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Operation Nudge: How Non-Sovereign Organizations Gain Quasi-Sovereign Powers To Solve Public Choice Problems¹

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Captain Crunch, Tony the Tiger, and Toucan Sam are watching you. Particularly, they are watching children. With their eyes gazing downward at a 9.6 degree angle, these characters make eye contact with individuals to encourage feelings of friendliness which will in turn increase the sales of the product. It is not that we are “cuckoo for Cocoa Puffs,” but rather that we are being covertly nudged to buy these products (Musicus). Cereal companies are not the first to figure this out; we are nudged all day long. Our behaviors are encouraged and discouraged through choice architecture. We take the stairs over the elevator depending on its proximity, we continue to get mass emails because blocking them would require further action, and the list of daily nudges continues.

In 2005, the term “nudge” was presented by Cass Sunstein and Richard Thaler in their revolutionary book *Nudge: Improving Decisions about Health, Wealth, and Happiness*. This term called “nudging” refers to “any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates” (Sunstein, *Nudge* 6). By their nature, nudges have not been commonly used by governments who favor more traditional carrots and sticks. This is true partly because nudging is a new concept and partly because carrots and sticks are the default options for many governments. But, the method has been used at times and may prove to be more useful in the future, particularly for giving non-sovereign entities the ability to carry out actions. Using a nudge does not mean that an incentive or a deterrent cannot be used, but rather nudging can also help agendas along.

In our modern world, the issues associated with public goods have become an increasing problem. This is in part because of the inability of the international community to implement Garrett Hardin’s solution of “Mutual

¹ This paper, which won the Abdu Rifai Award at the 2015 KPSA, was sponsored by Dr. Mike Berheide.

Coercion, Mutually Agreed Upon" to such problems (Hardin). This paper endeavors to show that public choice problems may have a pragmatic solution. When implemented by a non-sovereign organization, nudging is capable of influencing behaviors of both people and government without passing laws to make a given behavior mandatory.

In the international community, the issue of who has the power is a prime concern from the realist perspective. To solve public good issues traditional forms of sovereignty have been desired. But, for transnational issues, it is the international community tasked with solving these issues. However, states have proven to be reluctant to delegate power to organizations such as the United Nations (UN). Nudging is a tool able to influence behaviors that is available to both non-sovereign and sovereign organizations. Furthermore, because of the nature of nudges, a non-sovereign organization can nudge without limiting or impeding on a states' sense of sovereignty.

To illustrate how it is possible for nudging to give these organizations sovereignty without limiting that of another, examples of nudges are illustrated later in the paper using the World Health Organization (WHO) and air pollution as the Intergovernmental Governmental Organizations (IGO) and the public good problem. Though the examples in this paper are specific to the WHO and the public good of air pollution, they are meant to illustrate the larger idea of how non-sovereign entities can accomplish tasks through nudging, which were previously believed to need hard power.² This is because it is in the nature of public good problems to not be completely solved, but rather controlled to a point when they are not as harmful to humans or the environment. It is through liberal paternalism that non-sovereign organizations can gain quasi-sovereignty to solve the public choice issues challenging the modern world.

THE RISING PUBLIC GOODS PROBLEM

The problems associated with public goods are not new problems, but the severity at which these problems are occurring today present challenging issues. Public goods are goods that are readily available to all members of the society (Shively 55). Public goods include oceans, pasture, and air. These are the goods that one person's use of it does not restrict another's use of the

² This paper is based upon the research I performed for PSC 480: Senior Research Seminar at Berea College. In the larger paper, the case studies were more inclusive and dealt with the ideas of political feasibility, details about why the particular solutions were suggested for those places, and why the WHO was the organization with the capabilities to manage such an operation. This paper is meant to illustrate the core concept which is nudging gives quasi-sovereignty to non-sovereign organization to allow them to aid in solving public goods without impeding on the sovereignty of another sovereignty entity.

good. Problems with the availability of the good will soon arise because what is economically rational for the individual is not what is economically rational for the group as an entirety. This problem was identified by Garrett Hardin as the "Tragedy of the Commons."³ His solution to the problem was "Mutual Coercion, Mutually Agreed Upon." Therefore, a government may impose regulations to a given community so that it behaves in an agreeable way to the majority of the citizens. This has proven to be a successful solution to the problem so long as the public good lies within a given area of a state.

However, it is crucial to understand that not all public goods lie within the confinements of a given country's border. These problems are known as transnational problems because they occur in multiple states. This is a public choice issue because now the states are the individual actors and what is economically rational for the individual is not what is rational for the world. The problem then becomes how to resolve the issue because Hardin's solution does not work when there is no one larger government with the authority and power to ensure that the states act. Finding a pragmatic solution to these global problems is the focus of this paper. Globalization has led to an increase in the destruction of public goods, but collective action is needed to reduce the pollutants back to their critical mass points. This is where non-sovereign organizations are needed.

THE ROLE OF THE UNITED NATIONS

The role of the United Nations (UN) has been to define global problems, find pragmatic solutions, and encourage interstate cooperation through communication. However, the body is largely one without formal power. It is lacking the typical carrots and stick of traditional forms of government and cannot gain a significant amount of power without impeding upon state sovereignty. Moreover, states are reluctant to give the body any power for fear of diminishing their own. Though this has caused critics to question the use of this organization (Freedman 210), it does not mean that the world can do without the organization. In the UN Charter there is no section which mentions that states need to be concerned about international issues. Instead, the charter implies that this is the role of the UN's General Assembly. This has led to the creation of specialized agencies. This means that the UN needs to be able to use methods beyond hard power to enact change.

In general, the solutions to problems are most effective when they come from the level at which they occur (Dietz 1909). Instead of the impractical solution of a state expanding its duties to deal with transnational issues, it is time for the rise of the IGO. It needs its own form of sovereignty. While

³ In his paper, he outlined a situation where shepherds added too many sheep to a pasture to expand their own capital and instead rendered the field useless due to overgrazing.

organizations within the UN may provide guidelines for governments to use as a part of their legislation,⁴ they do not have the power to legislatively carry out their findings. This creates a problem because states recognize that the regulations are needed, but will not implement them for fear of being economically disadvantaged by not having other states implement the same measures. Like the individual who needed correction from the state, the states of the world need the authority of a larger unit. This authority needs enough power to aid the problems that arise from public goods.

QUASI-SOVEREIGN POWER

Sovereignty⁵ and the international community has been a sore subject in discussion for states because states do not want to give organizations such as the UN and other bodies more power. However, the states also agree that a neutral coherent body, such as the UN, is a good thing. The term “quasi-sovereignty” in this setting is used to describe organizations that have legitimacy and can change policy through the implicit power of influence and not force. It means that non-sovereign organizations may achieve results by changing behaviors through means that are not reserved to the sovereign power of the state. For example, the WHO has declared that it has supreme authority in the international community over health concerns, yet, it does not have power. Quasi-sovereign powers resemble sovereign powers enough to be effective, but are not sovereign powers in their nature. To be quasi-sovereign means that the organization would need to be able to carry out its authority. Carrying out its proposed ideals means that a quasi-sovereign organization would need to have the power to influence governments and individuals to produce results. It is “quasi” because these organizations are not gaining law making power. But, it is “sovereign” because it is able to create a system to encourage a change in behavior. However, they are obtaining the power necessary to carry out their goals. To encourage behavior, non-sovereign organizations will need to give a nudge.

⁴ The World Health Organization is an example of a unit that has legitimacy, but no tangible power. Within the UN, it is the responsibility of the WHO to direct and coordinate public health efforts particularly those concerning children’s health and environmental problems. With its six regional offices and 147 country offices, it has the capabilities of penetrating a country and it is an organization that has an interest in the problem. The WHO is controlled by delegates from each of the 194 member states. This means that at the World Health Assembly (WHA), each country is able to express its concerns about managing the details of the solutions to the problems. Its knowledge in the field of health care has given this organization some soft power because it can influence decisions.

⁵ The word “sovereign” comes from the Latin word, *superanus*, meaning supreme authority. This is still what the word means today to refer to the state’s exclusive ability to carry out the laws within a state at all stages of the legal process.

NUDGING

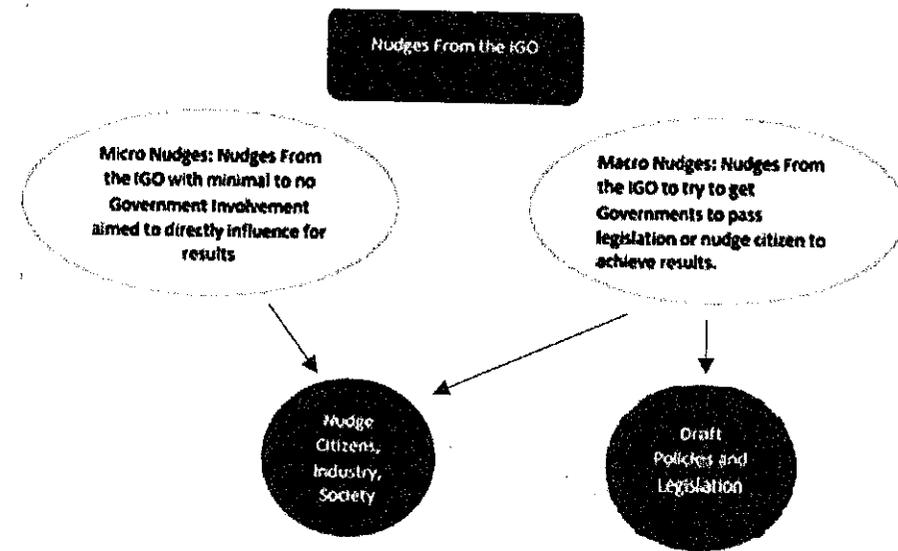
Due to the recent creation of the concept, it has yet to be determined by scholars who can and cannot be nudged.⁶ Nudging appears to work in nearly every situation because it is versatile in nature. But, it is necessary to understand that nudges cannot solve a problem in its entirety. It only can encourage certain behaviors to a certain extent. However, organizations with some power over a group of people will find it particularly useful to aid in carrying out the goals of the organization because nudging is more politically feasible. Nudging is a form of implicit power that is permissible for a states as well as non-sovereign units to exercise. However, in this paper, I will explain how non-sovereign organizations, and not the state, enact change through nudging. My research found that there are three distinct ways that a non-sovereign organization can nudge.

THREE TYPES OF NUDGES

The nudges that I am suggesting for IGOs are aimed at two distinct levels. These will be referred to as the micro and macro levels. The structure of these two types of nudges are designed for any IGO or NGO wishing to nudge a country to solve a collective good problem. These nudges take advantage of the legitimacy that the organization already possesses and allows solutions to be found without impeding upon a given state’s sovereignty. However, by having a structure that is designed to influence, IGOs are gaining immense power that was previously thought to be unavailable to such organizations.

The micro level nudges refer to choice architecture designed to influence the citizen. There is minimal government interaction for the nudges to take place. The nudges are designed for the IGO to be able to bypass the government. Thus, these will give the IGO more power through influence and it will help to solve public choice problems more quickly. Micro level nudges can be aimed at three levels: individual citizens; industries; or, the society as a whole. The key feature to this level of nudging is that the government is not involved.

⁶ There exist several arguments against nudging, but I encourage one to think about the number of times each day that we are nudged. It then seems that it is only natural that governments use this method as well. Because nudges are easily avoidable, it is unlikely that governments could abuse the power as some critics fear.



This type of nudge is easier to implement by organizations that already have regional offices in place, but it is still possible without this direct presence. Choice architecture should be used to not encroach upon a state's sovereignty, but still influence behavior like a law. By choice architecture, it means that the design of an object influences decisions. Therefore, it is less important that the non-sovereign organization has a presence in the society, but rather that it has the monetary funds to implement nudges and build a system with choice architecture.

Nudges at this level are much broader in nature and require creativity to create. Most visual cues operate as a nudge, thus this greatly expands the range of nudges available. Nudges can be as complex as buildings designed to encourage individuals to take the stairs and as simplistic as a plate being divided into sections to encourage healthier choices. This level of nudging can also be either overt or covert because it is the most flexible of the nudging categories. The elasticity of this level is not only on the nudging end, but also who is doing the nudging. Governments, industries, and non-sovereign entities may all nudge individuals more easily than they themselves can be nudged.

The other category is macro level nudges. In contrast, these nudges are designed to nudge the government system instead of directly nudging the individuals. From these nudges the outcome can go one of two ways. Either the government is nudged into passing legislation that may produce carrots and sticks or the government is nudged into nudging its individual citizens, industries, and citizens. While government being nudged to pass legislation is not a direct nudge, on the macro level it can be seen as such because the scope being looked at is removed a layer back. However, it is a much purer nudge to nudge governments to nudge the nudgeable parts of society.

There are two principal ways to nudge a government. The first is to create an elite group of those who pass the legislation that the IGO is suggesting. The nudge rests in the idea that states are nudged into creating a system that improves air quality because they want to join the non-sovereign organization's group. The virtue of the membership is what is desired; there cannot be an economic gain or voting power gain for the members, nor a loss in power for those who are not members. In this way, the nudge does not change the choice matrix. For those who are able to join, the name should carry enough prestige that it is desired to be joined.⁷ Membership into such a group should be fairly difficult to obtain, but, not to the extent that governments can be nudged out of it.

For a non-sovereign organization to be able to use this nudge, they need to be able to locate the countries that have prestige and are essentially the "cool kids" of the international community. For example, by having the United States and Russia join an organization, other states will most likely follow because these countries are leaders in the international community. While there may have to be an initial incentive for these states to join, these states nudge other states into joining because of the power of attraction. The non-sovereign organization does not have to be what is attractive, but rather its members.

Choice architecture can be designed in a way that can both encourage and discourage behaviors. The nudges that are suggested in the following sections are discouraging behavior by encouraging another. Instead of passing a law stating that only cars with a certain fuel economy can be on the road and posing a fine for those who drive higher mpg cars, nudging might make public transportation or car pool lanes more available. In this way, it is not discouraging, but encouraging. Thus far, I have suggested who should solve public good problems and how the non-sovereign organizations can gain the power to carry out the solutions. In the following section, an actual public good problem will be identified, solutions will be presented, and specific cases will be looked at. This will show that even some of the direst of problems can be remedied through nudging because it is the critical mass point that needs to be achieved.

NUDGING IN ACTION: AIR POLLUTION AND THE WHO

In the course of this year, 7 million people will die from air pollution (WHO, *Ambient*) and an estimated 3.3 million of these deaths will be children

⁷ This is a nudge that has been used on a lower level by the National Wildlife Federation in the United States. This organization has a club called Certified Wildlife Habitats®. This club's membership is available to anyone who meets the requirements to make their backyard into a wildlife habitat. There are no sizeable benefits beyond a certificate, yet nearly 200,000 individuals have joined for the prestige of the organization.

under the age of five. In 2013, the WHO released a public statement declaring that air pollution is carcinogenic to humans (IARC). As elucidated in the study, there is a direct link between air pollution and lung and bladder cancer (Straif). While air pollution effects can be acutely fatal, it can also induce chronic problems causing people to struggle with respiratory problems for the duration of their lives. Air pollution affects the quality of life for many people (*Air Quality Deteriorating*) and causes preventable deaths across the globe. We must act now to encourage better means of production to thwart the increasingly harmful effects of air pollution.

One of the barriers to reducing air pollution is those who reap the benefits differ from those who bear the cost. In other words, the hierarchy structure of industry creates a system that allows for the owners of production to remain unaffected by the pollution they are causing. The majority of air pollution casualties are located in poor urban areas (Hutton). The poor suffer from this problem both locally and globally because these are the places where people cannot afford to make changes to their air quality and are lacking in education and, thus, awareness of this problem. By having those who produce the pollutants only reap the benefit and not bear the cost there is little incentive beyond moral character to amend the situation. The solutions to these problems must therefore be economical and easy to implement. This is why nudging is the optimal solution to deal with this public choice issue. The solutions for the WHO to implement through nudging are suggested in the following paragraphs.

MICRO LEVEL NUDGING FOR AIR POLLUTION

An example of this level of nudging is to use larger recycling receptacles to encourage recycling. A study of this occurred in the United Kingdom. The simple program implemented set out recycling containers that were nearly twice the size of the trash cans and larger than the compost bins. This helps provide a visual cue to citizens about what they should do with their waste and how much are they wasting. Before the onset of the program the recycling rate was at 29%. When this program was implemented the rate immediately raised to 60% and sometimes reaches 70%. This shift was caused by the size of the containers and nothing more (Laker). This plan shows how simplistic the choice architecture can be to make a difference.

However, beyond the mere size of the recycle receptacle, the proximity matters as well. A recent study found that the distance a person must travel to the nearest bin also influences the frequency of how much an individual recycles. A Spanish study showed that an environmentally concerned person normally does not expect to spend more than five minutes travelling with his or her bags to the selective collection bins. The study found that the majority of people who separate three or four items spend less than five minutes in travelling from their home to the point where the bins are located; i.e., the

efforts (measured as the number of fractions separated at home) of the people with the recycling habit, are encouraged by the proximity of the bins to their homes (González-Torre).

By having an IGO implement these nudges, the sovereignty of the state is still maintained, though an outside force is influencing behaviors. This solution would be particularly successful in Mongolia where there is a large problem of plastic burning. The air quality levels in Mongolia are some of the worst in the world and one of the key sources is from the ger region burning plastic. While the government has attempted to solve the problem, there has not been much success. This program would encourage plastic disposal and if done properly, encourage the burning of healthier substances. However, it remains a nudge because it remains cheap and easy to avoid.

MACRO LEVEL NUDGING FOR AIR POLLUTION

In this case, the WHO should pass qualifications for states to enter this elite group such as meeting their air quality standards or passing effective legislation.⁸ This would not mean that a government has to pass legislation, but to reach strict requirements, it most likely would. Then by having other states take note of the actions performed by a state to improve their own air quality, it would likely create a system that would encourage cleaner air because there would become a different hierarchy of states. It is this attraction that creates the nudge. The WHO's main office would be the organization charged with creating this system.

This type of nudge would be suited for an area where non-anthropogenic sources is the main source of pollution. For example, in Qatar there is a large problem of particular matter from sand storms mixing with anthropogenic particles mixing and forming a toxic mixture. Qatar is a state interested in improving its air quality and, thus would want to join an elite group. By having the roofs of buildings gabled, the air would flow easier and the pollutants could travel out of the heavily populated areas. The nudge is to join the group, but the group could make it mandatory for governments to pass legislation encouraging green architecture.

Related to the idea of an exclusive membership is the second idea of critical mass. This is to say that there is a certain point when all states will want to have a group membership because it is easier to conform (Schelling 96). A practical example of this idea is the concept of Daylight Savings. By switching the time, people are nudged into going to bed and waking up "earlier." What is really happening is that natural light is more efficient during the new hours, so

⁸ The European Union (EU) is an example of such a group. States gain some power from joining, but that is not necessarily the purpose of why they want to join. The EU is more about creating a community with the same goals. This is the same intention of the nudge being proposed.

there is less of a need for traditional lighting that produces greenhouse gases and uses resources. However, with other countries changing their time, it is easier for all countries to change their time so that the time changes are not further skewed (Sunstein, 47). There is no cost to do this or not to do this, but it is easier to change the time as a default because so many other countries are observing this difference.

If countries were to become not only aware of how they rank in the world, but how well they were nudging, it may have an impact on policies. This would be seen on multiple levels from industries to regions to states to countries. Using this method and comparing regions that are already at odds with each other should nudge a response. For example, both India and Pakistan rank top among the worst polluters in the world. If the two were competing to clean the air for the prestige of their country that would be a nudge to accomplish this task.

This is a macro nudge because it is designed at the governmental level and the nudge is used to expose the weakness of the political culture as seen on the world stage. There is no economic incentive or deterrent. These nudges recognize competition and states desiring to increase their power. From the realist perspective, states act in their own best interest. The actions of a state show they are trying to increase their own power. Therefore, the macro level nudges are designed to increase power by creating competition and a desire to be an exclusive country that is ahead of the world's standards.

CONCLUSION

This paper demonstrated that non-sovereign organizations are the rising form of government in today's globalized society and that these organizations are the most qualified to respond and solve public choice problems. However, the focus was upon the idea that these organizations currently do not have the sovereign powers to make changes, but can gain quasi-sovereign power through nudging at three different levels. While three selected examples were described with one organization managing one public good problem, the application of the idea is much larger. This paper is meant to illustrate for other scholars that there are various sources of power that need considering before non-sovereign organizations are thought incapable of enacting change.

Nudging is a useful, but also unique tool available to non-sovereign entities to implement and enact change for public choice issues. Though it is versatile, the most astonishing finding of the research is that it can be performed without impeding a given state's or states' sovereignty. Quasi-sovereignty is not complete sovereignty because nudging is not as powerful as a law, but a change in behavior still occurs. This type of a solution could work as a solution to other problems, but it is best for public goods because these problems do not need to be solved in their entirety. Instead, these issues only

need to be resolved to the critical mass point where they are no longer harmful to the citizens of the states or the environment.

This paper demonstrated that, though there are problems larger than the world has known, they are not unsolvable. Every level of human interaction can make a difference for the greater good due to the nature of these problems. Change does not have to come through incentives or deterrents, but instead through a gentle nudge that can be tailored to suit all political cultures. Furthermore, while nudging gives power to transnational organizations, it does not give such bodies the power to infringe upon anyone's rights. There is no need to fear such organizations or the changes they implement. Individuals maintain their sense of autonomy even when these nudges are present. This is a new frontier for non-sovereign organizations and a new hope for the problems that do not observe borders.

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