

For Twitter users: #LSELeGrand

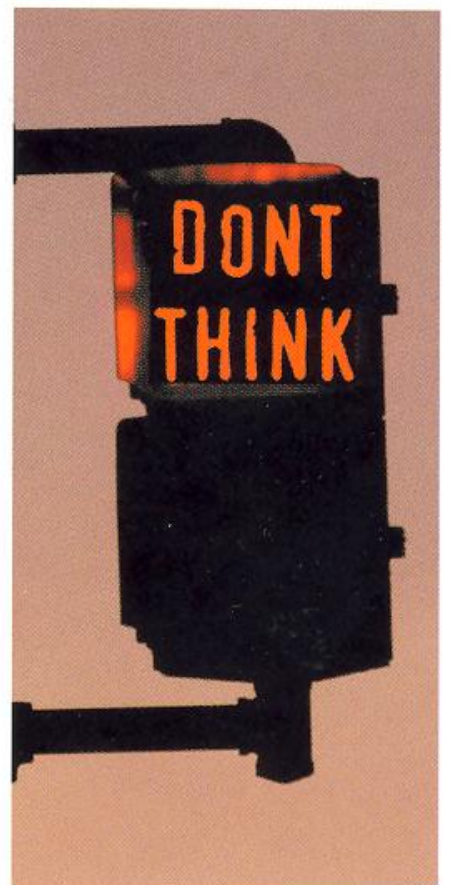
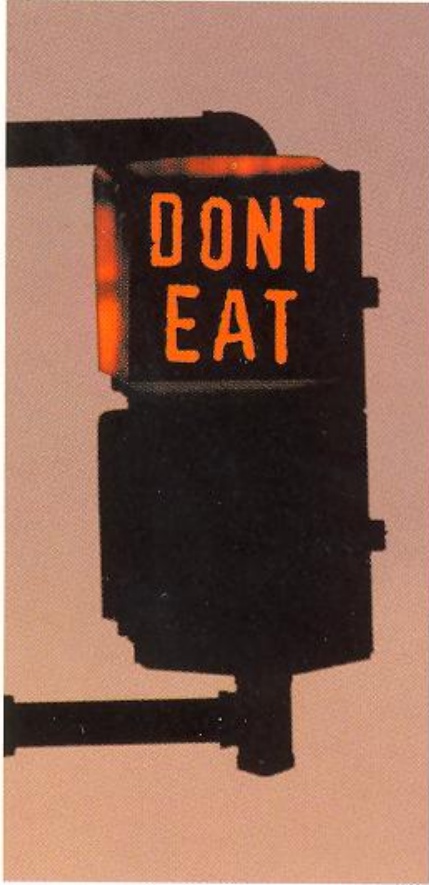


British Government@LSE Research seminar

Julian Le Grand:

Nudge theory and the nanny state

POLITICS AND PROHIBITION.



Champagne Barbecue

Tuesday 25th September 2007, 6.30 - 8.00pm

Main Lounge, Royal Bath Hotel, Bournemouth

SMOKERS WELCOME



*Free CD, 'You Can't Do That!'
by the Boisdale Blue Rhythm Band, for every guest*

WARNING: Big Government is watching you ... eat, drink, smoke, think

Definitions of Paternalism

Mill's harm principle:

The only purpose for which power may be rightfully exercised over any member of a civilised community , against his will, is to prevent harm to others. His own good, either physical or moral, is not sufficient warrant.

- A paternalistic policy is one that interferes in a person's freedom for their own good

(Gerald) Dworkin Definition

[Paternalism is the] interference with a person's liberty of action justified by reasons referring exclusively to the welfare, good, happiness, needs, interests or values of the person being coerced.

But:

- Subsidies
- Nudge

Thaler and Sunstein

A policy is paternalistic if it tries to influence choices in a way that will make choosers better off, as judged by themselves.

But:

- Includes simple provision of information
- How do we find out what would make people better off ‘as judged by themselves’?

Le Grand and New

A state intervention is paternalistic with respect to an individual if:

- it is intended to address a failure of judgment by that individual, and
- it is intended to further the individual's own good.

Possible Justifications for Paternalistic Policies

- Hurts third parties (not really paternalism)
 - Passive smoking
 - Costs to state
- Autonomy failure.
- Ends failure.
- Reasoning failure.

Autonomy Failure

- Children
- Learning difficulties
- Mental illness
- Addiction

Not really paternalism

But how much autonomy failure justifies intervention?

Ends Failure

State disapproves of the ends that individuals themselves have voluntarily chosen.

Examples: Outlawing suicide, certain sexual practices between consenting adults, religious observances, wearing burkhas.

Reasoning Failure

- Limited technical ability
 - Failure to process information properly. Decision overload: too many choices.
- Limited imagination/experience. Status quo bias, endowment effect, myopia
- Limited willpower. Procrastination. Addiction. Akrasia.
- Limited objectivity. Confirmatory bias

‘There is no quality in human nature which causes more fatal errors in our conduct than that which leads us to prefer whatever is present to the distant and remote’

David Hume, Treatise on Human Nature

‘Final’ Justification

A paternalistic state intervention is justifiable if :

- There is a demonstrable failure of reasoning by the majority of individuals affected by the intervention.
- The state can significantly raise the welfare of those individuals by the intervention.
- There are relatively few individuals without reasoning failure and the loss in welfare to each of them from the intervention is relatively small.
- The impact on autonomy of the intervention on both groups is small.

Types of Intervention

- Provision of information/education
- Regulation
- Subsidy
- Tax
- Libertarian paternalism (nudge)

Libertarian paternalism (Nudge)

Basic idea:

Private and public institutions might ‘nudge’ people in directions that will make their lives go better (longer, healthier, happier), but without eliminating freedom of choice

C. Sunstein and R. Thaler (2003) ‘Libertarian paternalism is not an oxymoron’
University of Chicago Law Review, 70, 1159-1202.

R. Thaler and C. Sunstein (2008) *Nudge: Improving decisions about health, wealth and happiness*. New Haven and London: Yale University Press

LP ideas

- Opt in/opt out (organ donation, pensions)
- Framing (placing of healthy food, separate alcohol outlets)
- Smoking permit
- Exercise hour
- Marriage default

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LP vs regulation

- Preserves choice. So, unlike regulation, does not cause loss of welfare for those who do not suffer from reasoning failure.
- Preserves autonomy. Or does it?
- Not transparent. But, if made transparent, perhaps ineffective....

Permit to smoke

- Have to buy a permit every year. Have to supply ID, fill out form. Doctors' signature?

Advantages:

- Have to 'opt in' every year. Welfare gains considerable. But impact on autonomy minimal.
- Stop people starting.

Problems:

- Enforcement
- Is autonomy impact really small?

THE NANNY STATE
**Now you will need
a permit to smoke**

Page 56

Daily Mail, Saturday, February 16, 2008

Licence to smoke

By **James Chapman**
Deputy Political Editor

SMOKERS could be forced to pay for a tobacco licence in order to buy cigarettes under draconian proposals

Just for the privilege of lighting up, you may be forced to pay £10 for a permit



Former Blair adviser outlines plan to improve nation's health

By Jeremy Laurence
Night Editor

Artificially high tobacco prices to persuade people to stop smoking, take more exercise and change their diets was proposed last night by a leading Government adviser.

As in previous years published postcards showing that England took the European language as the letter, such as the 1911, Professor John Le Grand, a chair of Health England and a former senior Downing Street aide to Tony Blair, said in a meeting, "It is a miracle as required by Government to reverse the epidemic of obesity and to look forward to the future of 'massive consumption'."

give any this is paternalism squared. But, at a fundamental level, you are not being made to do anything. It is not like forcing something. It is not prohibition. It is a softer form of paternalism."

The proposals to live with planners are under consideration at the Department of Health. Yesterday, it announced that, when the Health Secretary is considering various proposals, generally details of holding weight measurements of their children at ages 5 and 10, they are aware that the children are being targeted. One of the current arrangements, parents are only given the information if they request it.

A report published yesterday shows England and the Welsh

The European group of scientists experts published last week, which Mangel (the dissenting scientist) says is "a very over-enthusiastic" view of the circumstances where energy costs charged to farmers would be fixed at artificially available and sustainable quantities were the norm and not individual cases could no longer be dealt responsibly.

He said: "The analysis may 'not' very helpful" and presented the growth obesity on so enormous and therefore a problem that solving it seems impossible.

"Saying it is an artificial obesity involves artificial responses, that is, taking part work, is a restriction. No need now thinking of it as a threat. We face now with this challenge it was a solution and did not come from a solution."



Purvisse Allen Le Grew says a fresh approach is needed to tackle identity and other problems

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And the feedback...

These people are leftovers from the regimes of Mao, Stalin, Mussolini and Hitler. Is there any aspect of people's lives that they don't want control over? We should all be frightened, very frightened. **R M, London, UK**

Simply a wonderful, community focused, idea. We all must work together, but someone must lead us and this wonderful fellow is doing his part. **Trunk, US**

I think this is a fantastic idea. It is a real struggle to get to the gym when you are working early, and then late and through your lunch hour. If it was built into the working day it would ease stress, make workers happier and increase productivity. And great for mental health, as then as soon as you are home you are free to enjoy your evening. **Rachel, London**

It'll be just like communist China, that should please the government no end. Of course, there will be one key difference, unlike in China, you can be fairly certain that no senior management - definitely including cabinet ministers - would ever have to take part in something so demeaning. Long live the revolution, power to the people! **Andrew, Cambridge**