

# Nudge Economics as Libertarian Paternalism

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Theory, Culture & Society

0(0) 1–24

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DOI: 10.1177/0263276421999447

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## Abstract

Given the growing prominence of nudge economics both within and beyond the academy, it is a timely moment to reassess the philosophical and political arguments that sit at its core, and in particular what Richard Thaler and Cass Sunstein call libertarian paternalism. The first half of this paper provides a detailed account of the main features of this form of paternalism, before moving, in the second half, to a critical evaluation of the nudge agenda that questions, among other things, the gendered basis of paternalistic governance; the idea of ‘nudging for good’; and the political values that underpin nudge. The final section of this paper builds on the existing work of John McMahon by asking whether libertarian paternalism should be understood as a new, hybrid form of neoliberalism, or, rather, as a post-neoliberal form of governance that has emerged out of, and flourished in, the post-crisis situation.

## Keywords

behavioural economics, libertarian paternalism, neoliberalism, nudge, Sunstein, Thaler

In 2008, at the very point at which the global financial crisis unfolded, Richard Thaler and Cass Sunstein published their landmark book *Nudge: Improving Decisions About Health, Wealth and Happiness*. The success of this book, which has now sold over 1.5 million copies, was not unconnected to the timing of its publication, for as financial markets entered a state of all-out panic, *Nudge* insisted that we should move away from models of markets made up of fully rational actors and towards an understanding of humans as beings that, by nature, are prone to making mistakes. The arguments of *Nudge* were not altogether new, as they built on previous attempts by figures such as Daniel Kahneman and Amos Tversky to apply insights from behavioural psychology to the field of economics (see Thaler, 2015, for a detailed account). What was new, however, was that *Nudge* presented and applied these insights in ways that could be understood both by policy makers and lay readers, while at the same time advancing an intellectual critique of

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neoclassical ideas of market equilibrium and the *homo economicus*. Not surprisingly, *Nudge* attracted extensive critical scrutiny from across the social sciences (see, for example, John et al., 2009; Anderson, 2010; Jones et al, 2013; Leggett, 2014) in the immediate years following its publication, but since this early wave of interest the intellectual status and governmental influence of nudge economics have grown markedly. In 2017, Thaler won the Nobel Prize in Economic Sciences, and in 2018 Sunstein was awarded the prestigious Holberg Prize by the Norwegian government. Meanwhile, on the ground, the flagship UK Behavioural Insights Team, which was championed at its outset by the then Prime Minister, David Cameron, and advised by Thaler (see Thaler, 2015: 330–45; Halpern, 2015), has expanded from a team of seven people based in the Cabinet Office to a ‘global social purpose company’ that has worked on 750 projects worldwide and has trained 20,000 civil servants and practitioners in ‘behavioural insights’ of different kinds (see <https://www.bi.team/about-us/>).

Over the past decade, nudge economics has moved from strength to strength, both within the academy and policy circles, leading David Halpern, Chief Executive of the Behavioural Insights Team, to declare triumphantly: ‘one thing is for sure: nudging – the use of behavioural insights and the experimental methods it has brought in its wake – are here to stay’ (2015: 351). This prediction has thus far proved to be correct, as in the UK a number of prominent behavioural scientists, including Halpern, have become members of the Scientific Advisory Group for Emergencies (SAGE): *the* body to have provided ‘scientific and technical advice’ to aid government decision-making through the current Covid-19 crisis. Indeed, in the UK ‘behavioural insights’ have been central to the government’s response to this crisis: from the idea of herd immunity advanced by Halpern (which was initially adopted but soon dropped by the government) through to practical nudges designed to encourage mask-wearing and effective hand-washing (see <https://www.bi.team/our-work/covid-19/>). Nudging, it seems, is not only here to stay, as Halpern predicted, but is becoming increasingly prominent as both a theory and technique of governance.

Given this, it is a timely moment to reassess the philosophical and political commitments that sit at the core of nudge theory. While, at first sight, the growing prominence of behavioural economics might seem far removed from the concern of this special issue – post-neoliberalism – this is not the case, as the success of *Nudge* is underpinned by an argument for a particular type of political-economic governance that works out of but also beyond existing forms of neoliberal reason (see McMahan, 2015): what Thaler and Sunstein call *libertarian paternalism*. This article will look critically at this form of paternalism, the details of which have been rearticulated and refined by Thaler (2015) and Sunstein (2014, 2019a) many times since the publication of *Nudge*; something that

has been neglected in existing analyses of nudge economics in favour of assessment of different behavioural policy interventions (notable exceptions are Pykett, 2012; Brown, 2012; Curchin, 2016; Hansen, 2016). With this aim, the first half of this paper provides an outline of Thaler and Sunstein's conception of libertarian paternalism, before moving, in the second half, to a critical evaluation of the nudge agenda that will question, among other things, the gendered basis of paternalistic governance; the idea of 'nudging for good'; and the political values that underpin *Nudge*. The final section of this paper, in keeping with the broader aims of this special issue, will build on the work of McMahan (2015) by arguing that libertarian paternalism is a new, hybrid form of neoliberalism, rather than something that might be termed 'post-neoliberal'; one that departs, in important respects, from Austrian, German and North American trajectories of neoliberal reason while, at the same time, developing and extending these in new ways by addressing the 'internalities' of consumer behaviour that cannot be disciplined and corrected by raw market forces.

### **What is Libertarian Paternalism?**

At the heart of the nudge agenda is an ideal of soft governance that seems contradictory in basis: libertarian paternalism. This term, which was originally to be the title of the book *Nudge* (Thaler, 2015: 324), was first articulated by Thaler and Sunstein in a paper published in 2003, in which they argue for a form of soft paternalism that operates without coercion and which seeks to influence individuals to make better consumer and lifestyle choices rather than, in the spirit of harder forms of state paternalism, restrict the range of choices on offer. The idea is that libertarianism and paternalism can be combined in order to correct the deficiencies that, for Thaler and Sunstein, are inherent in both. For, on one hand, hard paternalism is said to impinge on individual freedom of choice, while, on the other, raw libertarianism assumes that individual consumers are rational creatures that are able to act in their own best interests. Thaler and Sunstein argue instead that humans are not 'econs' (see Thaler, 2015: 348) and do not act like the idealized subject of *homo economicus* as they are afflicted by behavioural biases of different kinds (overreaction, lack of self-control, over-confidence, guilt, to name but a few; see Thaler, 2015), and so may not be able to make optimal choices from which they will benefit. For this reason, a form of soft paternalism is needed to improve the choices made by individuals without coercing them to act against their will. To this end, Thaler and Sunstein argue that experts with an understanding of behavioural science can gently 'nudge' people to make choices that will improve their lives in ways that do not restrict the freedoms of those involved. They write: 'Because people are humans not econs... they make predictable errors. If we can anticipate

those errors, we can devise policies that will reduce the error rate' (Thaler, 2015: 325). And in an earlier paper: 'Our goal... [is]... to defend libertarian paternalism, an approach that preserves freedom of choice but that authorizes both private and public institutions to steer people in directions that will promote their welfare' (Thaler and Sunstein, 2003: 179). On this basis, Thaler and Sunstein argue that libertarianism and paternalism are 'far more attractive together than alone' (Thaler and Sunstein, 2008: 5). For by improving the architecture of choice (soft paternalism), rather than restricting choice through state-imposed mandates and bans (hard paternalism), they argue that individuals can be empowered to make better choices for themselves, thereby limiting the extent and reach of government and state-based forms of coercion (in keeping with a libertarian ethos).

In the introduction to *Nudge*, Thaler and Sunstein articulate this vision of libertarian paternalism in further detail, and, in particular, attempt to defend their position against libertarian critics who might argue that any form of paternalism, no matter how soft it be, inevitably introduces elements of coercion and control that restrict individual freedoms. Against this charge, they cite Milton Friedman, and argue not only that people should be 'free to choose', but also that freedom can be enhanced rather than restricted by altering the structure of choice to benefit the chooser. They are vocal on this point: 'Libertarian paternalists want to make it easy for people to go their own way; they do not want to burden those who want to exercise their freedom' (2008: 5). They argue that 'choice architects' can help individuals go their own way by nudging them to make choices that will make their lives 'longer, happier, and better', and that the value of these choices, ultimately, is to be judged not by the experts who do the nudging but by individuals who are the recipients of the nudge. They add that nudging tends to involve modest interventions, including setting default options for consumers in order to make choice easier (see, for example, Thaler and Sunstein, 2008: 14), if indeed choice subsequently remains necessary. Thaler and Sunstein anticipate that this could alarm more traditional libertarians who loathe placing trust in government officials, bureaucrats and experts, on the grounds that this can empower them to act in their own interests. In response, Thaler and Sunstein state that 'we share these concerns', and, because of this, 'we emphatically agree that for government, the risks of mistake, bias, and overreaching are real and sometimes serious'. But this concern, they say, bolsters rather than detracts from their brand of libertarian paternalism: 'We favour nudges over commands, requirements, and prohibitions in part for that reason' (2008: 11). They argue that nudge economics safeguards against government coercion because it works by preserving individual freedom of choice (Thaler and Sunstein, 2008: 12), and, more than this, it can enhance such freedom by enabling individuals to navigate life-choices in ways that will bring greater benefits to themselves (Sunstein, 2019: 1–10).

While the arguments of *Nudge* have been celebrated in some circles as being ‘groundbreaking’ (Brown, 2014), Thaler and Sunstein are not alone in seeking to reinvent paternalism as a form of contemporary governance. Through the 1990s, Lawrence Mead – one of the most prominent neo-conservative commentators on questions of welfare and poverty – laid the grounds of a ‘new’ paternalism that was intended to control the lives of the poor (see Mead, 1997: 6). Mead’s work is important because he was *the* figure to reintroduce the idea of paternalism into mainstream US and then UK politics through this period (his work, for example, was of interest to the Institute of Economic Affairs, which published an edited collection, *From Welfare to Work*, which had the subtitle *Lessons from America*; see Mead et al., 1997). It is, as Curchin (2016) suggests, instructive to compare Mead’s work to that of Thaler and Sunstein, as it is against the backdrop of his ‘new’ paternalism that their brand of libertarian paternalism can be considered something new. While neither Thaler nor Sunstein reference Mead in their major writings, Mead, for his part, wrote an early review of *Nudge*, through the course of which he is critical of their ‘libertarian’ commitment to turn welfare ‘obligations’ into individual ‘choices’ (see Mead, 2009). It is useful to turn back to Mead’s work to consider the type of paternalism against which *Nudge* is positioned, even if implicitly, and to address the political values that underpin Thaler and Sunstein’s commitment to a libertarian alternative.

The obvious place to start is Mead’s edited collection *The New Paternalism*, at the outset of which paternalism is defined as ‘the close supervision of the dependent’ (1997: 1). Mead’s concern in this volume is a political one: to develop new ‘supervisory policies’ that can be ‘directed toward the poor or disadvantaged, or at least members of these groups who become dependent on society’ (1997: 2). The aim of such policies is to move from a conception of welfare as an automatic right for the poor to something that is to be dependent on them meeting ‘*certain behavioural requirements*’ (Mead, 1997: 2; emphasis added). Underlying this shift is a distinction between the poor that are deserving, or who are well-behaved and exhibit the correct behavioural traits, and the deviant poor who are not. Mead’s blueprint for a ‘new paternalism’ centres explicitly on changing the behaviour and habits of the poor, and in the first eight pages of *The New Paternalism*, there are four references to ‘behavioural requirements’ and one reference to ‘good behaviour’. For Mead, behavioural change is to be achieved through government-led initiatives that actively seek to change and control the lifestyles of the poor, first, by enforcing norms that should be obligatory (for example, ‘policies that make school attendance compulsory for children or require welfare recipients to work as a condition of receiving aid’ (1997: 4); and, second, by granting government agencies the power ‘to judge individual interests’ and, with this, the ‘right to tell its dependents how to live, at least in some respects’ (1997: 4). This is the basis of a new paternalist

social policy that is 'directive' in basis, and which emphasizes the obligations of welfare 'clients' instead of prioritizing their rights or needs (see Mead, 1997: 21).

Mead's primary contribution to a social policy that is directive in this way is workfare (see Mead et al., 1997): a government-led initiative that seeks to address 'low work levels among poor adults' by enforcing work as a requirement for welfare benefits provided by the state in return. Mead argues that this form of directive social policy is required because the poor cannot be left to seek work on a voluntary basis as their situation results from their 'passivity', or, put bluntly, from the fact that 'they do so little to help themselves' (1992: 213). Active governance from state agencies is thus needed, for Mead, to discipline the poor in order to make sure that welfare support is well-deserved. This means that poverty is treated as something rooted in the behaviour and values of those who are dependent on welfare for their survival, not as a systemic property of a capitalist system that operates to the advantage of a few against the many. There are similarities here with the work of Giddens, in which the poor are encouraged to change their lifestyles by becoming more entrepreneurial and engaging in 'active risk taking' to better themselves (see Giddens, 1998: 116). But in the work of Mead, more directly, the poor are seen to be at blame for being poor, and because of this their position can be improved through state intervention and governance that changes their behaviour and conduct.

This argument has a strong racial dimension. For just as the poor are said to be at blame for their position because of their lack of desire to work, Mead argues that 'black success' is prevented, for the most part, not by structural forms of racism and discrimination, but by misplaced beliefs and inadequate family structures (see Mead et al., 1997: 14–15). Mead's answer is to emphasize and enforce the value of work, which is said to be the cure for 'family failures' and the moral ineptitude of the poor. He writes: 'Those who would be free must first be bound... The source of bondage for today's seriously poor is no longer social injustice but the disorders of their private lives. For these Americans, the way forward is no longer liberation but obligation' (p. 15). And this, in sum, is the basis of his new paternalism: a corrective form of governance that identifies the causes of inequality as lying within the private lives and associated family structures of individuals, and which sees paid work, rather than welfare, as the solution.

It would appear, at first sight, that the new paternalism of Mead and the libertarian paternalism of Thaler and Sunstein are far removed from one another. Mead, in a review of *Nudge*, takes issue with many of the core principles of Thaler and Sunstein's work. He argues that while, in *Nudge*, humans are presented as irrational beings, there is one group, in particular, that possesses 'serious dysfunctions': the underclass. Because of this, he says, social policy should be strongly paternalistic, and that for

the benefit of society more widely the behaviour of this group must be governed: 'Welfare recipients must work to get aid, the homeless must obey rules to get shelter, and students must pass tests to be promoted in school. Those demands are not libertarian. They are presented as obligations, not choices' (Mead, 2009). Mead, furthermore, objects to the underlying economism of Thaler and Sunstein's position, arguing that while they are critical of *homo economicus*, nonetheless they remain wedded to a model of economic (ir)rationality, and this, among other things, ignores the moral basis of capitalism. This underlying morality, which is not purely economic in basis, is, he argues, rooted in the 'tendency to care about the views of others', and is not a violation of rationality but a virtue that is a distinguishing feature of the modern Western order, one that is missing elsewhere. Mead writes: 'A lack of trust and civility is one reason markets fail to make societies rich in the less developed world' (2009).

Such proclamations are far removed from the soft economic paternalism advocated by Thaler and Sunstein, and there are at least three other differences between nudge economics and Mead's new paternalism that are worthy of note; differences that in some respects also reveal points of convergence. First, whereas Mead's work centres on correcting the poor by requiring them to work for benefits, Thaler and Sunstein frame *Nudge* as being of universal benefit to humankind, not just the poor, by encouraging individuals to become better, self-benefitting consumers. Rather than targeting a group explicitly, such as the 'black' and 'poor' in the work of Mead, which is then directed to improve itself through work, the nudge agenda seeks to empower individuals in general to better their lives by nudging them closer to a fictional model of *homo economicus*. The question, however, is whether nudges are indeed to be applied in general or rather to improve the lives of individuals who deviate furthest from an economically 'rational' behavioural norm. If the rich, while still prone to making mistakes, come closest to this norm given that at some point they have made good financial decisions, then does this mean that it is the poor, in particular, that need nudging to be better decision-makers? And does this imply, by extension, and in line with the work of Mead, that poverty can be explained by the behavioural traits of different individuals and groups? It might be noted that this is not the only point on which the positions of Mead and Thaler and Sunstein potentially converge, for both call for responsibilities to be passed downwards from the state to individuals who are then expected to take better care of themselves. In the work of Mead the poor should take responsibility for their own fate while being directed and supervised by state agencies, while in Thaler and Sunstein individual consumers are to be nudged to make choices from which they will benefit. What is missing, however, in both cases, is any concern for structural forms of power and privilege that produce and maintain forms

of material inequality and which shape and constrain the very basis of choice-making; a point to which we will return below.

Second, whereas Mead's directive social policy is to be government-led, the work of Thaler and Sunstein gives increased prominence to 'experts' or 'choice architects' who not only declare themselves to be politically neutral (see Thaler and Sunstein, 2008: 14–15), but also claim to reduce the cost and increase the effectiveness of government through the application of scientific methods and principles drawn from the field of behavioural science. Will Davies rightly views the emergence of such experts as a key feature of neoliberalism: 'We see new breeds of expert – coach, regulator, risk manager, strategist, guru – offering toolkits and advice on how to navigate and act upon a constantly changing and unpredictable environment' (2014: 29). He adds that these 'technocrats do not fit tidily into categories of "science" or "politics", as they are neither "objectively" disengaged like the scientist, nor goal oriented like the politician' (2014: 29). Does this description apply to choice architects such as Thaler and Sunstein? They claim that the nudge agenda is independent of any particular political ideology because it is underpinned by hard science, and, because of this, can be used to cross 'partisan divides' (2008: 15). At the conclusion of his book *Misbehaving*, Thaler declares that behavioural scientists 'have a lot of wisdom', and that we should draw on this 'by carefully selecting nudges based on science and subjecting these to rigorous tests' (2015: 345; on the use of randomized control trials, which Sunstein (2014: 11) terms 'the gold standard for empirical research', see Thaler, 2015: 338–43). Whether nudge economics is indeed a form of value-free science will be considered below, but, for the moment, it is important to note that the goal of the nudge is not to introduce new government-led initiatives, such as Mead's workfare, but to transform the understandings and techniques of government itself through the application of principles drawn from behavioural science, or what Davies (2014: 167) aptly terms 'economic psychology'. Throughout *Nudge*, the gains from such behaviourally-informed government are presented primarily in economic terms: they can help cut through red-tape and avoid waste (on the so-called 'Red Tape Challenge' see Halpern, 2015: 57); they can make changes to the underlying architecture of consumer choice at very little cost; and because of this there is 'no burden on taxpayers at all' (Thaler and Sunstein, 2008: 14). The aim, then, is to transform the culture and practice of government rather than extend the scope and reach of state power, as with the harder paternalism advocated by Mead. Hence, Thaler and Sunstein declare, in a key opening passage of *Nudge*, that '*we are not for bigger government, just for better governance*' (2008: 15, emphasis in original).

Third, whereas, for Mead, the family is the key social institution for promoting personal and public welfare, the value and role of this



institution within nudge theory is less clear. One complication is that Thaler and Sunstein draw a vision of libertarianism from the work of Milton Friedman, and in particular from his co-authored book with his wife Rose Friedman, *Free to Choose* (1980). While it might be presumed that a strong libertarian position such as that advanced by Friedman might not see the value of social institutions such as the family, quite the opposite is the case. For in *Free to Choose*, Milton and Rose Friedman state that: ‘The family, rather than the individual, has always been and remains today the basic building block of our society, though its hold has clearly been weakening – one of the most unfortunate consequences of the growth of government paternalism’ (1980: 33). While it might come as a surprise that, for Friedman, the family rather than the market is the key societal institution, as Melinda Cooper (2017: 42–9) has shown in detail, this position is closely tied to his broader stance on the question of welfare reform. How, then, do Thaler and Sunstein position themselves in relation to these arguments by Friedman and Mead on the status of the family? Their answer is to radicalize Friedman’s libertarianism by arguing that if government paternalism has a tendency to weaken the family unit, then the solution is to privatize marriage so that ‘the directive and exclusionary role of the state’ is reduced (Thaler and Sunstein, 2008: 221). Their position is thus quite different to neo-conservative approaches, including the new paternalism of Mead, that seek to reinstate traditional family values. Their answer instead is to argue that the current institution of marriage ‘is not nearly libertarian enough’ (Thaler and Sunstein, 2008: 218) as it ‘creates a monopoly on the legal form of marriage; imposes sharp limits on who may enter and how; and accompanies the legal form with material and symbolic benefits that it alone confers’ (2008: 219). Thaler and Sunstein are insistent that the state should not interfere in such private matters, but with one notable exception: where the interests of children are involved. In such cases, legal ‘mandates’ rather than mere behavioural nudges are said to be ‘perfectly appropriate’ (2008: 218).

Such questions regarding the limits of state paternalism, including who it should apply to and the form it should take, return us to the concerns of 19th-century political economy and in particular the work of John Stuart Mill, which, at its core, addresses what Claeys terms ‘the nature and limits of the power which can be legitimately exercised by society over the individual’ (Mill, 1991: 5). Mill’s ideas feature prominently in the work of libertarian paternalists such as Sunstein, and in particular his book *Why Nudge?*, which takes the following passage from Mill’s *On Liberty* as one of its epigraphs:

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

sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because, in the opinion of others, to do so would be wise, or even right. (Sunstein, 2014; see Mill, 1991: 14)

This passage is quoted routinely within libertarian readings of Mill (of which there are many; see Claeys, 2013: 1) that call for freedom of the individual from the powers of the state except in instances where harm is caused to others (the so-called ‘harm principle’). In such readings, Mill is celebrated as a champion of negative liberty and of the private freedoms of the individual, as exemplified by his declaration that ‘Over himself, over his own body and mind, the individual is sovereign’ (Mill, 1991: 14). But caution must be exercised here as, isolated passages aside, Mill is by no means a libertarian in the sense advocated by Thaler and Sunstein. Elsewhere in *On Liberty*, Mill, while asserting the value of individuality, not only declares that ‘no person is an entirely isolated being’ (1991: 88), with the implication that private choices and harms are likely to impact on the lives of others, but also that the state should be positioned to maintain ‘a vigilant control’ of the power an individual can exercise over others (see 1991: 116). Moreover, as Claeys (2013: 11) rightly argues, it is a mistake to read Mill’s *On Liberty* in isolation from his other major works, in particular *Principles of Political Economy*. A broader reading of Mill reveals that in important respects he favoured state intervention to promote social equality and justice – a commitment that is far removed from the work of Friedman, which, in turn, is the touchstone of libertarianism for Thaler and Sunstein. Claeys (2013: 119) observes that, for Mill, such intervention is to take many different forms: the state should tackle inequality through redistributive taxation and land reform; it should exclude uneducated people from franchise; and it should counter the excesses of free market capitalism through the introduction of Poor Laws. And on this basis, Claeys describes Mill’s approach as paternalist rather than libertarian, for ‘it sought to augment happiness, security, liberty and equality where these failed to result from individual activity freely themselves’ (2013: 122). Nothing, seemingly, could be further from the libertarian cause.

Sunstein does not side either with Mill’s state paternalism (as described by Claeys above, and which is barely recognized in Sunstein’s account) or with his harm principle. Rather, *Why Nudge?* (2014) opens with the declaration that ‘it is exceedingly important to limit the power of government, and of course individuals often know best. Adults should not be treated like children’. It continues: ‘On those scores, Mill still has a great deal to teach us’ (2014: 5). Sunstein, however, objects to Mill’s harm principle (which is not seen to be paternalistic; see Sunstein, 2014: 80) on the grounds that humans are prone to behavioural biases of different types and thus make mistakes that can

result in serious harm to themselves and to others (see Sunstein, 2014: 163). For this reason, he argues, a soft form of paternalism is necessary to tackle the ‘*internalities*’, or the irrationalities of individual choice-making that lead to ‘problems of self-control and errors in judgement’ (Sunstein, 2014: 37), rather than the externalities, or unforeseen risks and uncertainties, that have been a key concern of economics from the work of Arthur Pigou onwards.

Sunstein refines this argument by making two important qualifications about the type of paternalism he has in mind. First, he draws a distinction between ‘means’ paternalists, who seek to improve the choices people make to reach their desired ends, and ‘ends’ paternalists, who attempt to narrow freedom of choice with the intention of benefitting the well-being of the chooser. Sunstein firmly advocates the former (means paternalism) and argues that the aim of libertarian paternalism is ‘to create choice architecture that *will make it more likely that people will promote their own ends, as they themselves understand them*’ (2014: 19, emphasis in original). And second, he argues that the nudge agenda is in keeping with ‘soft’ paternalism in so far as it seeks to ‘*improve people’s welfare by influencing their choices without imposing material costs on these choices*’ (2014: 58, emphasis in original). On both counts, Sunstein argues, this form of paternalism can still be termed libertarian because it seeks neither to direct people towards particular ends nor restrict the range of ends from which they are able to choose.

Sunstein returns to these questions in his book *On Freedom* (2019a), in which he identifies what he calls ‘*navigability*’ as the main challenge for people to be free in the modern world. For while individuals should be free to do what they wish without harming or coercing others, the questions that follow as a consequence are: what if they ‘do not know how to find their way? What if they have no idea?’ (2019a: 1). The answer is that choice architects should help people select the right means to reach their desired ends or destination, not by providing rules or guidance but rather ‘a kind of map’ (2019a: 40) that suggests possible routes to different destinations without prescribing any in particular. Again, it is instructive to contrast this position to that of Mead, as the question of navigation is a repeated theme in his work on what he calls the ‘*passivity*’ of the poor. Mead explains that in using the term ‘*passive*’, ‘I do not mean they lack all energy – their activity may be frenetic – but their actions lack purpose and direction’ (Mead, 1992: 213). And because of this, he argues, supervised programs of workfare, rather than a ‘map’, are necessary: ‘These measures assume that the people concerned need assistance but that they also need direction if they are to live constructively’ (Mead, 1994: 2). Whereas, for Mead, workfare is the *means* not only to welfare but to citizenship and inclusion within society more generally, Sunstein seeks to apply theories and methods of behavioural science in order to identify specific ‘*human*’ behavioural traits or internalities that can be addressed

through new forms of psychological governance – traits that include ‘limited attention’, ‘self-control problems’, and ‘behavioural biases’ such as short-term attention to the present (see Mead, 2019: 15). As a consequence, Sunstein does not move directly from a behavioural analysis of specific groups to a set of disciplinary policy interventions, as in Mead’s new paternalism, but instead insists that nudges can be deployed to help groups of individuals, most notably the poor, to help themselves. He declares, for example, that ‘insufficient navigability’ is a ‘pervasive problem’ for poor people, and that nudge architects should make modest interventions to structure choice to enable them to find the ‘right track’. The answer, he argues, is not to impose rules or burdens, but to make it easier for individuals to navigate themselves through different life-choices. The idea of a map is again used to illustrate this point: ‘A GPS device respects people’s ends; it does not quarrel with their judgement about their preferred destination’ (Sunstein, 2019a: 47). The landscape of capitalist society is thus not identified as the problem (if anything it is naturalized by representing it in the form of a map), but rather how individuals can navigate this world successfully, to the benefit of themselves. This means that there is little, if any, attention, to the social and political topologies of this map that make travel to certain destinations possible for some but not for others.

### **The Choice Architect as Father Figure?**

While Thaler and Sunstein’s nudge philosophy is built upon the above commitment to libertarian paternalism, most critical engagement with their work has centred on the former of these two terms and has left their idea of paternalism largely untouched. This is surprising not least because paternalism, as a form of authority, is gendered, as it appeals by definition to the wisdom and power of the father (*pater-*). Jessica Pykett is one of the few critics to address this aspect of nudge theory, as she argues that *Nudge* is gendered to its core as, first, its theoretical framework is based on ‘insights from sometimes highly gendered accounts of human behaviour’ (2012: 219–20); and, second, its commitment to libertarian paternalism reproduces a view of the welfare or ‘nanny’ state as a feminine form from which women are ‘illegitimate beneficiaries’, and in its place asserts a ‘masculine norm of independence and self-reliance’ (2012: 231). Pykett rightly calls into question the gendered politics of Thaler and Sunstein’s libertarianism but, in so doing, says little about their accompanying commitment to paternalism, even though this form of authority is said to provide a corrective to the flaws of previous forms of libertarian thinking and politics. In order to consider the values that underpin nudge theory, it is thus necessary to look more closely at the concept and politics of paternalism and ask why this idea occupies such a central place in Thaler and Sunstein’s work.

This, however, is more difficult than it might seem as there are surprisingly few existing analyses of paternalism. One exception is a book-length study by John Kleinig, which defines paternalism as a form of ‘enforced benevolence’ that is based on a model of ‘familial relationships’ within which ‘parents act on the presumption that they know better than the child what is best for the latter’ (1983: 4). Kleinig argues that these relationships are based on a model of the authority of the ‘parent (or father)’, and adds that there is an ‘implicit sexism’ to this term, particularly when it is used ‘to characterize circumstances in which women are singled out as the special object of enforced benevolence... (in virtue of their status as “the weaker sex”)’ (1983: 4). Kleinig’s bracketing out of the ‘father’ is disappointing as it avoids the question of whether paternal forms of authority are gendered by definition, a move confirmed by his declaration that he is interested in enforced benevolence in general rather than ‘its sexist manifestations’ and thus in ‘parentalism rather than paternalism in a restricted sense’ (1983: 4). This sidesteps the issue: that paternalism is a concept that invokes a patriarchal ideal of the family within which the father carries authority and thus is said to know best – both within and beyond the household. Viewed in this way, paternalism cannot be read in a ‘restricted sense’ as it is not a model of parenthood in general or in the abstract, but rather a direct appeal to the power of the father, not only within the family unit but, potentially, within any other social institution.

Through the course of *Nudge*, Thaler and Sunstein assert the normative value of this form of authority by making it central to what they see as good governance and improved choice-making. Given this, Pykett finds it ‘extraordinary’ that ‘so little time is given to considering the question of gender’, especially as the ideas of John Stuart Mill feature so prominently in their work. Mill argued, among other things, ‘that liberty should be extended to women hitherto excluded from self-determination and well-being’ (Pykett, 2012: 232), and his gender politics proved to be divisive within the history of 20th-century libertarian and neoliberal thought. Ludwig von Mises, for example, argued that Mill’s ‘feeble compromises’ were made ‘under the influence of his wife’ (1985: 195), and implies that this was the root cause for the decline of his liberal project – a position that was not shared, in turn, by Hayek (1951). However, even if one celebrates Mill’s progressive views on gender equality, serious problems remain with his concept of paternalism, which advocates the exercise of power over populations that are said to be unable to govern themselves, usually on the grounds that they lack cultural, economic or political development. Against the use of such a concept, the answer is not to follow Kleinig, and arguably Thaler and Sunstein, in using paternalism in a ‘less restricted way’, but rather to take issue with the type of authority that is invoked by the use of this term – a form of authority that is not only implicitly gendered but which

has been used, more generally, to legitimate the exercise of absolute power over subjects deemed too unenlightened to be capable of self-determination.

Mill's position in *Principles of Political Economy* is that liberty should 'apply only to human beings in the maturity of their faculties', and that in cases where societies are 'backward' there is a case for 'despotism as a legitimate mode of government' (see Mill, 1991: 14–15; for a more detailed assessment of such passages in Mill's work see Claeys, 2013: 93–9). Sunstein is aware of this argument by Mill, which he says raises 'obvious questions about parochialism and condescension' (2014: 34). But he is seemingly oblivious that such arguments have been deployed historically in order to justify patriarchal and colonial forms of governance that have sought to exclude populations from democratic freedoms. Quinn Slobodian addresses this issue in detail in his book *Globalists*, and quotes Fritz Machlup, a member of the Mont Pelerin Society and President of the International Economic Association from 1971–4:

Let me recall Mill's dictum that there can be no liberty for 'savages'. Replace this harsh word by 'politically and intellectually immature people' and reflect on the proposition that full democracy may not be the most suitable system of government for such people; that, for example, the unlimited right to vote and elect the men who will govern the country may lead to the destruction of many other freedoms and also of any real chance for economic development. (Machlup cited in Slobodian, 2018: 146)

Slobodian reveals that Machlup was not alone in holding such views. Wilhelm Röpke, a key figure in the ordoliberal movement and fellow Mont Pelerin Society member, deployed similar arguments in his defence of apartheid in South Africa. The idea of paternalism from Mill onwards, then, has had an unpleasant political history, but, nonetheless, Thaler and Sunstein see value in preserving this concept, albeit it in revised form. It is far from clear, however, how their argument for freedom of choice provides a corrective to a model of authority based on the real or symbolic power of the father, and which has been closely tied, in some instances, to the legitimation of patriarchal and colonial power. The question begs: if Thaler and Sunstein have no sympathy towards such a model of authority, then why place paternalism, a concept that they say is 'reviled' and 'which is weighted down by stereotypes from popular culture and politics' (2008: 5), at the heart of the nudge agenda? Why not simply advance a range of behavioural insights and associated policy interventions without tying these to an accompanying political commitment to libertarian paternalism?

The answers to these questions are not immediately apparent, for rather than present themselves as social conservatives who wish to

reinforce the value of existing forms of male authority, Thaler and Sunstein see themselves as being progressive on questions of race and gender. To take the example of marriage, they argue that this institution has a 'highly discriminatory past' that is enmeshed in 'sexual and racial inequality' (Thaler and Sunstein, 2008: 215), largely because it has been controlled by the state through 'an official licensing scheme'. In place of such arrangement, they argue, marriage should be abolished and civil unions introduced in its place (see 2008: 224) along with nudges 'to protect those who are most vulnerable' (2008: 221). Thaler and Sunstein's primary target here is the state, which in exercising a monopoly over private affairs, has, they say, created and reproduced forms of sexual and racial inequality that would otherwise not exist. Again, the state is positioned as the cause rather than the answer to such problems. Thaler and Sunstein's solution is for individuals to be free to enter private partnerships without state interference, and where necessary be nudged by behavioural experts to make such partnerships work effectively. In keeping with neoliberalism more generally, there is nothing, it seems, that privatization cannot fix.

But why does the libertarian devolvement of state power to individual choices and contracts need to be accompanied by a form of authority – paternalism – that invokes the power of a father figure in the form of a choice architect? There are two possible explanations, neither of which are satisfactory. First, that Thaler and Sunstein believe, like Kleinig, that the term paternalism can be used in a general way to describe a soft form of power that works through the benevolence of experts rather than in service of any particular group, gendered or otherwise. Second, that there is no such naivety to Thaler and Sunstein's position, as it is guided by an underlying social conservatism, one that is in keeping with Friedman's idealization of the family as an alternative to the state that can provide welfare through other means.

It is not clear which of these explanations is correct. It might be argued in response that to talk about paternalism, on one hand, and to assign a privileged role to a particular member of a household, on the other, are two different things, for while the prefix 'pater-' has gender connotations it does not mean that paternalism as a form of authority is used and invoked by Thaler and Sunstein in ways that are gendered. But if this is the case, then how can a concept that defines a form of male authority, and which makes a direct appeal to the power and wisdom of the father, be used in a normative but gender-neutral way? Indeed, why is it any more acceptable to speak in favour of libertarian paternalism rather than for libertarian patriachalism as a new form of governance. Thaler and Sunstein do more than use paternalism as a purely conceptual or analytical term – they advocate it, politically, as a normative alternative to state-centred power and what they call 'aggressive government planning' (2008: 15). Moreover, in appealing to libertarian paternalism they

neutralize the structural politics of gender and race by dealing with them as problems created by the ‘directive and exclusionary role of the state’ (2008: 221) – problems that can then be remedied by individual or localized behavioural interventions or nudges.

The limits and consequences of such an approach have been revealed starkly by the Covid-19 crisis, which, in the UK, has had a disproportionate impact on BME communities, the old, and those doing caring work. In the face of this crisis, the UK Behavioural Insights Team has acknowledged that ‘structural racism affects the broader life chances of ethnic minority groups in the UK, and the discrimination they experience in other areas can in turn undermine mental and physical health experiences and behaviours’ (see <https://www.bi.team/blogs/the-disproportionate-impact-of-covid-19-on-ethnic-minorities-in-the-uk-and-what-we-can-do-about-it/>). But rather than tackle the root causes of such ‘structural racism’, their answer is to produce behavioural solutions for dealing with its effects. The problem with such an approach is that it bypasses any concern for institutional and structural forms of power and inequality by focusing instead on the behavioural deficiencies of particular actors. To give an example: Sunstein, as stated above, declares that ‘insufficient navigability’ is a ‘pervasive problem for the poor’ (2019a: 46). But is poverty really a problem of ‘navigability’, a problem of individuals being unable to find their own way and failing to make the right choices? Or, rather, is poverty a systemic property of capitalist society, and the product of racial, gendered, and classed forms of politics and power, the drivers and dynamics of which nudge economics leaves largely untouched?

## **Nudging for Good?**

This raises the question of what Thaler means when he asks choice architects to ‘nudge for good’ (see Halpern, 2015: xiv). Such questions concerning the ‘good’ take us beyond the limits of science and into a world of political values and judgements that both underpin and follow from Thaler and Sunstein’s commitment to libertarianism paternalism. One of the main presuppositions of *Nudge* is that freedom of consumer choice is necessarily a good thing, and, because of this, the state should not intervene in the operation of free market processes unless absolutely necessary, although where this threshold lies is not altogether clear. In their view, it is freedom of individual choice rather than the exercise of state power that is the most effective mechanism for limiting the ability of nudge experts and perhaps even big business to coerce or manipulate individual consumers to follow particular ends. Thaler and Sunstein declare that ‘Freedom to choose is the best safeguard against bad choice architecture’ (2008: 12), for if individuals do not like a nudge or a choice, then they are free to opt for something else. But is this likely



given that Thaler and Sunstein's rationale for nudging is that humans lack willpower and are afflicted with problems of 'self-control'? And if nudges are subtle, and involve changing default options, will individuals even be aware that they have been nudged in the first place? These problems perhaps explain why Thaler and Sunstein's commitment to individual freedom of choice as a 'safeguard' against coercion is accompanied by a plea for choice architects to nudge for good, as their work, by design, structures the very basis of this freedom. But even if the call to nudge for good is well-intentioned, how can choice architects know for sure what is good for those they are nudging (see Brown, 2012)? Halpern (2015: 187–97), for example, writes at length about the benefits of using e-cigarettes, but the long-term risks of using them are far from clear. Elsewhere, Sunstein (2019b: xii) argues that there is good reason for a state ban or mandate to be imposed on trans fats, but what about other instances in which consumer choices are riddled with known unknowns? Who knows, for example, what the long-term effects are of consuming genetically modified foods, chlorinated chicken, or crops treated with new pesticides? And in the face of the latest crisis, can behavioural interventions designed to promote 'herd immunity' be sure that they will provide a long-term solution to Covid-19, one that will justify the deaths of those who are old, weak, and/or poor that will necessarily come as a consequence?

The answer appears to be that we should place trust in the expertise and judgement of the choice architect, as well as their capacity to nudge for good. In *Nudge*, it is the humanness of individual actors rather than consumer society more generally that is identified as the problem, and the solution that follows is to make these actors into subjects that can make better choices from which they will benefit – this is the essence of what Thaler and Sunstein call 'nudging for good'. But there are at least two problems here. First, how can we know that choice architects will not be afflicted by the same behavioural biases as the subjects they seek to nudge, or does their expert knowledge of behavioural science mean that they are largely immune to the irrationalities of their own humanness? And second, while Thaler and Sunstein are vocal in their criticism of the coercive power of the state, they say comparatively little about the potential for commercial organizations to use nudges for their own ends. This is remarkable given that techniques of nudging have long been used by commercial agencies to influence consumer behaviour with the aim of maximizing profits: from the successes of marketing and branding through to product placement and the design of shop-floors to increase consumer spending (see Jones et al., 2013: viii). This ability to nudge consumers is considered in detail by Shoshana Zuboff in her landmark book *The Age of Surveillance Capitalism* (2019), which brings this issue into the digital age by considering the online 'nudging', 'herding' and 'conditioning' of consumers in order to boost commercial interests by

marrying ‘behaviour modification and the technological means to automate its application’ (Zuboff, 2019). The key point is that while digital architectures and platforms might appear to be value-neutral, or be marketed as working for the individual and social good, close attention needs to be paid to values embedded with them, and the ends to which they operate.

Skeggs and Yuill make exactly this point about social media technologies such as Facebook, which work through algorithms that are fundamentally ideological because they create ‘value through capture and connectivity, maximizing their own potential through operations on themselves, as they model users and relationships’ (2016a: 1368). The ability for social media technologies such as Facebook to nudge users towards making particular economic and political choices has been well-documented following the Cambridge Analytica scandal, which received mass public attention following the 2019 film *The Great Hack*. But Skeggs and Yuill argue, further, that such platforms are ideological in less obvious ways because they ‘lubricate the circuits of capitalism’ by influencing social networks over time, and, with this, how users interact both on and offline: ‘with whom, when, how’ (2016b: 391). In these terms, Facebook is the nudge architecture par excellence because it can influence behaviour not by adopting state-led mechanisms of coercion but by structuring choice itself: its power is effectively in its platform. As Tamsin Shaw (2017) explains, this is no accident as at the outset of the social media revolution figures such as Kahneman and Thaler gave masterclasses to key figures in Silicon Valley – masterclasses that led many companies to adopt behavioural-economic principles that aided the design of ‘automated machine-learned “nudges”’ that could give them ‘significant business advantage’ (Shaw, 2017). Nudges, then, are not simply neutral devices that enable individual consumers to make better choices for themselves but are psychological techniques that have a history of being used to structure choice according to strong commercial and political imperatives.

## **Nudge as Neoliberalism**

Thaler and Sunstein’s positioning of libertarian paternalism at the heart of *Nudge* indicates that this is not simply a work of economics but is also, and perhaps foremost, a political project. At the outset of this book, they claim not to align nudge philosophy with any party-political commitment, even though they state that they have little sympathy with Democrats who have ‘enthusiasm for aggressive government planning’ (2008: 15). Instead, they declare that the nudge agenda is ‘neither left or right’, and because of this offers the potential of a new, ‘real’ third way: ‘one that can break through some of the least tractable debates in contemporary democracies’ by working between what they call ‘rigid

mandates', on the one hand, and 'dogmatic laissez faire', on the other (2008: 254). *Nudge* offers an alternative because it advocates a politics of a different sort, one that plays out through the ideas and actions of experts and advisory teams that are able to influence decision-making both within and beyond the formal arena of party politics. Sunstein declares, quite openly, that 'Those who favour nudges do not trust government' (2019a: 22), and hence a primary objective of the nudge agenda is to change the basis of politics and the grounds upon which it proceeds. Nowhere is this clearer than in George Osborne and Richard Thaler's (2010) commitment to 'embed behavioural thinking throughout government' that was put into practice through the early years of the Conservative-led coalition. The Behavioural Insights Team (BIT) was established in the UK at almost exactly the same time that this government, under the guidance of George Osborne, unveiled an aggressive austerity programme that was designed to roll back the extent and reach of the welfare state. Notably, in David Halpern's 2015 book *Inside the Nudge Unit*, there is not a single reference to this programme in spite of the fact that the unit he headed (and which had been advised by Thaler) was at that time located in the Cabinet Office. Instead, Halpern sings the praises of the BIT and the 'millions of healthy life years' it helped save, arguing that behavioural solutions are required to tackle 'entrenched poverty' because the 'world and challenges we face have changed' (Halpern, 2015: 342–50).

It is important to remember, however, how the world, and in particular the UK, changed under the austerity policies of this period. It is worth citing the work of Bev Skeggs at length, who, writing in the same year as Halpern, provides a stark account of their impact:

in the UK in the last few years there have been £18 billion cuts to the welfare budget, leading to the establishment of 423 food banks in Britain which feed 913,138 people including 330,205 children. How can the existence of class be denied when the real incomes for the poorest have fallen 40 per cent, and 33 per cent of families lack basic resources, and where the longest depression of wages since 1979 has occurred and the cost of living has risen by 25 per cent in the last 5 years, and where the top 10 per cent of households in the UK are now 850 times wealthier than the bottom 10 per cent? This is in the seventh richest country in the world where the rich are getting richer, and where the top rate of income tax has been halved (it was 83 per cent in 1979) for the richest. Britain's richest increased their wealth by £69 billion in 2014 alone. (Skeggs, 2015: 206–7)

Halpern himself presents nudge economics as something that is in keeping with austere times, as he writes that 'behavioural insights have proven

to be an effective tool to help refine and improve the cost-effectiveness of policies' (2015: 333), while at the same time insisting that such insights can improve public services and empower those that use them. Such insights, however, were introduced in the UK against a backdrop of a sustained attack on public services and on the welfare state more generally, with the consequence that responsibilities were passed downwards to individuals with the expectation that they look after themselves, only with fewer material resources to do so. Is such an attack on the welfare state in keeping with the libertarian commitments of Thaler and Sunstein's soft paternalism? Yes, for the very essence of libertarian politics, regardless of how soft they might be, is that the individual and the private are the sources of all things good. Hence, state support is neither desirable nor necessary, and in its place choice architects should guide people to care better for themselves. In this sense, austerity politics and libertarian paternalism are well-matched to each other, with the latter seeking to provide individualized solutions to the social problems generated by the former.

What type of politics, then, is at stake in libertarian paternalism? An initial clue can be found in the figures that Thaler and Sunstein draw upon to formulate their brand of paternalism, which include Friedrich Hayek (the 'greatest critic of socialism'; Sunstein, 2019a: 21) and Milton Friedman (or, as Thaler (2015: 51) calls him, 'Uncle Miltie'). Nudge theory might appear, at first sight, to work outside of existing neoliberal frameworks as it mixes an argument for individual consumer freedoms with a new form of paternalism based on psychological interventions of different types. But, on closer inspection, libertarian paternalism is neoliberal to its core, as among other things, it: aims to limit the powers of the state to impose mandates and bans that restrict the extent and reach of corporate power; positions the individual consumer as sovereign, thereby dispensing with any explicit concern for collective social properties of any type; treats the underlying structure of life-choice as psychological rather than social in basis and thus as something that can be remedied through small behavioural interventions; conceptualizes freedom in economic terms as consumer freedom or freedom of consumer choice; empowers a new breed of behavioural experts to work outside of party politics but, nonetheless, retain political influence on the grounds that their insights are grounded in science and therefore politically neutral; passes responsibilities downwards from the state to individuals by helping them to make 'better' choices for themselves; advocates new forms of governance that are informed by principles drawn from consumer psychology, and which are to apply to government itself; and operates, in the UK at least, as the partner to an austerity programme designed to roll back the extent and reach of the welfare state. But whereas neoliberalism, as conventionally understood, is a state project (see, for example, Foucault, 2008: 84), the nudge agenda

shifts attention from the state to the governance of individuals. In so doing, *Nudge* departs from more traditional forms of libertarianism on the grounds that free markets do not govern themselves. This is not because the state is needed to protect market freedoms and inject a spirit of competition into all aspects of social life, as suggested by Foucault in his lectures on ordoliberalism, but because individual market actors, with all their irrationalities, cannot be governed, or as Sunstein terms it, *disciplined* by market dynamics and processes. For this, another form of neoliberal governance is needed – the nudge – which, as McMahan succinctly puts it, seeks to ‘fix individuals for the market’ (2015: 149).

It is little surprise, then, that the nudge agenda has flourished in the wake of the financial crisis – a crisis which, for neoliberals, resulted not from the failures of markets per se but from the irrationalities of market participants and/or government interventions (George Osborne and Richard Thaler (2010), in particular, pinpoint the failures of Blair-Brown’s Labour government, under which the financial crisis in the UK initially played out). At a deeper level, John McMahan argues that nudge economics combines aspects of the two main trajectories of neoliberal reason documented by Foucault in his biopolitics lectures: German ordoliberalism and Chicago School neoliberalism. In terms of the former, McMahan argues that *Nudge* seeks to ‘render the entire social field intelligible through economic analysis’ (2015: 149), while at the same time, in terms of the latter, enhancing human capital by producing a more rational *homo economicus* – one closer to what Foucault (2008) calls an ‘entrepreneurial self’. In practice, however, Thaler and Sunstein’s position is more complex than this, for, like Hayek, they reject the figure of *homo economicus* as an empirical reality, but, unlike him, retain it in the background as an ideal towards which individual subjectivities can be corrected by the interventions of behavioural experts. This emphasis on the role of such experts is at odds with Hayek’s view that human rationality and knowledge is limited by its very nature, and hence that we should look to markets rather than to government officials or agencies for guidance. Instead, Thaler and Sunstein edge closer to Chicago School theories of human capital, for if individuals can be nudged to make the right decisions, they can, as a result, increase the value of their own stock.

Viewed in this way, the nudge agenda is less a form of ‘post-neoliberalism’ than a new, hybrid form of neoliberalism that draws from, but at the same time transcends, the trajectories of neoliberal reason outlined by Foucault in his biopolitics lectures. It offers something new from previous and existing forms of neoliberalism as it does not centre explicitly on the marketization of the state (although behavioural insights have clearly applied to state activities under the rationale of making them more cost-effective), as in ordoliberalism, or on the building of institutions such as

trade organizations (Slobodian, 2018). Rather, the purpose of nudge economics is to address the market deficiencies of individual consumers by developing new forms of behavioural governance. When Wendy Brown speaks of neoliberal ‘techniques of governance’ that operate through forms of ‘soft power’ (2015: 35), *Nudge* is crucial as it works by addressing the subjective ‘internalities’ that neither state coercion nor market forces, for Thaler and Sunstein, are able to correct. As John McMahon writes: ‘Behavioural economics... seeks not to challenge or defy the market but to provide tweaks so as to better assimilate all to the market; it captures the irrationality of economic actors and disciplines that irrationality to the functioning of the market’ (2015: 146). The nudge agenda can be understood as the latest incarnation of the neoliberal project: one that draws partly from libertarian free-market individualism and partly from a neo-conservative commitment to paternalism, and which, seemingly unbeknownst to itself, both builds upon and rejects ideas from previous Austrian, German and North American trajectories of neoliberalism. This form of neoliberalism is concerned with the failures of human subjects and of governments, and how these can be governed and potentially corrected to be better market actors through the application of behavioural understandings and principles. Nudge economics, in the form expressed by Thaler and Sunstein, is, then, not just a technical exercise aimed at providing individuals with better means for pursuing goals of their choosing; it is fundamentally a political project. This project is guided by an ideal of libertarian paternalism that treats individual market freedom as the basis of all freedom, and which bypasses concern for the structural inequalities – be these of class, gender, or race – of contemporary capitalist society by shifting attention to what are seen as the irrational and misguided choices of individuals. This means, as a consequence, that in an age in which nudge economics is flourishing, such inequalities continue to thrive, not least because, increasingly, these inequalities are individualized and are dealt with in terms of their effects rather than by confronting and addressing their underlying causes.

### Acknowledgements

Early versions of this article were presented at the University of Washington and the University of Helsinki in October 2019. I would like to thank the participants of these events and the anonymous reviewers at TCS for their detailed comments and criticisms, which were helpful in revising this article for final publication.

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**This article is part of the *Theory, Culture & Society* special issue on ‘Post-neoliberalism?’, edited by William Davies and Nicholas Gane.**