A spectre has been haunting practitioners and students of executive politics and governance - the spectre of Nudge. Far beyond Europe and the US, the Nudge agenda has been endorsed by governments of all colours as a policy tool of choice. Nudge has all the features of being a movement in its own right as it can rely on its own manifesto, namely Nudge by Richard Thaler and Cass Sunstein (2008) and related works on so-called behavioural economics.

A number of reasons account for the Nudge revolution. One, Nudge embraces an understanding of human decision-making that is defined by bounded rationality. Second, policy researchers (and economists) have proclaimed behavioural economics to be a new discovery regardless of the long-standing interest in bounded rationality in the social sciences. Third, the Nudge book is of particular interest given the politically and academically exposed position of its authors, especially Sunstein (as Obama’s regulation supremo until 2012). Fourth, Nudge offers the dream-wedding between those who believe in non-interventionist governance and those seeking to realise ‘optimal’ outcomes through intelligent design. Finally, Nudge also offers the illusion of cheap government in that once the right nudge has been chosen, individuals will choose optimal solutions by themselves without requiring costly enforcement activities.

One critical response to the Nudge movement has focused on its philosophical foundation in ‘liberal paternalism’. It has also been argued that nudging is an act of non-transparent manipulation where accountability structures are deliberately left unclear (Wilkinson 2013, Rizzo and Whitman 2009). Nudging is therefore seen has inherently problematic when assessed in the light of basic principles of liberal democracy. This paper does not add to these debates. Instead, this paper considers whether an approach that offers ‘rational’ policy-making to address problems resulting from bounded rationality can overcome the limits of bounded rationality itself.

Nudging assumes a world in which individuals are boundedly rational: decisions are affected by confirmation biases, loss aversion, and openness to optical manipulation. People make sub-optimal choices due to (the perception of) too high transaction costs. For example,
individuals fail to register as organ donors, even when they are generally are in favour of doing so (Abadie and Gay 2006). Similarly, they fail to sign up to health care or pension plans, despite the realisation that basic coverage is likely to be insufficient in old age (Madrian and Shea 2000; Choi el al. 2001). They drink sugar- and calorie-rich drink despite knowing about their content. Or, in the context of lesser developed countries, they are reluctant to allow their children to enjoy regular schooling due to short-run economic need, despite knowing that education for their children is important. Forcing cyclists to pay high insurance rates if they wish to commit to non-helmet wearing may reduce overall healthcare costs. In sum, short-run benefits drive out much higher long-term benefits, or distrust and lack of information make seemingly irrational behaviour rational.

All of these sub-optimal choices are caused by bounded rationality. Nudge devices change the basic settings of the so-called choice architecture. By changing the choice architecture, humans are put into a position to act according to their preferences without facing major opportunity costs. They continue to satisfice, but achieve more desirable outcomes, for themselves and for wider society. In addition, they are usually not required to choose to obtain their desired outcome: in the world of Nudge, individuals are free to ‘opt out’ rather than ‘opt in’. Thus, individuals eat more healthily when encountering appealing fruit and vegetables rather than chocolate bars or crisp bags, they cause less splatter when incentivised to undertake target practice in male urinals, and they happily donate organs. They also send children to school as attendance is linked to cross-linked support packages.

While fiddling around with choice architectures may be regarded as highly paternalist, it has much wider implications: It assumes that those deciding on choice architectures and on dominant psychological mechanisms that shape human behaviours are equipped with perfect rationality (Rizzo and Whitman 2008). Decisions are ‘evidence-based’, on the basis of random control trials (John et al. 2011). Thus, decision-makers have the ‘evidence base’ to make decisions as to how individuals can be manipulated, they are equipped with the persuasive authority to convince others regarding the superiority of nudging in relation to other interventions, they are able to address potential interaction effects with other policies that apply to a particular problem, and they can make sense of the multiple motivations that apply to human behaviours. In other words, at the heart of nudge is a basic paradox: it assumes bounded rationality, but offers a ‘comprehensive’ vision of rationality to address problems caused by bounded rationality.
This paper explores this ‘rationality paradox’ at the heart of Nudge in three steps. First, we focus on the acceptance factor. Policy or administrative choice is based on perceptions of legitimacy. Thus, the key question is why particular approaches become acceptable at particular times. Exploring the acceptance factor gives us insights as to why this particular attempt at bringing rationality into human behaviour has become persuasive at the current time. In addition, it offers insights as to how different argumentative strategies in favour and in opposition to Nudge deal with the rationality paradox. Then, we explore in more detail how bounded rationality may affect the rationality of Nudging. We do so by looking at how the introduction of Nudge is faced with the limits of bounded rationality in a setting that is characterised by organisational and political logics on the one hand, and how Nudge is confronted by limits of bounded rationality in individual decision-making on the other.

The Rhetoric of Progress and Reaction
As bounded rationality is inherent in all human choice what counts as ‘successful’ or not is mostly a matter of selective perceptions as to what appears as legitimate. This places persuasion at the heart of any analysis (Majone 1989) and, therefore, also the ‘acceptance factor’ in the study of public administration (Hood and Jackson 1994, 1991). How, then, is this paradox of rationality addressed by supporters and critics of Nudge? To answer this question, we utilise the three-way distinction developed by Albert Hirschman in his Rhetoric of Reaction (1991). He notes how sources of resistance to extending welfare provisions usually rely on three distinct rhetorical strategies, futility, jeopardy and perversity. Similarly, he argued that progressive forces rely on three (mirror-image) rhetorical strategies, inevitability, compatibility and imminent danger. All these rhetorical strategies have been employed to advocate or condemn Nudge.¹

In term of inevitability, Nudge is usually seen as a bed-fellow of the ‘behavioural revolution’ in economics that is said to have gripped the social sciences over the past few years. Nudge fits well with the contemporary interest in risk and loss aversion (Kahneman and Tversky 1979) and other popular books on decision-making (Kahneman 2013; Ariely 2010). Never shy to follow fashion, the UK government has created a ‘nudge unit’ to offer advice and to develop policy proposals to anyone wishing to listen (and pay) for advice. Nudging is seen as an inevitable accompaniment to the wider interest in the psychological foundations of human behaviours that have been described by Herbert Simon for over 60 years (Simon

¹ It should be noted that none of the advocates of Nudge would argue that their favoured approach would address all policy problems. However, where the boundaries lie has remained under-explored.
1947). In contrast to Simon’s work, nudging focuses on individual rather than organisational behaviour. It links with the latest interest in ‘evidence-based policy-making’ that relies on experimental methods to offer insights into the impact of various discrete policy interventions (John 2011, John et al. 2011). In other words, nudging is simply inevitable as it represents the latest fashion in thinking about public policy more generally. The presence of the paradox is not a cause for concern, but rather is noted as a challenge that further explorations in behavioural experiments will resolve.

In terms of reinforcing compatibilities, Nudge is said to be attractive because it goes with the grain of other developments and therefore supports other supposedly benevolent developments. One compatible development is the trend to place individual choice at the heart of public policy. This is particularly important, so the argument goes, as heterogeneous societies are not satisfied with ‘one size fits all’ solutions. Thus, Nudge, and its emphasis on choice avoids the trappings of prohibition and ‘command and control’. The argument is that ‘command and control’, i.e. a regulatory strategy that relies on legal mandate backed by sanctions, fails to attract legitimacy and thus is unlikely to perform in a satisfactory way. Strategies therefore push responsibility for conduct inside regulated entities (i.e. ‘enforced self-regulation’). They rely on the incentivisation of responsible conduct, thereby reinforcing strategies that rely on Nudge: individuals are still able to eat calorie-rich muffins but are being informed about it. This contrasts with a prohibitive ‘command and control’ approach that would prohibit the consumption of muffins outright. Similarly, people will reduce their CO2 emissions by more informative electricity and gas bills that incentivise them to reduce their heating costs. According to this argument, therefore, satisficing individuals need information in cost-light ways so as to enable them to make choices they wish to make. Choice should be an expression of preference, not a mistake based on poor information.

Finally, Nudge is also justified in terms of ‘imminent danger’; that is, social systems will face disaster if they do not adopt such seemingly clever strategies. Such an argument is made by those who emphasise the resource depletion in contemporary government. In an age where governments can neither spend to change behaviour, nor resource people to enforce desired behaviours, nor ensure desired outcomes through direct provision of goods and services, little else is left than relying on information and incentives. More optimistically, nudging is said to exploit the potential of small-scale actions that are more likely to achieve desired outcomes than grand gestures and mega-projects. Thus, nudging people to change their behaviours in terms of energy consumption is said to contribute more meaningfully to
addressing climate change related issues than the development of geo-engineered sails that are transported somewhere into the solar system to divert sunbeams.

So far, so benevolent. However, ‘reactionary’ or sceptical views are also relatively common. Arguments based on futility suggest that nudging is unlikely to have any major and sustained effect whatsoever. The results from experiments are, at best, trivial. Experiments themselves are often based on flimsy foundations as social experiments are more complex than medical trials (can undergraduates paid to spend some time in ‘laboratories’ really be seen as real-life equivalents? Can ‘real life’ trials overcome challenges in terms of scale, time, contamination effects and such like?). Even if people do respond to some form of manipulation, the ‘success’ story of nudging (and random control trials) is restricted to arguably simple rather than ‘wicked’ issues. Nudging hardly, according to this view, is going to address more important problems, especially as it assumes that individuals are poorly informed, but well-intentioned. In a world where at least some individuals and organisations are ill-intentioned, nudging is unlikely to work and a reliance on the ‘shove’ might be essential. In other words, the limits of bounded rationality cannot be overcome, the idea of nudge’s rationality is also disputed both in terms of evidence-base and as a strategy.

For those taking a ‘jeopardy’ position, nudging might offer benefits, but puts other achievements at risk. In other words, nudging might reduce cleaning costs in public lavatories, raise donations to charities, and increase the availability of organ transplants. However, as it operates in non-transparent ways it represents an intervention and manipulation of individual choice (Wilkinson 2013). This might be seen as a problematic interference in private decision-making. It raises the ethical question as to when ‘opting out’ should be the default option rather than an ‘opting in’ (Blumenthal-Barby and Burroughs 2012; Truog 2008). For those advocating deliberative and other consultative fora to promote a transformation in citizenship, Nudge represents a problematic tool that undermines possibilities to include participation in policy-making.

Finally, Nudge has also been associated with perversity-type arguments. Accordingly, nudging is associated with outcomes that represent exactly the opposite of the intended effect (e.g. Amir and Lobel 2008). Individuals may be unwilling to be fed healthily and turn to less healthy options, for example. In other words, well-intentioned actors may turn into ill-intentioned ones in response to the perception of being manipulated through the ‘choice
architecture’. Thus, attempts to make individuals behave ‘rationally’ has the reverse effect in
that it provokes behaviours that would be interpreted as ‘irrational’ by decision-makers.

In sum, Nudge assumes that individuals and organisations have the capacity and motivation
to change. It assumes that we know what people want. The capacity demands are small (in
the eyes of nudge enthusiasts) as individuals simply follow paths chosen for them. In this
sense, Nudge is different to those tools that seek to bring rationality into decision-making,
whether this is via performance management systems, cost-benefit analysis or rational budget
programming systems. Nudge does not seek to reduce irrationality in government decision-
making through procedures, in contrast, it seeks to reduce irrationality by exploiting
irrationality at the level of the target of public policy, the individual.

Therefore, the attraction of Nudge is based on being both familiar and seemingly novel at the
same time. It is familiar in that it recognises the bounded rationality-induced limitations in
human behaviour that the enforcement and implementation literatures have been
emphasising for some time. It is novel in that it places its emphasis on information and
incentives as a tool to manipulate individual rather than organisational behaviours. As such,
it fits very well a social science agenda that seeks to discover human psychology. It also fits a
political agenda that pretends to be evidence-based in order to find seemingly low-cost high-
intelligence measures.

However, it is noticeable that there is very little explicit discussion, both in the arguments of
the ‘progressives’ and the ‘reactionaries’, of the basic paradox that Nudge seeks to offer a
rational way to overcome bounded rationality constraints in a context that is characterised by
bounded rationality. The next section therefore considers some of the mechanisms that might
be seen as central to triggering unintended consequences in the context of a political and
organisational setting. The following section focuses on the target of Nudge itself, the
individual.

Organisations, tool choice and bounded rationality

In Robert Merton’s seminal work, unintended consequences (that are not necessarily
undesirable) emerge from a range of sources (Merton 1936: 900). Bounded rationality, for
Merton, is about high transaction costs, dealing with uncertainty, error-prone assumptions
and an ‘imperious immediacy of interest’. The latter is defined by short-term interests driving
out long-term concerns, considerations about interdependencies, moral implications and the
possibility of interaction effects (such as counter-learning) (see also Hood 1976, Sieber 1981). Similarly, Charles Lindblom (1959) notes how resource constraints made any strategy that was not incremental both normatively and practically undesirable. In this section we discuss the organisational context in which Nudge is supposed to become the policy tool of choice. Bounded rationality in an organisational and inter-organisational context stands in the way of adapting superior policy strategies given path dependencies, established constituencies, jurisdictional turf battles between organisations, and confirmation bias preferring the default strategies. In an ideal setting, government agencies would rely on ‘evidence-based’ Nudge-informed strategies, they would avoid ‘knee jerks’ and carefully consider costs and benefits of various regulatory options.

How then can nudging be introduced into executive decision-making characterised by both inertia and knee-jerking? One typical strategy for any reform approach has been the creation of special units at the heart of government that are supposed to advance a particular agenda. As noted, the UK Conservative-Liberal Democrat government has a ‘nudge unit’ (officially named the ‘Behavioural Insights Team’) that is supposed to advocate Nudge thinking across government, whether it is in the way in which regulatory reform proposals may be recast, charity payments can be increased (at a time when public money for charities is being axed), healthy school meals are being encouraged, or in the way in which letters to tax offenders are written to reduce delay in payments.

The second orthodox approach is to force all decision-making through procedural methodologies and thereby put nudging onto the agenda for policy-making. Such hardwiring through deckstacking forces decision-makers to confront particular options. These two orthodox ways of trying to integrate fancy policy ideas into the daily life of executive decision-making have usually led to very limited results, exactly because of Merton’s ‘imperious immediacy of interest’. This ‘imperious immediacy of interest’ can be separated into four key mechanisms: loose coupling, marginalisation, incrementalism and decomplexification. These mechanisms are not mutually exclusive, and they are also not jointly exhaustive, but they capture a substantial variety of potential unintended effects.

Loose coupling refers to a lack of co-ordination between different organisational logics that exist within government. Different units and departments within government have varied views as to their priorities and limited resources. They also develop distinct sectoral identities given their frequent exchanges with key constituencies. As a result, the politics within
executive government is characterised by the struggle between dispersed units, anxious to maintain their autonomy. It is therefore not surprising that any attempt at imposing an organisational solution onto such dispersed setting will be received with scepticism, if not rejection. Nudging will hardly appeal to civil servants in energy portfolios who are in close relational distance with large-scale energy firms. Having to ‘nudge proof’ policy initiatives will be seen as unwelcome to anyone. Similarly, forcing procedural devices into decision-making processes is unlikely to automatically raise the profile of Nudge in government. Compromises between and within departments are more likely to be about budgetary allocations and the carving up of jurisdictions to address the bare necessities of ministerial reputation and blame management. Such a setting is not necessarily open to the introduction of procedural devices to force Nudge onto the table. This is particularly the case when Nudge-czars in government are usually anointed from the ranks of junior civil servants whose eyes are on the quick ascent up the career ladder, not on picking fights with more senior officials in their own or a different department. In other words, the normal organisational life within government is likely to allow for a loose coupling of the Nudge agenda to the ‘real world’ of decision-making unless some political heavy-weight forces the agenda onto reluctant parts within the executive. However, once that heavy-weight has found a different playground, has been promoted upwards or sideways, or has bitten the proverbial dust, it is likely that Nudge will ‘bounce back’ into its loosely attached status.

Marginalisation defines a process that leads to a similar outcome as loose coupling, but the underlying mechanism is different. Here, the proposed intervention is just one of many other important issues that decision-makers have to consider. Therefore, Nudge gets marginalised as other priorities take over, whether this is because of the value-basis of much policy-making, because of the ambiguous evidence that allows for a range of ‘evidence-based’ strategies to be considered, or because politicians prefer ‘visible’ policy strategies to achieve credit-claiming media headlines. A strategy that relies on non-transparent manipulation of peoples’ preferences, whether it is stickers given to schoolchildren to reward them for ‘healthy’ meal choices, or the insertion of carefully worded sentences into official government communication, is hardly the kind of material that will allow politicians to blow their own horn. Nudge is less likely to suffer from marginalisation in those areas where the stakes are particularly low - when both the costs and benefits of regulation are widely distributed across constituencies. But those are arguably areas where intervention might be least important in the first place.
Incrementalism in decision-making in government also stands in the way of a comprehensive introduction of Nudge into policy-making. After all, Nudge is supposed to be based on ‘evidence-based decision-making’, preferably generated through the ‘gold standard’ random control trial. Incrementalism takes the ‘default setting’ as given and centres on decision-making at the margin. The introduction of ‘Nudge’ as a serious endeavour calls for a questioning of the ‘default option’ which is likely to attract considerable resistance and opposition, thereby reducing the scope to achieve an agreement in the first place. For example, explicit attempts at ‘wiping’ the existing stock of policies clean, such as the UK Red Tape Challenge initiative where all departments were to cut their stock of legislation and regulation unless a good reason could be found to maintain them, eventually turn incremental as any comprehensive ‘root’ (or stock) review over-stretches the capacities of government units. In particular, the demand to separate values (political objectives) from means (policy tools) increases the analytical complexity of such an exercise. Moreover, in a multi-actor setting, decision-making is often easier to achieve when incremental steps are taken on the basis of an agreement on the means, but without requiring consensus on the underlying objectives or ends (Lindblom 1959). Nudge represents an approach that requires an agreement on both the ends and the means.

Finally, nudging is also problematic as it leads to decomplexification. In many ways, all bureaucracy is about decomplexification in the sense of creating categories and classifications to allow for a processing and ‘normalisation’ of the daily noise that government departments are exposed to. However, here decomplexification goes further, namely in the sense that nudging reduces the capacity of problem-solving per se. As argued by Baldwin (2010), to address complexity one needs to encourage ‘clumsy’ and hybrid solutions and not search for ‘elegant’ ones. Similarly, the better regulation literature notes that regulatory problem solving should encourage combinations involving ‘soft’ regulation, self-regulation with incentives and, occasionally, command-and-control regulation. The enforcement literature, too, encourages a mixing of soft and ‘hard’ instruments, and emphasises that it is only the presence of ‘hard’ instruments that allows for the functioning of ‘soft’ instruments. Hybridisation and clumsiness are problematic to design, but they highlight that Nudge is, in principle, an ‘elegant’ solution that stifles creative combinations through its emphasis on particular forms of ‘evidence’ and on the calculation of costs and benefits. This incentivises policy bureaucrats to come up with regulatory designs that are simple and ‘pure’ in their approach, rather than complex combinations of different tools and approaches.
In short, the ‘imperious immediacy of interest’ in organisational decision-making provides a problematic setting for Nudge to succeed as a priority. Confirmation bias, turf battles and disproportionate information processing characterise politics and decision-making at the top, hardly the kind of conditions that make ‘evidence based’ nudge-units are particularly attractive solution. In short, the bounded rationality conditions that define organisational decision-making have not been transformed by the rise and rise of the Nudge agenda.

**Individuals, Tool Choice and Bounded Rationality**

The above discussion is unlikely to raise any opposition among enthusiasts of Nudge. They would suggest that their prescriptions were never meant to be universal, and that Nudge does offer some political benefits (namely a reliance on low cost political initiatives that may free up space for engagement in more electorally appealing areas). Similarly, Nudge has had some effects, at least if one is to believe various studies. Similarly, it is also the case that Nudge has had no noticeable effect in other areas, such as in food labelling. This section does not seek to weigh the evidence supporting or disputing Nudge as a policy tool. It also does not want to consider what kind of value judgements should underpin Nudge-type decisions. Asking individuals to ‘opt in’ so that they can access pornography on their laptops in their bedrooms, for example, is clearly a political choice as to where Nudge should be employed. Similarly relying on Nudge in contrast to punitive tax-levels to deter certain behaviours or consumption patterns might be seen as a political choice.

Rather it considers whether bounded rationality can be ‘rationally’ manipulated or whether the type of limitations noted by Merton over 75 years ago are applicable to Nudge as well. Such a question may sound puzzling as Nudge is exactly about exploiting those limitations. However, this requires a degree of superior knowledge about people’s choices that may not always be present. As in the previous section, we note four ways in which bounded rationality may trump the best Nudge-intention, these are classification error, aggravation, placation and over-commitment (see also Sieber 1981, who adds functional disruption, goal displacement and exploitation to the list of reverse effects).

Turning to **classification error** first, any choice to engage in nudging and require changes to the choice architecture requires a value judgement: it signals a view as to where particular behaviours are seen as ill-informed mistakes or as informed expressions of preferences. This matters, for example, when it comes to the ‘selling’ of financial products to individuals who are given little insight into the actual risks involved. Furthermore, choosing what products
and consumers deserve a ‘nudge’ in order to make sure that they are not conducting ill-intentioned mistakes is a choice as to what one considers to be a ‘problem’ that deserves intervention. Such problems get further accentuated by the view that examples of ‘failure’ are not going to have an impact on the overall trust in markets. Making a choice that certain products do not deserve a ‘nudge’ to guide individual decision-making assumes, first, informed decision-making and, second, that losses are not going to have wider (psychological) effects on other individuals. It is questionable whether regulatory offices and ministerial departments (or anyone else) are equipped to make such high intelligence decisions.

**Aggravation** suggests that despite nudging the actual problem is getting worse as individuals are provoked into opposing the intended effect. Individuals may regard any form of manipulation as an illegitimate interference in their choices. They may therefore completely opt out of public provision and thereby increase the actual problem. For example, ‘nudging’ pupils to eat healthier meals may lead parents to respond by giving their children more of their own food, thereby enhancing obesity. Similarly, forcing companies to remove sweets from the till area may only lead to more colourful and manipulative advertising. A behavioural response that aggravates the problem rather than mitigates it may in particular occur in those situations where the intended outcome is not seen as desirable by at least a minority, especially when this minority is ill-intentioned rather than ill-informed.

**Placation** suggests that nudging may lead to some change in behaviour that is seen as addressing the problem. However, in fact, the long-term problem is not addressed, leading to a much worse problem later on. Individuals being nudged to wear cycling helmets may drive in a more risky fashion as they feel ‘safe’, similarly, individuals may eat particular foodstuff as it is advertised (nudged) as ‘healthy’ if eaten in ‘reasonable quantities’. As, however, there is no knowledge of ‘reasonable quantity’ such traffic light labelling can lead individuals to over-consume certain foods that appear ‘healthy’, but are not, while not eating ‘good’ food in small doses only because of some optical signal on the packaging that suggests that over-consumption may not be particularly healthy. Furthermore, being ‘publicly’ nudged in terms of pension provision may also give a signal that future retirement earnings are safe and at an appropriate level, when they may not be. Individuals therefore may be not interested in considering private savings options. In short, nudging relies on a signal that is ‘easy’ to understand; it may have the unintended effect of individuals caring even less over long-term consequences of their short-term actions.
Over-commitment emerges when Nudge-type initiatives are announced with great fanfare, are adopted with much enthusiasm, but then lead to disappointment. One example of over-commitment is where the intended response overwhelms existing administrative capacities. In response, support may decline and therefore increased use of the ‘opt out’ option will occur. For example, an ‘opt out’ organ donation system may be widely supported, but will lose support if body parts are found to be rotting in hospitals as no system exists to move vital organs to potential recipients. Another example is where the individual gets over-whelmed by the multiplicity of nudging devices. Similarly worded statements to incentivise on-time tax payment, multiple labels to inform about food choices and online billing information may lead to a nudging overload that leads to a reluctance to be guided by such information (especially with online billing when this requires the retrieval of passwords). A third example of over-commitment is the long-term effect of Nudge. It remains to be seen whether the long-term effect of nudging will not wear-off, therefore requiring ever more fancy devices to attract individuals’ attention.

These four mechanisms are not meant to suggest that all Nudge-type interventions are going to fail. However, what they do suggest is that Nudge is unable to remove itself from the context of bounded rationality. Not all nudging will be ineffective, or that alternative strategies are more (or less) useful than Nudge. Even a policy tool that claims to be rationalising ‘bounded rationality’ is faced by limitations introduced through the presence of bounded rationality.

Implications

This paper has focused on Nudge as the latest incarnation of ‘rational’ policy tools that seek to overcome the limitations introduced through bounded rationality. As noted, Nudge is a somewhat different policy tool as it focuses on the target of the policy intervention, not at the way in which decisions within government are being made. However, as previous studies of such ‘rationalising’ instruments have argued (Wildavsky 1966), this paper suggests that Nudge is unlikely to overcome these inherent limitations. Nudge has very high rationality assumptions, it assumes the possibility of expert judgement, the possibility to predict the effect of ‘architecture’ choices, and the possibility of well-intentioned individuals’ willingness to choose on the basis of being better informed. The one missing element in this context is the argument that rationality in decision-making can be enhanced through participatory decision-making. Nudge does not seem to believe in deliberation.
We do not wish to argue that the limits of Nudge could be overcome through deliberation or that deliberation should replace Nudging. What we do, however, argue is that Nudge suffers from an over-optimism in its rationality assumptions that is particularly astonishing in that it addresses bounded rationality directly. Nudge is not sufficiently reflective of its own limitations. The direct implication therefore is that Nudge-enthusiasts in government (and beyond) should be nudged into considering further the type of experimental evidence-base they are relying on and the inherent trade-offs and side-effects that occur in organisational and individual decision-making.

But what other implications exist in terms of understanding tool choice in government? One response is to say that Nudge is, as noted, just one more fad in government where the promise of greater ‘rationality’ will inevitably be disappointed. Therefore, Nudge will be quietly and quickly forgotten (as will be this paper) once the industry of consultants, economists and think tankers have moved to the next fashion.

A more far-reaching response would be consider the persuasive appeal of Nudge, thereby focusing on the conditions that explain the current ‘policy boom’ (Dunleavy 1986). We have noted that Nudge appeals to diverse constituencies, whether it is those that emphasise the choice element, those that emphasise the possibility of using evidence, and those that emphasise the possibility to shape private choice for public gain. It also appeals politically as it suggests ‘cheap government’: governing through nodality rather than through treasure, authority or organisation offers a promise of little resource depletion. Whether governing through nodality can be done ‘on the cheap’ as ‘depleted states’ are unable to address policy challenges in more resourceful ways is questionable.

Finally, the current Nudge fascination raises a further implication. Nudge appeals as it reflects the growing interest in how individuals and organisations are capable and motivated to comply with wider public policy goals. This raises interesting questions for the study of policy and administration: one is how to investigate the capacity and motivation of individuals and organisations; another is to explore how to respond to differently capable and motivated individuals and organisations. Finally, it also requires a renewed focus on policy interventions in the context of dispersion where individuals and organisations are confronted by a range of separate governmental priorities and agendas.
References


