A ‘nudge’ in the right direction: a tool for pro-environmental behaviour

An overview of research into ‘nudge’ theory and practices has recently been presented. While there is much evidence to show how humans make decisions, translating these psychological and economic insights into viable policy instruments that encourage behavioural change remains challenging, the authors conclude.

The study draws on experiences from a range of sectors, including health and finance, which could help inform nudge strategies designed to encourage pro-environmental behaviour. Nudge strategies have arisen in response to modern society's shift towards a focus on individuals, who are no longer passive to authority. This social change requires new ways for policymakers to interact with citizens.

These strategies reject the idea that humans are rational, calculating and effective information processors. In fact, research suggests that people are less than perfect decision makers, and react according to social norms and pressures, as well as their own moral values.

According to the researchers, the observation that people like to work in groups to achieve collective goals can have implications for environmental policy; governments should focus on developing institutional apparatus to enable this. For example, they propose the development of community websites or public events where environmental issues can be discussed.

Insights from psychology and behavioural economics provide further clues as to how citizens can be approached in new ways to nudge their behaviour. For example, it is known that people are averse to loss: therefore fines are likely to be a more powerful motivator for changing behaviour than financial rewards. For the same reason, in the health sector, quit smoking campaigns that highlight life years lost through smoking have been more effective than campaigns which highlight life years gained by quitting.

As humans, we place more weight on short-term rather than long-term threats or opportunities, for example, many are unmotivated to save for retirement. ‘Commitment mechanisms’ can therefore be built into public policies to place more focus on the short-term. The researchers highlight a pension saving programme with a ‘buy now pay later’ principle as a good example of this. Under this scheme, employees commit to making savings, but do not have to pay anything for the first two years.

People are also often uncomfortable with change and keen to maintain the status quo. Policymakers can address this by altering the way choices are made to ensure that the default action maximises social welfare, for example, opt-out rather than opt-in schemes, such as automatic enrolment onto organ donation programmes in the health sector.

Research shows that morality also plays a role in citizen behaviour. Paying for people to give blood, for example, can undermine social values and reduce willingness to donate. Financial incentives are therefore not always the best way to encourage public participation. According to research, nudge strategies can encourage more civically minded behaviour, at least in the short or medium term. However, more evidence needs to be gathered before they should be adopted, the researchers argue. There is still a strong case for the continued use of more conventional tools of government intervention based on rules and financial incentives. Environment policy provides a good example of where regulations can be used to underpin nudge interventions: i.e. the requirement for energy companies to publish information about average consumer usage to encourage individuals to reflect on their own energy usage.