

# NUDGING FOR BETTER HEALTH:

## IS THERE A ROLE FOR REGULATION?

**Associate Professor Anne-Maree Farrell**

*Australian Research Council Future Fellow*

*Faculty of Law, Monash University*

**Email: [a.m.farrell@monash.edu](mailto:a.m.farrell@monash.edu)**

# Overview

- **Relationship between Nudge and Regulation**
  - **Focus on public sector; role of state/government**
  - **Overview rather than case studies**
- **Focus on Health:**
  - **Role of Nudges**
  - **Designing Nudge Policy**
  - **Role of Regulation**
- **Concluding comments**

# Nudges: What's Not to Like?

- **Nudge = Influence**
- **'Low cost, low pain'**
- **Avoidance: 'easy and cheap'**
- **Less coercive, more effective**
- **Engages both public and private sectors**
- **Has potential appeal across the political divide**



# Nudge v Regulation

- **Nudge v Regulation**
- **Dichotomous Framing (in government policy literature)**
  - **Soft v Hard**
  - **Influence v Coercion**
  - **Low Cost v High Cost**
  - **Easy v Difficult**
- **So is there a Role for Regulation?**
  - **Well... it depends**
  - **How we define regulation**
  - **Policy aims and objectives**



# What Do We Mean by Regulation?

***A sustained and focused attempt to alter the behaviour of others according to standards and goals with the intention of producing a broadly defined outcome or outcomes, which may involve mechanisms of:-***

- ***standard setting,***
- ***information gathering***
- ***behaviour modification***

***(see Black, 2005)***

# Regulatory Toolbox

- **Definitions**
- **Self-regulation**
- **‘Command and control’**
- **Governance**
- **Where does nudge fit?**



# Nudge and Regulation

- **What is or should be the relationship between nudge and regulation?**
- **Options:**
  - **Separate**
  - **Part of Continuum**
  - **Nudge inappropriate**
  - **Regulation preferred**

# Nudges and Health

## General Criteria

- Preferences
- Costs v Benefits
- Public Acceptability

## Design Criteria:

- Who the policy affects?
- What type of behaviour is intended?
- How the change will be achieved?

UK Cabinet Office & Institute for Government,  
*MINDSPACE*, 2010)





# Nudges and Health

- **Aim:**
  - **Health-Related Behaviour Change**
- **See Policy Design Criteria (previous slide)**
- **Additional Factors:**
  - **Autonomy**
  - **Effectiveness**
  - **Legitimacy**

*(see Reeves, 2009)*

# Nudges and Health

- **Health: Political Context; High Media Visibility**
- **Questions of Legitimacy Important:**
  - **Who is the choice architect?**
  - **Ethics: Autonomy, Freedom of Choice, Extent of Intervention**
  - **Disclosure, Monitoring, Transparency**
  - **Effectiveness: Design and Outcomes**
  - **Acceptability: Public and Political**

# Regulation and Health

## **Behavioural change for better health outcomes**

- **Regulation as part of behavioural change toolbox**
- **Can be direct or indirect**

## **When is hard or legally binding regulation preferred option?**

- **Evidence shows nudge not working**
- **Rules are known and visible**
- **Facilitate compliance (in particular, industry)**
- **Change structural and environmental factors**
- **Increase government capacity to act**
- **Protection of public health**
- **Enhance legitimacy**



# Concluding Comments ....

- **Relationship between Nudge and Regulation**
- **Health:**
  - **Nudges**
  - **Evidence Base: Design and Outcomes**
  - **The Role of Regulation**
- **AND REMEMBER:**
  - **It's All About the Politics....**