

Nudging: New Trend in Paternalistic Policies - Cases of Serbia and Croatia



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Regulatory and other related government policies primarily aim to alter people's incentives and hence change their behavior. If the government wants more people to wear seat belts in their cars, it legally imposes a penalty for driving without a seat belt. If the government wants people to consume less sugar, they propose a regulation that limits the amount of sugar in products being sold on the market or they impose sugar taxes. However, there is another way of influencing citizens' behavior. People can be nudged in a certain direction without the government introducing regulatory bans or implementing high taxes. As any changes in default options, framing or social influences may have a great impact on the choices people make, public policy creators use insights from psychology to create nudges and as such influence people in a subtler way.

One of the most powerful instruments of nudging is a default rule. People tend to stick to their current position, even when a change would be beneficial to them. If inertia and status quo bias have a great influence on behavior, then a default option plays an important role even if individuals are completely free to choose otherwise.

Serbia and Croatia decided to use the influence of default to nudge their citizens towards being organ donors. As such, Croatia has passed a law that presumes peoples' consent to be organ donors unless an individual explicitly makes a decision not to be one. In Serbia, a bill is being proposed with the same content. In both cases, nothing will be legally prohibited and no changes in economic incentives have been introduced, though presumed consent to be an organ donor has shown to result in higher rates of organ donation.

This kind of government intervention raises a series of questions regarding personal freedoms. On the one hand, some authors use the term 'libertarian paternalism'¹ to describe policies based on nudging. The word 'libertarian' is used because freedom of choice is formally preserved. 'Paternalism' means that despite having freedom of choice, decision-making is still influenced in a direction that increases the wellbeing of people.² On the other hand, there are serious critiques of nudging as a new form of influence on behavior that does not respect individuals as independent and capable of following their own goals.³

HUMAN BEHAVIOR AND CHOICE ARCHITECTURE

Many seemingly unimportant and small factors can have a significant influence on our decision-making process. For example, consumers are more likely to buy products that are positioned on the shelf at eye level. Also, people are influenced by what others are doing: if government sends a message that many people support organ donation, it makes us think about becoming a donor.

The way options are framed has a great influence on how people make decisions. As an example, individuals are more likely to accept an operation if the doctor tells them that they have a 90% chance of survival than if they were told that there is only a 10% chance they will die.⁴ When estimating risks and probabilities on their own, people rely on how well they remember events. That is why they estimate that

¹ Thaler, R. H. and C.R. Sunstein (2008) *Nudge: Improving Decisions about Wealth, Health and Happiness*. Yale University Press.

² Ibid.

³ White, M. D. (2013) *The Manipulation of Choice: Ethics and Libertarian Paternalism*. Palgrave Macmillan U.S.

⁴ Thaler, R.H. and C.R. Sunstein (2008) *Nudge: Improving Decisions about Wealth, Health and Happiness*. Yale University Press, p. 36.



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death from a tornado is more likely than from asthma.⁵ During elections, the order of candidates on a ballot has an impact on the number of votes cast.⁶

Can we explain these systematic deviations from rational behavior? Author Daniel Kahneman⁷ writes about System 1 and System 2 reasoning. The former is fast, intuitive, and unconscious. It uses shortcuts to make a conclusion and uses less energy. The latter is slow, deliberative, requires concentration and uses more energy. When someone gives an answer to the question $2 + 2 = ?$, he/she uses System 1. When an inexperienced driver tries to park a car in a small space, he/she uses System 2.

System 1 is useful since it does not require deep concentration and consideration all the time. However, System 1 uses shortcuts to come to a conclusion. These conclusions are often very precise, but sometimes they lead to systematic errors. Because the deviations from rationality are systematic, we can predict them. In other words, we can say that in situation X, we will have behavior Y that is biased because of the shortcuts in reasoning.

These shortcuts in reasoning are called heuristics. Some of the most important types include availability heuristics, representativeness heuristics, and anchoring. Availability heuristics are employed in a situation where an individual estimates risk and probability according to emotions. Shark attacks are in fact very rare, but people often overestimate the risk of such an occurrence because when a shark attacks a human being, it stays engraved in our memory and is followed by strong emotions.

Representativeness heuristics imply that people are using categories and classify events by similarity. Anchoring is a situation when a random number influences our estimation. For example, a random price proposed for a product can affect an amount of money that consumers are willing to pay for that product. Additionally, the negotiations of the amount that is to be bought are mainly anchored in the price that was initially proposed, or by the first person to make a bid.⁸

Governments are increasingly using the knowledge about human behavior with an intent to influence citizens' decisions, and nudge them toward certain outcomes. Subjects that shape options are called "choice architects." These agents create

⁵ Kaneman, D. (2015) *Misliti, brzo i sporo*. Heliks, p. 129.

⁶ Thaler, R. H. and C.R. Sunstein, (2008) *Nudge: Improving Decisions about Wealth, Health and Happiness*. Yale University Press, p. 246.

⁷ Kaneman, D. (2015) *Misliti, brzo il sporo*. Heliks.

⁸ *Ibid.*, p.116.

a context in which choices are made so they can use factors that influence behavior. It is important to note that, unlike traditional ways of decision influencing, nudging does not ban or tax undesired options by government officials. Choice architects use knowledge from psychology to create efficient and subtle nudges without restricting options available.⁹

For example, a government may send a message to households with information on the usage of electrical energy of their district. If an average usage of energy for the district is lower than the one from the household, there is a large chance a household will lower its own consumption in the future.¹⁰ In this way, households with high usage of electrical energy can be nudged to consume less, thus spending less on electrical energy. Moreover, if government officials want to lower consumption of unhealthy foods and drinks, there is a simple nudge at hand – a removal of these products from the shelves that are placed at eye level for the consumers (this regulation can be seen as illiberal because government regulates private entities, but on the other hand people are still free to buy what they want without any restrictions).

EXAMPLES OF NUDGING

There are a plethora of examples of public policies that may be used to illustrate the phenomenon of nudging. These include cases for the United States and the United Kingdom where special teams have been created to research, propose, and implement nudges.¹¹ They focus chiefly on the following areas:

⁹ Thaler, R. H. and C.R. Sunstein (2008) *Nudge: Improving Decisions about Wealth, Health and Happiness*. Yale University Press.

¹⁰ Ibid. p. 68.

¹¹ <http://www.behaviouralinsights.co.uk/>

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ONE OF THE SOLUTIONS FOR LOW ORGAN DONATING RATES IS A CHANGE IN DEFAULT RULES. INSTEAD OF SUPPOSING THAT CITIZENS ARE NOT POTENTIAL ORGAN DONORS UNLESS THEY EXPLICITLY MAKE A DECISION TO BE DONORS, WE CAN CHANGE RULES AND DEFINE THAT EVERY CITIZEN IS WILLING TO BE A DONOR UNLESS SOMEONE ACTIVELY DECIDES NOT TO BE A DONOR



STATUS QUO BIAS IS A SIGNIFICANT TRAIT OF HUMAN BEHAVIOR

1. **Social influence and antibiotics overuse:** the United Kingdom, like many other countries, has a problem with too many prescribed antibiotics.¹² Overuse of antibiotics makes bacteria resistant to drugs.¹³ Therefore, it is crucial for a patient to use an antibiotic only when absolutely necessary. But how do you nudge doctors to prescribe an antibiotic only when necessary? The Behavioral Insights Team experimented whether simple information from the authority can change the behavior of doctors.¹⁴ The top 20% of doctors that were prescribing the largest number of antibiotics in a region received a message from the Chief Medical Officer informing them that 80% of their colleagues are prescribing fewer antibiotics. As most people are strongly influenced by what other people do, this intervention by the Behavioral Insights Team led to a reduction of the number of prescriptions for antibiotics.¹⁵ This could be an important part in the effort to decrease antibiotic overuse.

¹² Hallsworth, M. (2016) "Reducing Antibiotic Prescribing: A New Bit Study Published in the Lancet", [in:] *The Behavioural Insights Team*. Available [online]: <http://www.behaviouralinsights.co.uk/health/1516/>

¹³ WHO (2017) *Antibiotic Resistance*. Available [online]: <http://www.who.int/mediacentre/factsheets/antibiotic-resistance/en/>

¹⁴ Hallsworth, M. (2016) "Reducing Antibiotic Prescribing: A New Bit Study Published in the Lancet", [in:] *The Behavioural Insights Team*. Available [online]: <http://www.behaviouralinsights.co.uk/health/1516/>

¹⁵ Ibid.

2. **Framing and fat intake:** producers of dairy foods sometimes write on their products that they are, for example, 80% fat-free and not that they include 20% fat. In 2011, the United States government forbade companies to declare a percentage of a product that is fat-free without also declaring the percentage of fat the product contained.¹⁶ In other words, the government prohibits companies from framing a percentage of fat in their products in a way that is presenting only the positive side(s) of a product.

3. **Default rules and printing machines:** the more paper used, the more forests need to be cut down. An experiment at Rutgers University in the USA showed that a change in a default rule could cut paper usage.¹⁷ Instead of 'print on a single side' default, we can change the default to 'print on both sides.' People often stick with a default option. With a 'print on both sides' default, people are nudged to use less paper for printing. This nudge has a greater impact on the reduction of paper being used for printing than a 10% tax on paper products. A change in default rules is sometimes even more effective than other public policies.¹⁸

4. **Speed limits and optical illusion:** how do you nudge drivers to slow down when approaching an unsafe section of a road? Optical illusion can have an important influence – if workers drew white lines on a road that are closer and closer to each other, drivers would be under the illusion that they are accelerating. As a result, drivers would therefore instinctively slow down when approaching an unsafe section.

¹⁶ Sunstein, C. R. (2015) *Choosing not to Choose: Understanding the Value of Choice*. Oxford University Press, p. 67.

¹⁷ Ibid., p. 26.

¹⁸ Ibid., p. 27.

DEFAULT RULES AND ORGAN DONATION: THE CASES OF SERBIA AND CROATIA

One of the most powerful nudges are default rules. Status quo bias is a significant trait of human behavior. People are biased to stick to their current situation. We could have a great opportunity to get a better job, but status quo bias can stop us from even applying for that position. Furthermore, it is very likely that many default options on our mobile phones are not changed. But why do people stick to their current position, even if a change could bring them more benefits? Cass Sunstein, in his book *Choosing Not to Choose: Understanding the Value of Choice*, writes about several reasons why status quo bias is important and powerful.¹⁹ Among some of the main reasons for such human behavior he lists inertia, informal signals, loss aversion, and a sense of responsibility.

Inertia and procrastination explain why active choosing requires energy, effort, and attention. All three are scarce resources. Overcoming default rule can be delayed for a long period of time because of these reasons. In the case of an informal signal, if a choice architect chooses a default rule, people may believe that the default is carefully considered and designed to bring better results. For example, workers can stick to automatic enrollment for a pension and health insurance plan, believing that a group of experts decided that default enrollment to a certain plan is the best solution. Loss aversion and a sense of responsibility explain why, when making a choice, we feel responsible for our actions. On the other hand, if we stick to the default rule, a sense of personal responsibility for an outcome is lost. In addition, we fear that we will make a mistake and experience

a loss if we go out of our comfort zone. In regard to organ donations, there are more people who are willing to be donors after death than the people who sign a donor card.²⁰ The difference between attitudes toward organ donation, and the number of donor cards signed can be explained in several ways.

First, citizens might recognize organ donation as socially desirable and noble, but they personally may not want to be a donor themselves. Second, they might want to become donors, but they procrastinate. Third, they may want to sign a donor card, just not now. Fourth, they do not want to think about death. Fifth, organ donation is something that they do not want to think about at all. Most importantly, decision-making can be complicated and can demand various interventions for solving the problem of low donation rates.

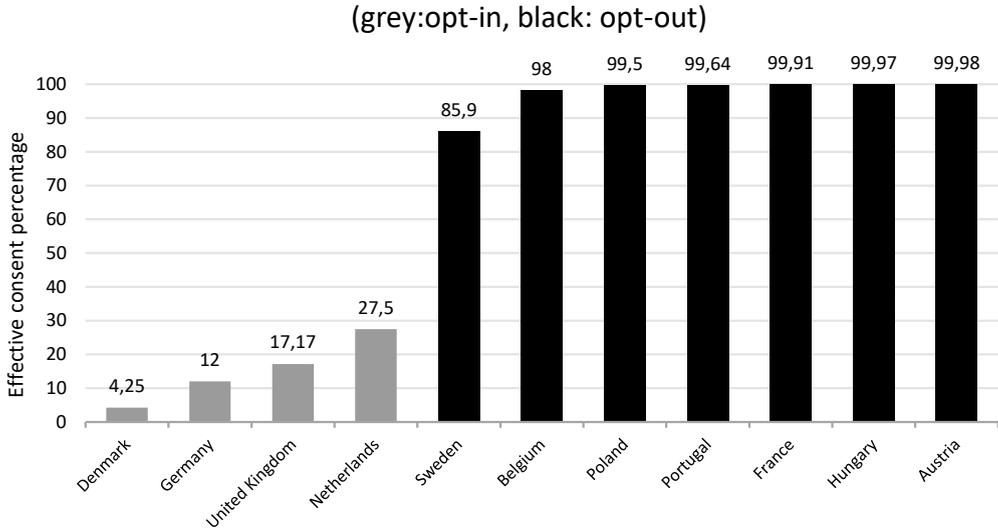
One of the solutions for low organ donating rates is a change in default rules. Instead of supposing that citizens are not potential organ donors unless they explicitly make a decision to be donors, we can change rules and define that every citizen is willing to be a donor unless someone actively decides not to be a donor. In other words, a government can redefine what will happen if an individual does not take any action. Figure 1 shows consent rates with different default rules.²¹ Inertia, procrastination, and refusing to think about an issue lead to an increase in consent rates in the opt-out system.

²⁰ Thaler, R.H. and C.R. Sunstein (2008) *Nudge: Improving Decisions about Wealth, Health and Happiness*. Yale University Press., p. 174.

²¹ Note that an individual can stick to opt-out default rule and be considered as a donor, but a family can still reject organ donation. In other words, consent rates and actual donation rates can be very different from each other. The graph presents only effective consent rate, not a number of performed organ donations.

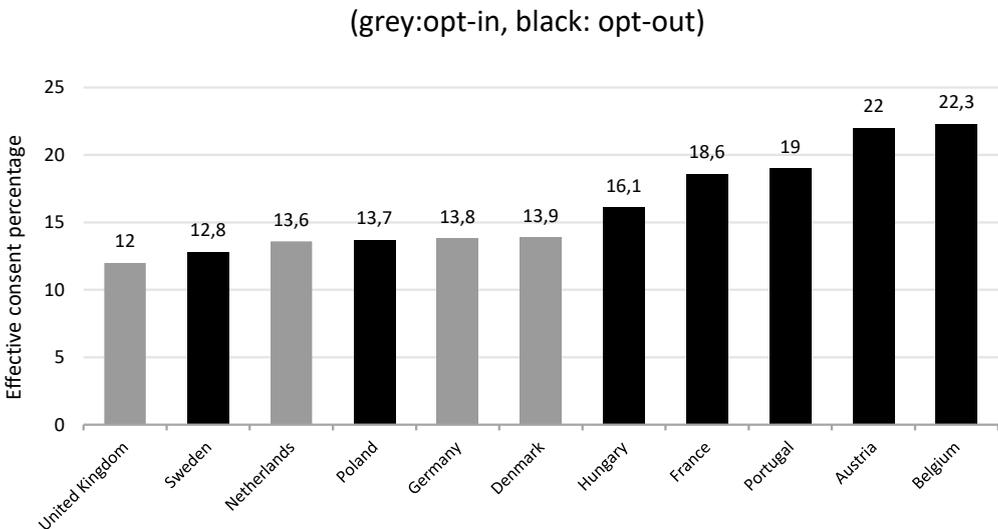
¹⁹ Ibid.

Figure 1: Effective consent rates



Source: Johnson, E.J. and D. Goldstein (2003) "Do Defaults Save Lives?", [in:] *Science*, Volume 302. Available [online]: <http://www.dangoldstein.com/papers/DefaultsScience.pdf>

Figure 2: Number of actual donations per million people



Source: Buck, S. (2015) *A Misleading Chart on Organ Donation Rates*. Available [online]: <http://www.arnoldfoundation.org/a-misleading-chart-on-organ-donation-rates/>

Figure 3: Deceased donors per million (by year, by donor country, based on population at start of year)

Donors used pm	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Austria	20.2	25.0	22.6	23.2	22.7	22.1	24.3	22.9	23.9	23.5
Belgium	24.8	25.7	24.3	29.2	28.8	27.4	25.2	28.0	28.4	30.6
Croatia	17.8	17.4	29.5	33.6	34.3	32.4	33.7	37.6	35.8	31.8
Germany	14.4	14.6	15.5	14.4	12.7	10.7	10.5	10.6	10.1	9.3
Hungary²⁵					6.2	12.6	20.1	17.7	18.0	15.4
Luxembourg	18.6		6.0	17.6	7.6	14.9	7.3	5.3	5.2	15.2
Netherlands	12.3	13.0	13.0	13.3	15.1	15.2	16.1	15.7	13.8	14.3
Slovenia	17.8	16.2	19.5	15.1	22.4	21.9	20.9	25.7	19.9	18.9
ALL ET	15.6	16.1	16.9	16.8	15.3	14.4	14.9	15.1	14.5	13.9

Source: Eurotransplant. Available (online): <http://statistics.eurotransplant.org/reportloader.php?report=49044-61139format=html&download=0>



CHURCH ALSO HAS A SIGNIFICANT ROLE TO PLAY – SUPPORTING ORGAN DONATION CAN HAVE AN INFLUENCE ON RELIGIOUS PEOPLE

On the other side, consent rates should not be confused with actual donation rates. The number of people who give consent by following default rule is drastically different from the number of people who actually become donors. Families can reject donation even if their relative followed the default rule. Figure 2 presents actual donation rates, not effective consent rates in same countries.

Importantly, a change in default rules without other interventions might not be sufficient for increasing organ donations and transplants. First, it is crucial to have a good healthcare system with well-equipped hospitals, educated and trained doctors, and efficient coordination among the actors. Second, it is important to educate the public and create a sense of trust in the healthcare system. In the end, a family could refuse to give approval for donation if they believe that a system is corrupt, that only rich people can receive an organ, or that doctors behave unethically. The church also has

a significant role to play – supporting organ donation can have an influence on religious people.

Croatia and Serbia decided to implement this nudge and change default rules. Current Serbian law about organ transplantation requires expressed consent for organ donation after death.²² Families can refuse to donate the organs from their deceased relative even if the relative has signed a donor card.

In Serbia, a bill from 2016 is waiting approval in parliament that would regulate organ donation in a different way.²³ This bill is a part of an effort to increase rates of organ transplants. In 2017, Serbia had only 4.2 donors per million residents.²⁴ In contrast, Croatia had 31.8 organ donors per million residents in the same year (See Figure 3). The proposed bill defines different criteria for organ donation. Consent for organ donation is presumed, with families being able to oppose organ donation even if a person expressed consent for donation.

Croatia has a law that is similar to the bill being proposed in Serbia.²⁶ The law was initiated in 2012, but Croatia conducted systematic efforts to raise the number of

²² "Zakon: O Transplantaciji Organa" (2009) [in:] *Sl. glasnik RS*, Volume 72. Available [online]: (http://www.paragraf.rs/propisi/zakon_o_transplantaciji_organa.html)

²³ "Nacrt Zakona o Presadivanju Ljudskih Organa u Svrhu Lečenja – Tekst Propisa" (2016) [in:] *Kompanija Paragraf*. Available [online]: http://www.paragraf.rs/nacrti_i_predlozi/161216-nacrt_zakona_o_presadivanju_ljudskih_organa_u_svrhu_licenja.html

²⁴ Petrović, L. (2017) "U Srbiji udvostručen broj donora organa", [in:] *B59*. Available [online]: https://www.b92.net/zdravlje/vesti.php?yyyy=2017&mm=10&nav_id=1313444

²⁵ Hungary became a preliminary member of Eurotransplant in 2012 (full membership in 2013).

²⁶ "Zakon o presadivanju ljudskih organa u svrhu liječenja" (2012) [in:] *Zakon*, Issue 144. Available [online]: <https://www.zakon.hr/z/556/Zakon-o-presa%C4%91ivanju-ljudskih-organa-u-svrhu-rije%C4%8Denja>



FORCED TO CHOOSE, THERE IS A STRONG LIKELIHOOD THAT PROCRASTINATION AND/OR INERTIA WILL NOT OCCUR

transplants in previous years. Default rule is just one of the measures, (See Figure 3). A rise in deceased donors started long before the law had been adopted. There is good coordination and management, national organization of the transplant program, membership in the Eurotransplant, and public campaign.²⁷ Importantly, opting out of the default option must be as easy as possible. If people have to spend hours to opt out and choose not to be donors, then it is not a nudge. Nudging requires that freedom of choice be protected. If there are obstacles for choosing other options that take the form of time-consuming bureaucracy and waiting in a hospital, then freedom of choice is not preserved.

There is also a third way of creating a context in which citizens are making decisions about organ donation. An alternative to default rules is 'forced choosing'-- people must choose whether or not they want to be potential organ donors. For example, if an individual wants to get a driver license, he/she must answer a question about or-

gan donating. Mandated choice is implemented in New Zealand – people must mark whether they want to be donors, and it is written on their driver's license.²⁸

The idea of mandated choosing has a number of benefits. First of all, when an individual is forced to choose, there is a strong likelihood that procrastination and/or inertia will not occur. There is no default rule – people cannot just do anything. They are actually forced to make a decision. Secondly, it is controversial to assume anything about organ donation. It is an important question, and all individuals should have an exclusive right to decide what they would do with their body parts.

In this context, being aware just how powerful procrastination and inertia are, it is problematic to claim that a person actually wanted to be a donor just because he/she did not make a decision not to be a donor. In addition, it is much easier for a family to decide whether to allow organ donation if their deceased relative actively made a choice. Such a family may also know about inertia and procrastination. A fact that a deceased person stayed firm with the default rule does not tell us anything about their preferences and wishes on organ donation. On the other hand, choice is mandated and it can be a problem for personal freedoms. An individual does not have an option to decide not to make a choice.

DIFFERENT ORGAN DONATING CHOICE ARCHITECTURES: WHO MAKES A DECISION?

We mentioned three different choice architectures regarding organ donation: presumed rejection to be a donor, presumed consent, and compulsory choice. The

²⁷ Živčić-Čosić, S. et al. (2013) "Development of the Croatian Model of Organ Donation and Transplantation", [in:] *Croatian Medical Journal*, Volume 54(1), pp. 65-70.

²⁸ See: Organ Donation New Zealand. Available [online]: <https://www.donor.co.nz/about-odnz/>



LIBERTARIAN PATERNALISM IN THE HANDS OF CORRUPT GOVERNMENT OFFICIALS CAN SERIOUSLY ENDANGER FREEDOM AND INDEPENDENCE

question is, who has the main role in deciding about organ donation: the individual or their family? Where lies final decision?

Presumed rejection, under current Serbian law, states that an individual must explicitly make a choice if s/he wants to be a donor. However, a family can overrule the decision if 'it can be unequivocally concluded'²⁹ that an individual changed her/his opinion about organ donation. So the decision of a person plays a great role, allowing the family very little space to influence the decision after the death of a relative. This approach also has its drawbacks, primarily that citizens often fail to make a decision to be a donor, even if they wish to be one. But when a person makes an active decision to be a donor, their

family cannot easily, and without a clear reason, reject organ transplantation from their deceased relative.

Presumed consent, on the other hand, uses this failure to make a decision to raise consent rates. But in this model, the family has a much bigger role. In the proposed Serbian law, if a person doesn't take any decision, they are considered to be a donor. But their family decides whether their relative would actually become an organ donor in this situation. In other words: because of inertia, in the opt-out system an individual often sticks to the default rule. Nobody knows their real wishes, we only know that they did not take any action regarding the default option, and in that situation their family makes the final decision. So basically, if someone sticks to the default rule, it allows the family to make the final decision of whether or not their organs will be donated.

Also, in this model, it is problematic to exclude family members from the process. There is no clear and definite answer to the question of what the deceased would have wanted to be done with their organs. Lack of active choice not to be a donor means almost nothing if we know how powerful the default rule is. Because government doesn't have a clear preference, it is reasonable to give the final decision to the family.

The third option may be the best solution if government wants simultaneously to raise consent rates while leaving the decision to an individual. Inertia and status quo bias are no longer a problem; a person must make a choice. Nothing is presumed, so there is not much need for the role of their relatives. This model emphasizes the importance of clear preferences about someone's organs after death. If we

²⁹ See: Article 50 in "Zakon: O Transplantaciji Organa" (2009) [in:] Sl. *glasnik RS*, Volume 72. Available [online]: (http://www.paragraf.rs/propisi/zakon_o_transplantaciji_organa.html)

agree that just assuming anything about organ donation is controversial, this may be the most plausible option.

NUDGES: PERSONAL FREEDOM AND ETHICAL CONCERNS

Nudges may be divided according to intentions. The nudges of the first type compel people to act in a way that makes them better off (by their own standards). As people have a tendency to behave in an irrational manner, a government can nudge them in the right direction. For example, a government could nudge people to exercise more, consume less sugar, or save more for retirement. However, as Mark D. White elaborates in his book *The Manipulation of Choice: Ethics and Libertarian Paternalism*, the problem is that there is no way for a government to know people's true goals.³⁰ Government officials presuppose that there is a set of universally desirable wishes or outcomes. In other words, different goals are not equally valuable by some external 'objective' criteria. This attitude is far from liberal thinking. Of course, individuals have the freedom to act differently, but firstly they are seen as irrational, and secondly if nudges are so powerful, it could be difficult to choose an option that the government does not consider valuable.

The second type of nudges are measures that influence behavior to solve public problems, such as those of organ donation/transplantation or waste/recycling. The problem with this approach is that a government treats citizens like irrational beings that are not capable of being responsible and independent. Therefore, the government uses the same cognitive failures and biases to nudge them. People are sometimes sticking to default rules be-



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cause they are procrastinating, but government officials use the same human characteristics to get different outcomes. They are not treating people as capable of learning and overcoming mistakes.

The third type of nudges is based on government officials having bad intentions or being biased. Libertarian paternalism in the hands of corrupt government officials can seriously endanger freedom and independence. Officials can turn public policies based on nudging in their favor. In addition, government officials are only human, and are prone to making errors in reasoning. Just like irrationality of citizens can be a reason for government intervention, irrationality among government officials can also be a reason against inter-

³⁰ White, M. D. (2013) *The Manipulation of Choice: Ethics and Libertarian Paternalism*. Palgrave Macmillan US.



PERSONAL FREEDOM IS ONE THAT SHOULD MAKE US RESPONSIBLE, MORE RATIONAL, AND BETTER INFORMED

vention. Sometimes a government can make a problem even worse, which can lead to the creation of other problems. For example, availability heuristics can cause officials to redistribute a great amount of resources for solving a problem that is not that important. Because people are not good at estimating risks and frequency of some problems, they can think that it requires government action. Or the costs of government intervention can be hidden and not visible at first glance.

By nudging, a government encourages human flaws. If this strategy is designed in a way that takes care of our cognitive flaws, we can act mindlessly and do not have the opportunity to learn from our mistakes. Personal freedom is one that should make us responsible, more rational, and better informed. By manipulating our freedom, nudging takes away those benefits from us. We know that government is taking care of our mindless and irresponsible behavior, so we do not have to.

Mark D. White proposes three solutions for a government to treat people with respect and dignity.³¹ First, government should

provide information. The goal of information should not be to influence behavior, but rather to inform neutrally. For example, many people may not know where and how to sign up for a donor card. Maybe they do not even know that patients are dying due to the shortage of organ donors. In this case, the goal should be to raise public awareness. After that, an individual should have full freedom to choose without being nudged.

Second, it can be effective to educate citizens about their biases and flaws. People often make mistakes when acting instinctively and emotionally, so advising them to take time while making important decisions could be constructive. In the case of organ donations, informing people about status quo bias, and educating them on how to overcome it could possibly bring positive results. In the end, when making mistakes, we learn how to control our biases. A nudge does not teach us that.

Third, a sense of responsibility is very important. If a government takes care of our weaknesses, then there is no reason to be concerned about the consequences of our potentially mindless decisions. If the whole system is designed to use our flaws and generate better results, we do not have an incentive to work ourselves. As soon as government steps back, it is our responsibility if a disaster occurs. If someone thinks that there should be more organ donors, and is willing to become a donor, such a person must ensure not to procrastinate. Different default rules can fix a problem now, but in the long term, people are deprived of responsibility and learning.

CONCLUSIONS

Influencing behavior without setting restrictions can be seen as an attractive measure for both liberals and paternalists. Nudging has already become popular in the West, particularly in the United States and

³¹ Ibid. p. 137.

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INFLUENCING BEHAVIOR WITHOUT SETTING RESTRICTIONS CAN BE SEEN AS AN ATTRACTIVE MEASURE FOR BOTH LIBERALS AND PATERNALISTS

the United Kingdom where special bodies are researching decision-making and proposing public policies that nudge citizens. On the contrary, Serbia does not have such a practice, though a bill to change default rules for organ donating has already been introduced.

It seems like a logical and acceptable solution; if people behave in a mindless and lazy manner, we should change the way in which options are presented so that these traits solve problems within the society. On the other hand, government doesn't restrict anything. Freedom of choice is preserved; no regulatory bans or high taxes are imposed.

Libertarian paternalists claim the same should be done with pension savings, healthcare insurance, pollution, antibiotics overuse, electricity consumption, smoking, and many other issues. People often make systematic mistakes in reasoning, which is why it is claimed a system should be designed to use these mistakes in order

to produce better results. Governments should intervene to save citizens from themselves.

However, there are ethical concerns regarding the freedoms, dignity, respect, and autonomy of individuals. Libertarian paternalists believe that the state should take care of its citizens in the same way that parents take care of their children. Citizens are in trouble because of their flaws, therefore the only solution is governmental supervision. Yet, libertarian paternalists do not think about finding solutions to the fundamental problem – mindless and biased reasoning.

If a government is neutral and does not influence decision-making, people will have an opportunity to make mistakes and learn from them. In this scenario, freedom contributes to the development of an individual. Therefore, citizens could be educated on heuristics and biases, as well as ways to deal with these phenomena when they face problems in their personal lives. ●



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