BOOK REVIEW

Peter John – How Far to Nudge

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In 2008, Richard Thaler introduced the term Nudge as a fine-tuning public-policy tool that enables citizens to arrive at more effective solutions without being directly forced by the government (e.g. via taxes, subsidies, regulations). Nudging has become a prominent public-policy tool since then. In 2010 UK prime minister David Cameron established the first government agency dealing with the application of behavioral insights into public policy – The Behavioral Insights Team (BIT). Similar *Nudge units* quickly became part of governmental structures in the majority of Western countries. There is also a nudge unit in the European Commission, and among its tasks is assessing possible impacts of European regulations on citizen behavior.

There is a variety of examples of how governments can use the concept of nudging in designing or evaluating public policy. In the UK, for instance, the governmental tax agency managed to increase the tax revenue and lower the number of tax evaders by reformulating the letter annually sent to the taxpayers. Other examples cover topics such as the motivation of people to donate blood, increasing the consumption of healthy food instead of the less healthy ones, or reminding the people of the importance of exercising.

The trend is, naturally, reflected by hundreds of research studies and books. Usually, they analyze the relative efficiency of various nudges, propose behavioral changes to public policy, or evaluate the success of nudges applied.

There is only little evidence on the more critical aspect of the introduction of behavioral insights into public policy-making. How does this new form of communication change the attitudes of citizens towards government agencies? How does it work vice versa? Are there any side effects of nudging resulting in more (or less) favored public policies?

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The book of Professor John is unique in bringing such topics into the broader perspective of the public policy-making process. The book is not another summary of how experimental or behavioral economics can help governments be more effective.

Peter John, as a political scientist, analyzes various aspect of nudging from the perspective of public-administration or public-policy issues.

The first part of his book briefly summarizes the very essence of nudging, its evolution, and tools. John introduces the vision of entrepreneurial public administration, which uses nudges and behavioral insights as a natural part of bureaucrats' decision-making. Nudging can help in changing the concept of government agencies as friendly, pro-citizen organizations, keeping in mind peoples' proximity to behaving *irrationally* (i.e. other than predicted by rational choice models).

The same change is happening in the social sciences, particularly in economics. Behavioral insights have not knocked down mainstream economics (as is sometimes quoted). The *homo oeconomicus* concept is still the basis of economic analysis. What *behavioral revolution* has achieved is the more complex view of the decision-making process. The ongoing process of implementing the insights in social sciences is described in the third chapter of the book.

The evolution of behavioral public policy and implementation of academic concepts into practical policy are summarized in chapters 4 and 5.

Peter John also touches the critiques of nudging ideas. There are several questions connected with the application of nudges. Are nudges effective in the long run? Is the government authorized to manipulate its citizen by nudges? Should nudging be more transparent? All of these questions are addressed by the author in the sixth chapter of the book. The author also touches the ethical aspects of nudging in chapter 7.

The last section of Peter John's book introduces the central proposal of the book – the vision of *Nudge plus*. John argues that the current version of nudging should be substituted by a broader and more complex one. The *Nudge plus* policy comprises not only the application of the nudges but also an explanation of the very nature of the intervention and its aims to the citizens (and bureaucrats). There should be feedback to any intervention, making the citizen more involved in policy change. This expansion of the process leads to the application of this public policy tool on lower levels of government or citizen themselves.

The Nudge plus concept takes into account the capacity for individual reflection and can be used by any group or citizen, even to nudge the nudgers.

John's book is therefore essential not only for academics dealing with behavioral public policy or the emerging field of experimental public administration. The text should be read by practitioners, the real policymakers, bureaucrats, or politi-

cians. And more importantly, it applies in the Central and Eastern European region. Except for Slovakia, there is no governmental unit systematically using behavioral insights in policy-making. While Peter John is proposing the *Nudge plus* concept, the CEE region has not reached the Nudge stage yet.

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