an *entirely* first mover: any terrain onto which we move has been shaped by others. This is why 'big mover dynamics' are often more significant than 'first mover dynamics'.

¹¹ Granovetter (1973) emphasises the importance of the 'weak ties' that we have for the sorts of projects that we can undertake: 'weak ties' being ties to social actors and organisations remote from our everyday lives. Burt (2003) uses network analysis to depict 'brokers' who span gaps across unconnected regions of the network - merchants, idea-brokers and the like. It is by spanning the ties and connections between big actors that innovators can develop their own niche and exploit the larger networks of players to whom these big actors provide access.

It serves however to underline that many entrepreneurs develop their businesses amidst the interstices of well-entrenched big players, not as the isolated Robinson Crusoe of the economics textbook. Nuzzling up to a big actor may involve adopting their rules (for example, the industry-wide standards of Microsoft), while seeking to retain sufficient autonomy to strike off in new directions, when a window of opportunity presents itself (Kelly, 1999). There is an extensive business innovation literature concerned with the interaction between start-up and established firms and the institutional factors which predispose to competitive versus cooperative strategies (see for example Gans and Stern, 2003).

Small businesses may nuzzle up to large corporations. For most businesses however, large and small, the State is an even bigger actor. Keynes highlighted the central role of government in keeping the economy at close to full utilisation of resources and in ensuring a long-term framework of certainty within which businesses can invest with some confidence. Only the State – the big actor *par excellence* – could provide the degree of stability and certainty within which capitalist entrepreneurs and their ‘animal spirits’ could flourish (Wagener and Drukker, 1986: 38-9). This ran counter to Hayek, for example, who also celebrated the enterprise of capitalists, but wanted the State to limit itself to ensuring ‘free’ markets and the rule of law.¹²

At another level, smaller countries squeezed between the Great Powers find it necessary to nuzzle in order to survive, and to find a niche for themselves amidst the disruptions those big actors generate. Think for example of the years before the first world war, as Europe split into two armed camps, with small countries allying themselves to one or other patron (albeit they were also then capable of causing those patrons pain) (Jervis, 1997: Ch 6; Macmillan, 2013). Or think in modern times of small countries squeezed between the established demands of the US and those of a resurgent China.¹³

There is however always the risk for smaller actors that they will get too close to the big movers. Entrepreneurs get gobbled up by large corporations; small nations with scarce natural resources risk being incorporated into global imperial systems. Darwin’s *After Tamerlane* (2007) can be read as an assessment of precisely those risks, as the European powers became global big movers in the 18th-20th Centuries, and national projects of development in the countries of Asia were variously blocked, subverted or incorporated on adverse terms.

Nevertheless, it is occasionally the small that gobble up the big. In his recent books, Gladwell (2008; 2013) develops a perspective that has close parallels with ‘nuzzle’ – and therefore equally sharp contrasts with ‘nudge’. But now the emphasis is less on the benign protection that a big actor affords, more the opportunities to displace or subvert him. Thus, for example, within a major multinational, Kristensen and Zeitlin (2005) examine the motivation of companies that were taken over. In some cases it was the subsidiaries that initiated the take-over; they did so as a means of developing connections and

¹² It is often claimed that the United States, the bastion of orthodox economics, demonstrates the vibrancy of ‘free’ markets. In reality, Government – and especially the US Department of Defense – has played a major role in the post-war period, in providing a stable expenditure and planning environment for long-term technological innovation and investment (Fligstein, 2001: Ch 10; Mazzucato, 2013).

¹³ See for example the forward planning and scenario building undertaken by Policy Horizons Canada, the policy think-tank of the Ottawa government, for a world in which Canada must deal both with China and the US: <http://www.horizons.gc.ca/eng/content/future-asia> See also Hager’s (2011) account of New Zealand’s efforts to avoid entrapment within the US War on Terror and the conflicting interests of its military and civilian decision-makers.

dynamic synergies on a global terrain; and they then competed to shape the company at large, by reference to their own strategic ambitions.¹⁴

These big actors are involved in struggles for positional advantage. This is why any discussion of ‘nudge’ or ‘nuzzle’ – whether as analytical framework or as policy prescription - must be set within an understanding of political economy: and of the larger socio-political settlement within which they unfold. It is thus that ‘nuzzle’ points to the economic, political and indeed ideological dimensions of power and inequality: something that ‘nudge’ largely ignores.

6. POLICY NUZZLES

We now apply these perspectives – and our critique of ‘nudge’ - to public policies and citizens. For the individual citizen, big actors are initially parents, then schools and local communities, employers and trade unions, banks and corporations and the other organisations in whom we perforce vest our trust - and of course government itself. It is among their interstices that citizens develop their projects for work and family life and for their social and political involvement.

‘Nuzzle’ shifts the focus from individual psychology to political economy. No less than nudge, it carries implications for public policy. It suggests that government – the biggest of national actors – should invest in the security and creativity of citizens and their social, economic and political communities. It also recognises that the failure of citizens to take up the options that government deems right for them may attest not to their blunders and biases, but to their disenchantment with the behaviour of the government itself: their wish for voice not choice: and their inability to nudge government in a different direction. In short, it turns the spotlight from the behaviour of citizens to that of governments.

‘Nuzzle’ thus presupposes the active involvement of citizens in the governance of our social, political and economic institutions. It is not enough for government to provide stability and security and to invest in agile and creative citizens: they must also be able to hold government to account. This means government being placed under critical scrutiny by citizens, rather than *vice versa*. ‘Nuzzle’ therefore gives a fundamental role to citizens in policy making as well as in policy implementation. ‘Nudge’ in contrast gives them a role merely in implementation: and even then only as consumers, reacting to the choice architectures which government presents to them. There is little or no attempt to engage citizens as active, critical and responsible partners: they are deemed hardly up to that. That is why Oliver (2013) for example challenges its paternalism and seeks a basis for policy interventions that will engage explicitly and openly with citizens.

The popularity of nudge has been evident in a wide range of ‘policy nudges’ devised and implemented over the last decade, including those associated with the erstwhile Downing Street ‘Nudge Unit’ (more properly, the Behavioural Insights Team <http://www.behaviouralinsights.co.uk/>). In what practical sense – if at all – might we speak similarly of ‘policy nuzzles’?

A ‘nudge’ is a government initiative which structures the choice architectures that citizens face, such that, given their typical inertia and biases, they are then likely to make choices consistent with what

¹⁴ A final example of nuzzle involves scientific ‘revolutions’ as described by Kuhn (1970). New scientific paradigms emerge from amidst established orthodoxies, developed by innovators who have become increasingly concerned at the anomalies and failings of that orthodoxy. It is however precisely their closeness to that orthodoxy that enables them to sense what any new paradigm must be able to offer: they are insiders as much as outsiders.

government judges to be their improved well-being. A 'nuzzle', in contrast, might be thought of as a government initiative which:

- gets citizens involved in deciding the choices which should be offered - and within what overall definition of 'well-being' (including the balance to be struck between the welfare of different groups);
- builds their creative capacities to expand the range and content of such choices;
- provides the security and certainty within which they can with confidence embrace and cope with the social changes that will be involved;
- in all this, deals with them not just as isolated individuals but as members of overlapping and multi-levelled communities.

Nudge establishes some general principles that should inform any government department, in the initiatives that it rolls out. This includes, for example, that the department should attend in particular to the default choices that it offers (e.g. pension schemes being opt-out rather than opt-in). Nuzzle might similarly require any department that puts forth a new policy initiative to show how the foregoing four principles are being taken into account. We might also expect each department of government, as part of its regular review of its programmes, to demonstrate how far these principles are given explicit attention; and the Cabinet Office to join up those separate departmental reviews. Indeed, alongside the Nudge Unit, why not a government Nuzzle Unit, with precisely this remit?

One example may serve to illustrate the competing attractions of nudge and nuzzle as a policy approach.

In affluent and carbon-profligate countries, governments are addressing sustainability in part as a problem of personal and collective behaviour, exhorting citizens to adopt more responsible lifestyles. 'Green nudges' have become fashionable (Thaler and Sunstein, 2009: Ch 12; Behavioural Insights Team, 2011; Oullier and Sauneron, 2011). Such behaviours and lifestyles are however highly resistant to change, unless accompanied by major initiatives involving strong government action (Verplanken, 2010). Nudge hardly seems sufficient to the environmental crisis.

The race for ever-higher levels of personal consumption is however less about meeting our needs, more about the race to keep up with unsustainable lifestyles, as a condition of social inclusion. Attempted emulation of these lifestyles by the new middle classes of the emerging economies means that this insecurity is globalised. This only reinforces our resistance to government pleas that we change our behaviour.

What is needed is a sober national debate, as to how our resources can best be harnessed to address environmental sustainability; and a new social contract providing security for all within creative communities (Hoeppe and Whitmarsh, 2011).¹⁵ Within such communities, it may be possible to develop new social practices of collective responsibility for our shared future: building institutions which educate in civic concern and which 'emphasise and strengthen, not the class differences which divide,

¹⁵ This is reminiscent of John's championing of 'think' as an alternative to nudge: emphasising as it does the potential value of deliberative democracy in re-shaping behaviour (John et al., 2009). What our approach in terms of 'nuzzle' adds however is the security and stability which individuals and communities need to be offered, if they are to build more equitable and sustainable lifestyles.

but the common humanity that unites' us (Tawney, 1931, 1964: 49). Only then may it be politically feasible to move towards equitable and sustainable lifestyles, where we are all content with less.¹⁶

7. CONCLUSION

As recognised at the outset, 'nudge' has encouraged policy bodies to communicate more clearly with their clients and customers, starting from where they are, with their biases and inadequacies. It has spawned a considerable array of changes in practice, many of value. Nevertheless, its intellectual roots in behavioural economics are questionable and its perspective on policy is correspondingly rather limited. We have instead argued for 'nuzzle' as a more appropriate point of reference basis for policy. However, nudge and nuzzle also raise larger questions about the relationship between government and citizen. In concluding this paper, we therefore stand back and consider these larger contrasts between the visions of society they respectively involve.

Thaler and Sunstein give their book the sub-title 'Improving Decisions about Health, Wealth and Happiness'. Central to our critique has been their depiction of the citizen as the rather reactive consumer of the services and products of corporations and governments. This paper instead has the sub-title 'Improving Decisions about Active Citizenship'. It is true that 'active citizenship' resonates well with the language of both major UK political parties (Perri 6 et al., 2010). It has also been championed by leading social policy scholars (Millar and Klein, 1995). Nevertheless, much of this paper has been concerned to lay out more critically the social and political conditions under which active citizenship is feasible for all sections of the community and the dangers of reducing it to market choice.

The recent direction of UK social policies has been to push as many as possible into the market place and to narrow the bounds of public generosity towards those who remain (Gregg and Harkness, 2013). The very governments who sing the merits of nudge have been passing much of the burden of austerity onto the most disadvantaged, multiplying the uncertainties to which they are exposed (Clark and Heath, 2014). This is the politics of fear - and of surrender to the global market.

The post-war social contract, between State and citizen in advanced western democracies, involved in contrast a pooling of risks and uncertainties through systems of social security (Titmuss, 1968: Ch 15). The same period saw governments confronting the economic instability of capitalist society. This has sometimes been characterised as a consensual process, the benign fruit of economic progress (Wilensky and Lebeaux, 1958). Nevertheless, as T H Marshall, one of the principal commentators on that post-war settlement, warned: 'in the twentieth century, citizenship and the capitalist class system have been at war' (Marshall, 1950: 93). It was only out of that struggle that institutions of shared security emerged.

Nuzzle involves government – the biggest of national actors – investing in the security of citizens, but also in their creativity, and that of their social, economic and political communities. It also presupposes the active involvement of citizens in the governance of our social, political and economic institutions. Consider therefore a new social contract with several interrelated elements, going well beyond traditional welfare systems:

¹⁶ Referring to the work of Jane Jacobs, Scott writes that 'complex, diverse, animated environments contribute ... to producing a resilient, flexible, adept population that has more experience in confronting novel challenges and taking initiative' (Scott, 1998: 349).

- Individual security against risks of income interruption: the heartland of traditional welfare states, albeit in the last half century on the defensive, across much of the industrialised world, in face of neo-liberal hostility to State welfare;
- Investment in everyone's capabilities, not just in those with parental wealth: what many have referred to as the 'social investment state' (Esping-Andersen, 1996: Ch 9). There is good evidence that for a given financial outlay, it is investment in the lowest-skilled that can produce the greatest benefit for national productivity (Coulombe et al., 2004);
- The rebalancing of our economies to provide 'decent jobs' which make use of everyone's capabilities (<http://www.ilo.org/global/about-the-ilo/decent-work-agenda/lang--en/index.htm>);
- Investment in vibrant local communities, as *loci* of education, learning and creativity for all: in particular for disadvantaged communities, which are often poorly connected to the community at large (Perri 6, 1996);
- Involvement of all in the governance of social, political and economic institutions, with active citizenship and scrutiny of public policies, and of the 'big actors' whose interests might otherwise detract from such a contract.

Public policy needs to be seen in relation to all of these, as complementary elements of development. Such a contract would involve a broad range of policies of relevance to all citizens, rather than focussing on society's casualties. It would limit the risks of poverty but also promote economic growth; promote individual security but also collective resilience and adaptability. It would rebuild local and national communities, as points where these different policies can be connected up. It would leave the market where it belongs, as the servant of the community not its master.

This is important in securing public consent to change – by providing everyone with a degree of security for the future, and a sense that 'we are all in this together'. It might even help ensure that the old and mature industrial economies of the west remain vibrant sources of creativity and enterprise, agile in face of the new Big Actors of the East.

Such a social contract would involve and require re-establishing popular trust in the major institutions – the big actors - around which we variously nuzzle. Loss of that trust has intensified the uncertainty which the ordinary citizen faces. It would both require and develop a national debate, as to how our resources and capacities can be harnessed, to provide security for all within a creative community. It would also however require a radical attack on inequality. This will be hard fought, most obviously by some of the big actors of the corporate sector: the multinational behemoths, whose investment and location decisions can make or break national economies, and who are therefore treated with such deference and respect by national governments.

To repeat, therefore: any discussion of 'nudge' or 'nuzzle' – whether as analytical framework or as policy prescription - must be set within an understanding of political economy: and of the larger socio-political settlement within which they are applied.

This concern with the power inequalities of our urban-industrial societies – and in particular the role of corporate power – was also central to some of the critics of 'nudge' to whom we referred earlier. Oliver (2013) pointed to the alcohol and food industries, tobacco and motor vehicles: and the need for 'budes' that would bring their behaviour more into line with the public good. This critique is also relevant to nuzzle: and to the terms on which citizens are able to find security and opportunity within the formal organisations or informal communities to which they are variously attached. Here too

government has a responsibility – not least, to ‘budge’ and ‘shove’ the big actors in question and to give citizens a voice, in calling them to account.

To promote citizen scrutiny of public policies is not in itself sufficient for establishing some democratic control of this wider terrain. John looks to deliberative democracy (‘think’), as a necessary complement to ‘nudge’ (John et al., 2009) : and he addresses this, not by reference to the cognitive limitations of the human mind, but the institutional possibilities offered by our particular form of democratic society. Leggett (2014) places this in an explicitly social democratic setting, informed by a Foucauldian account of power. The arguments they advance align well with what is argued here in the framework of nuzzle.¹⁷

To achieve this is likely to require active and energetic civil society organisations. It is however important not to take for granted a homogeneity or coherence of such political interests. The current political and welfare regime ‘works’ for some. Neo-liberalism is not all about losers; it also produces ‘winners’, who may not be motivated to support change of the sort advocated here.

The scope for such alternatives is therefore unclear: the main political parties cluster around a narrow agenda of neo-liberal policies with low political risk: and even the turbulence of the 2008 crisis produced little change. Nevertheless, what the 2008 crisis did produce was enormous discontent and a loss of legitimacy for major social and political institutions. It would be foolish to try and predict how new and more radical political initiatives might play out.

Acknowledgements:

These ideas were first presented to seminars at Policy Horizons Canada (Ottawa, September 2013), the Institute for Governance and Policy Studies, Victoria University, Wellington (February 2014), Melbourne University (March 2014) and Korea University, Seoul (May 2014). I am grateful to colleagues at all these institutions, as well as my own university, for comments on earlier versions of this paper. It draws upon a programme of work supported by the Economic and Social Research Council (Award RES-063-27-0130) and my book *Complexity, Institutions and Public Policy: Agile Decision-Making in a Turbulent World*, Cheltenham: Edward Elgar (2011). The argument of this paper is developed more broadly in my book *Agile Actors on Complex Terrains: Transformative Realism and Public Policy* (Routledge, 2016).

REFERENCES

- Arthur, W B (1994), 'Inductive Reasoning and Bounded Rationality (the El Farol problem)', *American Economic Review* 84: 406-11.
- Behavioural Insights Team (2011), *Behaviour Change and Energy Use*, London: Cabinet Office
- Breakwell, G (2014), *The Social Psychology of Risk (Second Edition)*, Cambridge: Cambridge University Press
- Burt, R S (2003), 'Structural Holes and Good Ideas', *American Journal of Sociology*.
- Christensen, C M (2003), *The Innovator's Dilemma*, New York: HarperCollins

¹⁷ Here again, there are useful additional insights in Gladwell’s recent writing. While he is primarily interested in individual citizens, he adduces lessons also for the big actors, including in particular the public authorities: the importance for them of nuzzling the mass of individual citizens and maintaining legitimacy in their eyes (Gladwell, 2013: Part 3). Otherwise, instead of aligning their choices with the wisdom of policy makers (the goal of nudge), citizens are likely to align them in quite other – and socially disruptive - directions.

Chung, H and S Mau (2014), 'Subjective Insecurity and the Role of Institutions', *Journal of European Social Policy*, 24(4): 303-318.

Clark, T and A Heath (2014), *Hard Times: Inequality, Recession, Aftermath* New Haven: Yale University Press

Coulombe, S, J-F Tremblay, and S Marchand (2004), *Literacy Scores, Human Capital and Growth across Fourteen OECD Countries*, Ottawa: Statistics Canada

Crouch, Colin (2005), *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs*, Oxford: Oxford University Press

Darwin, J (2007), *After Tamerlane: The Rise and Fall of Global Empires, 1400-2000*, Harmondsworth: Penguin

Davies, N (2000), *The School Report*, London: Vintage

Dawe, A (1970), 'The Two Sociologies', *British Journal of Sociology*, 21(2): 207-218.

Esping-Andersen, G, (ed) (1996), *Welfare States in Transition*. London: Sage.

Fligstein, N (2001), *The Architecture of Markets: An Economic Sociology of Twenty-First Century Capitalist Societies*, Princeton: Princeton University Press

Gans, J S and S Stern (2003), 'The Product Market and the Market for "Ideas": Commercialization strategies for technology entrepreneurs', *Research Policy*, 32: 333-350.

Gladwell, M (2008), *Outliers: The Story of Success*, London: Penguin

Gladwell, M (2013), *David and Goliath: Underdogs, Misfits and the Art of Battling Giants* London: Allen Lane

Granovetter, M (1973), 'The Strength of Weak Ties', *American Journal of Sociology*, 78: 1360-80.

Gregg, P and S Harkness (2013), *The 2013 Comprehensive Spending Review and the Implications for Making Work Pay and Family Poverty*, Institute for Policy Research, University of Bath

Hager, N (2011), *Other People's Wars: New Zealand in Afghanistan, Iraq and the War on Terror* Nelson, New Zealand: Craig Potton Publishing

Hoeppe, C and L Whitmarsh (2011), *Public Engagement in Climate Action: Policy and Public Expectations Engaging the Public with Climate Change*. L. Whitmarsh, S. O'Neill, and I. Lorenzoni. London: Earthscan.

Hoggart, R (1958), *The Uses of Literacy*, Harmondsworth: Penguin

Holland, John (1995), *Hidden Order: How Adaptation Builds Complexity* New York: Basic Books

House of Lords Science and Technology Committee (2011), *Behaviour Change* London: The Stationery Office

Jervis, Robert (1997), *System Effects: Complexity in Political and Social Life* Princeton: Princeton University Press

John, Peter, Graham Smith, and Gerry Stoker (2009), 'Nudge Nudge, Think Think: Two Strategies for Changing Civic Behaviour', *The Political Quarterly*, 80(3): 361-370.

Kahneman, D (2011), *Thinking, Fast and Slow*, London: Allen Lane

Kelly, K (1999), *New Rules for the New Economy*, London: Fourth Estate

Keynes, J Maynard (1936), *The General Theory of Employment, Interest and Money*, London: Macmillan

Kristensen, P H and J Zeitlin (2005), *Local Players in Global Games: The Strategic Constitution of a Multinational Corporation*, Oxford: Oxford University Press

Kuhn, T S (1970), *The Structure of Scientific Revolutions*, Chicago: University of Chicago Press

Lauder, H and D Hughes (1999), *Trading in Futures: Why Markets in Education Don't Work*, Buckingham: Open University Press

Le Grand, J (2007), *The Other Invisible Hand*, Princeton: Princeton University Press

Leggett, Will (2014), 'The Politics of Behaviour Change: Nudge, Neoliberalism and the State', *Policy and Politics*, 42(1): 3-19.

Loasby, B (1999), *Knowledge, Institutions and Evolution in Economics*, London: Routledge

Lukes, S M (1973), *Individualism*, Oxford: Basil Blackwell

Macmillan, M (2013), *The War that Ended Peace: How Europe abandoned peace for the First World War* London: Profile Books

Mannheim, K (1936), *Ideology and Utopia*, London: Routledge

Marris, Peter (1996), *The Politics of Uncertainty*, London: Routledge

Marshall, T H (1950), *Citizenship and Social Class*, Cambridge: Cambridge University Press

Mazzucato, M (2013), *The Entrepreneurial State*, London: Anthem

Millar, J and R Klein (1995), 'Do-It-Yourself Social Policy : Searching for a new paradigm? ', *Social Policy and Administration*, 29(4): 303-316.

Millar, J and T Ridge (2013), 'Lone mothers and paid work : the 'family-work project'', *International Review of Sociology*, 23(3): 564-577.

North, Douglass C (1990), *Institutions, Institutional Change and Economic Performance*, Cambridge: Cambridge University Press

Oliver, Adam (2013), 'From Nudging to Budging: Using Behavioural Economics to Inform Public Sector Policy', *Journal of Social Policy*, 42(4): 685-700.

Orton, M (2014), *Something's Not Right: Insecurity and an Anxious Nation*, London: Compass <http://www.compassonline.org.uk/wp-content/uploads/2015/01/Compass-Somethings-Not-Right.pdf>

Oullier, O and S Sauneron (2011). 'Oullier et al (2011), Green nudges: New incentives for ecological behaviour'. from http://oullier.free.fr/files/2011_Oullier-Sauneron_CAS_Green-Nudges-Ecological-Behavior.pdf.

Perri 6 (1996), *Escaping Poverty*, London: Demos

Perri 6, C Fletcher-Morgan, and K Leyland (2010), 'Making People More Responsible: The Blair Governments' Programme for Changing Citizens' Behaviour', *Political Studies*, 58(3): 427-49.

Pierson, P (2004), *Politics in Time*, Princeton: Princeton University Press

Ridge, T and J Millar (2011), 'Following families: working lone-mother families and their children', *Social Policy & Administration*, 45(1): 85-97.

Room, Graham (2011), *Complexity, Institutions and Public Policy: Agile Decision-Making in a Turbulent World*, Cheltenham: Edward Elgar

Scott, J C (1998), *Seeing like a State*, Newhaven: Yale University Press

Simon, Herbert A (1969), *The Sciences of the Artificial*, Cambridge, MA: MIT Press

Skidelsky, Robert (2009), *Keynes: The Return of the Master*, London: Allen Lane

Stackelberg, H von (1952), *The Theory of the Market Economy (Grundlage der Theoretischen Volkswirtschaftslehre, 1948: translated with an Introduction by Alan T Peacock)* London: William Hodge

Tawney, R H (1931, 1964), *Equality*, London Unwin Books

Thaler, Richard H and Cass R Sunstein (2009), *Nudge: Improving Decisions about Health, Wealth, and Happiness (Revised edition)*, London: Penguin

Tirole, J (1988), *The Theory of Industrial Organization*, Cambridge, Mass: The MIT Press

Titmuss, R M (1968), *Commitment to Welfare*, London: Unwin

Verplanken, B (2010), 'Old habits and new routes to sustainable behaviour ' in L. Whitmarsh, S. O'Neill, and I. Lorenzoni (ed), *Engaging the Public with Climate Change*, London: 17-30.

Wagener, H-J and J W Drukker, (ed) (1986), *The Economic Law of Motion of Modern Society: A Marx-Keynes-Schumpeter Centennial*. Cambridge: Cambridge University Press.

Weber, M (1949), *The Methodology of the Social Sciences*, New York: Free Press

Weyman, A, D Wainwright, R O'Hara, P Jones, and A Buckingham (2012), *Extending working life: Behaviour change interventions*.(Research Report No 809). London. Department for Work and Pensions.
Wilensky, H L and C N Lebeaux (1958), *Industrial Society and Social Welfare*, New York: Free Press