



Obama's Budding Nanny State

By RICHARD WILLIAMS

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Parents often try to motivate their children with rewards, from stickers to ice cream to toys. Thousands of books and websites offer suggestions for how to get kids to do homework or clean up their rooms. But is it a mayor's job to motivate you to drink less soda? Is it government's job to urge you to sign up for health care by way of schools stealthily sending messages home through your children? Should bureaucrats find ways to change your mind about which [washing machine](#) you buy?

Whether you realize it or not, this so-called “nudging” of consumer choice, at the hand of government, is underway: Earlier this year, the White House revealed that it is [establishing](#) a task force dedicated to studying how to motivate you—just as parents do—to do what the government thinks is best for you. Maya Shankar, a senior adviser in the White House Office of Science and Technology Policy who is assembling the team, recently [told the New York Times](#) the task force will use “evidence-based policymaking” so that “government services are efficient, effective, and serve the needs of the American people.” To be clear, Congress did not pass legislation

authorizing such activity; this is something dreamt up by bureaucracies to force their own preferences on citizens, whether by combatting obesity or discouraging procrastination when it comes to saving for retirement.

If the idea of federal government officials treating you like a child makes you squeamish, you must first understand the rise of “behavioral economics” in politics—a practice that is expanding rapidly with very little public involvement, transparency, or oversight.

Behavioral economics—the study of how psychology affects people’s decisions—most recently became a buzzword when former White House official Cass Sunstein co-authored, with University of Chicago economist Richard Thaler, the book [Nudge](#) while Sunstein was still a law professor at Harvard. In 2009, Obama appointed him as administrator of the Office of Information and Regulatory Affairs, where Sunstein championed cost-benefit analysis of regulation, as well as “nudges.” Sunstein left government in 2012 to return to academia, but the “nudge” school of thought has clearly lingered in the Oval Office: The newly created behavioral economics task force is the most prominent—and most disconcerting—example yet.

In May of this year, the White House [convened](#) a group of experts for a workshop—along with the National Institute on Aging (part of the National Institutes of Health), the White House Office of Science and Technology Policy, the White House Council of Economic Advisers and the Association for Psychological Science—to discuss how behavioral economics can better serve [public policy](#). The NIA says that while it “does not support policy research per se, findings from the basic behavioral and social science research that it does support are an important resource for informing policies.” Much of this [research](#) is now featured on the NIA’s website, under its [Division of Behavioral and Social Research](#).

According to a government [document](#) obtained by [Fox News](#), the task force is modeled after Britain’s [Behavioural Insights Team](#), or “nudge unit,” which is itself based on Sunstein and Thaler’s ideas. The American version will consist of four to five behavioral science experts working with more than a dozen federal departments and agencies to “help design public policies that work better, cost less, and help people to achieve their goals.” While most uses for behavioral economics fall to regulation, the task force has not announced exactly how it will function or whether it is confined just to the regulatory process. In fact, there is very little public information about the team at all.

But behavioral economics carries serious risks, because it’s not really about helping you achieve your own goals. Think about the range of questions you might ask yourself when buying a new car: Which is the safest, or the cheapest? Which gets good gas mileage? Which is the best fit for your family? Which has enough payload capacity to meet your small-business needs? Now think about what would happen if, instead of you answering these questions for yourself, it was government bureaucrats nudging you away from your preferences and toward theirs.

With respect to cars, if the administration’s goal is energy efficiency, for instance, other considerations might be relatively unimportant to them. That’s what the Corporate Average Fuel Economy (CAFE) standards, recently made stricter by the Obama administration, are all about. The assumption is that despite the recently increased price of gasoline, consumers are still too

shortsighted to buy cars with better gas mileage, perhaps prioritizing other considerations such as cost or vehicle design. CAFE standards simply force the issue by making car companies produce more fuel-efficient fleets in the first place. The Department of Transportation uses the same logic in asserting that companies would be better off economically if they just bought trucks with lower gas mileage. Again, nudges are about achieving government goals, not personal goals.

This approach is a huge extension of government's role, one that is fraught with peril—it represents nothing less than a fundamental rethinking of the democratic system. Normally, democracy empowers government to be responsive to your preferences. That's what voting is all about: You vote, Congress passes laws in line with voters' inclinations, and bureaucracies carry out those laws. But the reality is now quite the opposite, as the federal government employs manipulative psychology to bring about its desired outcomes, which are intentionally hidden from voters.

The “nudge” philosophy of government is also problematic from a market perspective. Traditionally consumers empower governments to protect them—for instance, from inaccurate or insufficient product information or pollution, which are not always inherently part of market transactions. In the field of behavioral economics, bureaucrats try to guess what they believe to be citizens' personal mistakes—decisions individuals would regret if only they were as rational and enlightened as government officials. But, not only are government officials subject to the same psychological errors as everyone else, they are also constantly nudged into decisions by political factors, such as firms seeking favors from government or logrolling, whereby one politician supports another's bad decision in order to get his or her support in the future. This makes it unlikely that the government is actually looking after our best interests. What began as a benign effort may evolve into something truly scary.

How can a bureaucrat in Washington, D.C., determine what's right for you when your needs are different from everyone else's? Behavioral economics and “nudge” theories suggest that if you provide people with the right information through the right channels, they will be empowered to make choices that help them achieve their own goals. Sure, businesses already do this through marketing to consumers, but they do it in a competitive setting. The problem here is that government, in contrast, can act as a monopoly, making blanket decisions for a range of citizens. What's worse, because government has coercive power, bureaucrats are equipped not just to influence people's choices, but also to enact regulation to *force* choices. In the government's hands, the nudge becomes a shove.

Behavioral economists have identified [hundreds of personal decision-making errors](#)—that purport to show that we often act in ways we think are in our best interest but actually aren't. But if we begin to recognize the correction of these errors as a legitimate function of government—with no constitutional constraints—there is absolutely no area of our personal lives that bureaucrats cannot try to shape. We the unwitting children in this scenario, along with our personal liberties and consumer preferences, will take a back seat to the preferences of the supercilious bureaucrats and special interests behind the wheel—who may ultimately drive us down a very slippery slope.

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