

Who Nudges the Nudgers?

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Mayor Michael Bloomberg's proposed large soda ban has raised the ire of many New Yorkers. Business Insider reports on a <u>new poll</u> out showing that, despite the favor that Manhattan shows for a soda restriction, every other borough is against it.

The NY1-Marist poll released early Tuesday shows that 53 percent of adults in New York think Bloomberg's proposal is a bad idea, while 42 percent think it's OK. With all of the backlash against Bloomberg the last few days, that's actually kind of surprising. By the exact same numbers, 53 percent thought the plan is a government overreach, while 42 percent thought it was a "good health policy to fight the problem of obesity."

This is the latest in a long line of Michael Bloomberg's complete and utter disdain for individual autonomy. He has long believed that the peasants of New York only need the heavy paternalist hand of the Bloomberg government to fix their problems. And it's raised the old debate about "libertarian paternalism" again.

Cass Sunstein and Richard Thaler, two University of Chicago professors, popularized the seeming oxymoron of "libertarian paternalism" a few years ago with their book Nudge. The idea is to try to subtly influence individual choices without outright government bans. (For a more in-depth analysis, check out Cato Unbound.) Cass Sunstein went on to bigger and better places in the Obama Administration as the Administrator of the Office of Information and Regulatory Affairs - leading many to speculate about Barack Obama's own preference for libertarian paternalism.

The question that paternalism skeptics have, of course, is where does this new form of paternalism stop? If subtle choices don't work, the next step is logically an outright ban. Bloomberg has obviously favored limiting the choices of New Yorkers, but is this a step too far?

The answer that paternalists give is always "if it 'works,' it's worth doing." Richard Thaler himself, however, seems apprehensive about the Bloomberg soda restrictions - even though other economists *do* think it's a 'nudge'!



Richard H Thaler @R_Thaler

To state the obvious: a BAN is not a NUDGE. The opposite in fact. So don't blame Bloomberg's ban on large soda cups on us.

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For those who think that libertarian paternalism is just another form of the paternalist wolf in sheep's clothing, Bloomberg is proving them right. Over at Forbes, <u>Adam Ozimek has a new idea</u>: Mayor Bloomberg needs a few nudges of his own.

One idea is when they go to a restaurant, by default they should be seated at the table that places them in the most proximity to people near the median income level. Or when they turn on their TVs, have them by default turn to awful TV shows popular with the median household, like America's Got Talent, Dancing with the Stars, or some poorly written show about cops. Of course they will need a nudge so that when they rent an apartment or house it comes by default with a TV and cable.

What they don't understand is that as Ivy League economists with IQs north of 140 their preferences tend to be very far from the median consumer's, so it should be no surprise that they can't imagine it being an inconvenience. After all, they also probably can't imagine wanting to drink a lot of soda in the first place.

Bloomberg's stunning separation from the concerns of ordinary people leave us no other choice