

Social norms



- A predominant behavioral patterns within a group, supported by a shared understanding of acceptable actions and sustained through social interactions within that group
 - Diet variation across countries (societies) reflect social norms – how to eat, how to get dressed, how to move or to spend vacations.
- Adequate social norms are crucial to meet grand challenges
 - Example – decreasing emission from air travelling : “We try many things: price, technologies, companies business models” – it is not enough

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A lot of solutions are about social norms

- «Decreasing emission has to be very decentralized, very participatory, and very regulatory. It requires affecting the *way people heat and cool their homes, cook, collect firewood, drive cars, consume energy-intensive aluminium, and produce steam for electricity and industrial use. Methane abatement involves how farmers feed their cattle and aerate their rice paddies. Carbon abatement depends on policies that many governments are incapable of implementing...*» T.Schelling (1996)

- A difficult **social problem** or a difficult **engineering problem!**



The issue of social norms in your missions

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Consumption
 Cultural (and sanitary) habits
 Waste management
 NIMBY norm
 Consumption of antibiotics
 Acceptability (robots, digital teaching)
 Use of specific technologies

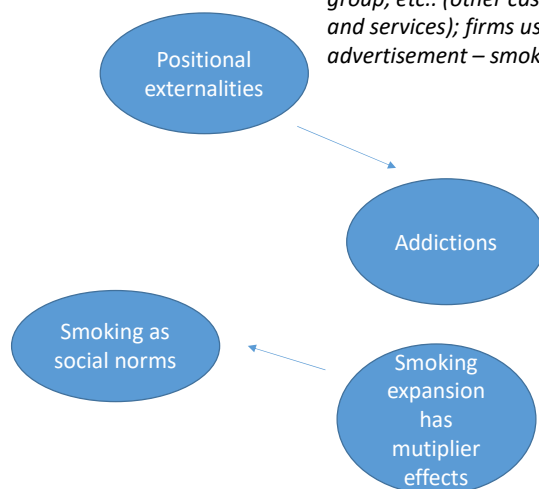
Reaching tipping points: where a vicious circle – which locks society in an inadequate social norm - turns to a virtuous one – giving rise to large scale transformation (the “good behavior” starts to dominate and its increasing dominance becomes self-sustained)

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Process of emergence of a social norm - smoking

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Some goods create externalities in the sense of signaling social status, social position in a group, etc.. (other cases: fashion, luxury goods and services); firms use it strategically through advertisement – smoking is fashionable



Nicotine is an addictive chemical substance. Again firm's strategy

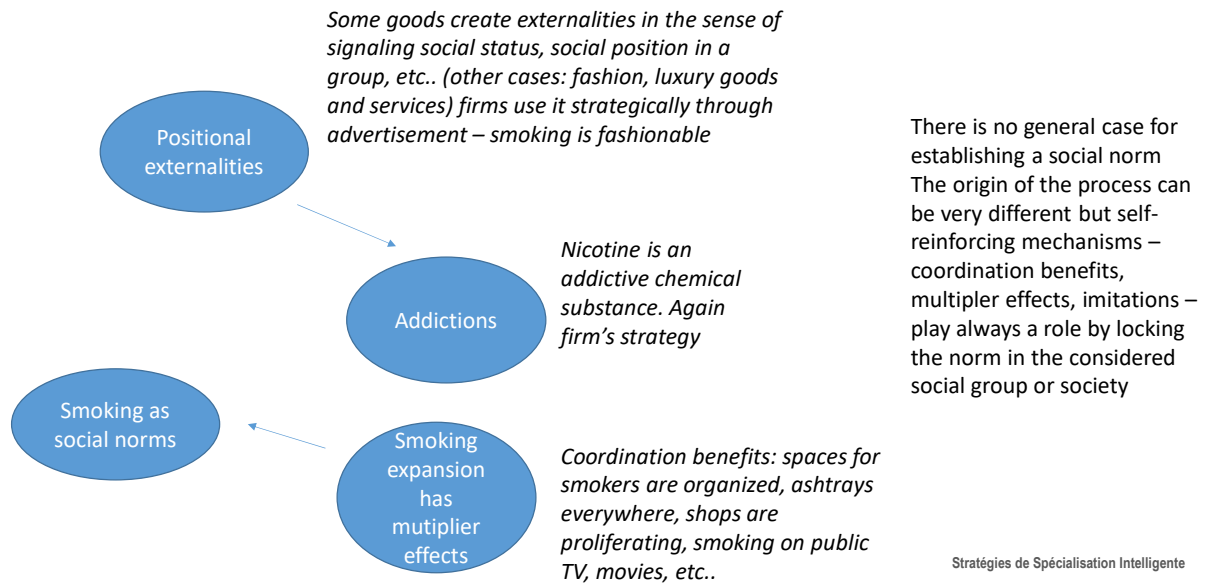


*Coordination benefits: spaces for smokers are organized, ashtrays everywhere, shops are proliferating, smoking on public TV, movies, etc..
 Smoking as a cultural value*

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Process of emergence of a social norm - smoking

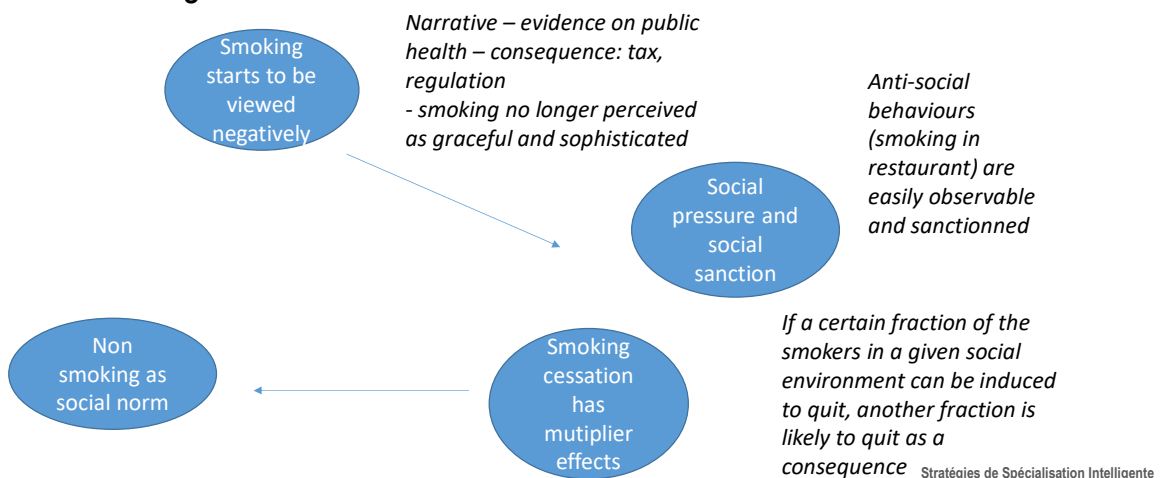
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Reaching tipping points

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- Reaching tipping points: where a vicious circle turns to a virtuous one – giving rise to large scale transformation



Factors determining *status quo* (all don't apply to all problems)



- For each individual: private interest > a fraction of the social cost (social cost is shared by many) (structure of the *tragedy of the commons*)
- Atomicity of agents – whatever I do, there is no effect - I am too small
- Bad actions are not easily observable (no social sanction) but yield benefits
- Self-reinforcing mechanisms (coordination benefits) make the social norm robust and persistent

Unauthorized landfill created by the “social norm” of putting garbage in nature



- *Problem with the structure of the tragedy of the commons
- *Atomicity
- *You go by night
- *The municipality does not invest in regular waste collection site

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Factors influencing large scale changes

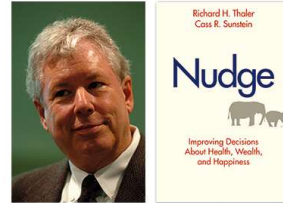


- Narratives!
- When actions are easily observable social sanctions can create tipping points
- Coordination benefits and multiplier effects – people understand the benefits they will get from adopting the new behavior – healthy diet as a social norm
 - Better availability and quality of particular foods in stores and restaurants
 - Less meat intensive diet becomes the social norm, people start to conform to the norm (environmental and health reason but also simply to enjoy a pleasant joint meal)
- Standard (economic) policy
 - Price and tax, new regulatory framework, rationing
- Policy to provide reasons for people to change their expectations: public investment
 - New bicycle lanes, recharge station, railway infrastructure
- Nudge policy
- Policy for increasing awareness

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Policies for increasing awareness: Nudges

- Thaler and Sunstein (2008) define nudges as an intervention that: *"alters people's behavior in a predictable way **without forbidding any options** or significantly changing their economic incentives"*



- Nudges receive increasing interest because they are **cheap**, they **do not limit** individuals' **freedom** of choice and they are generally **well-accepted by citizens**.
- Nudges can be used for the public good but also for private strategies

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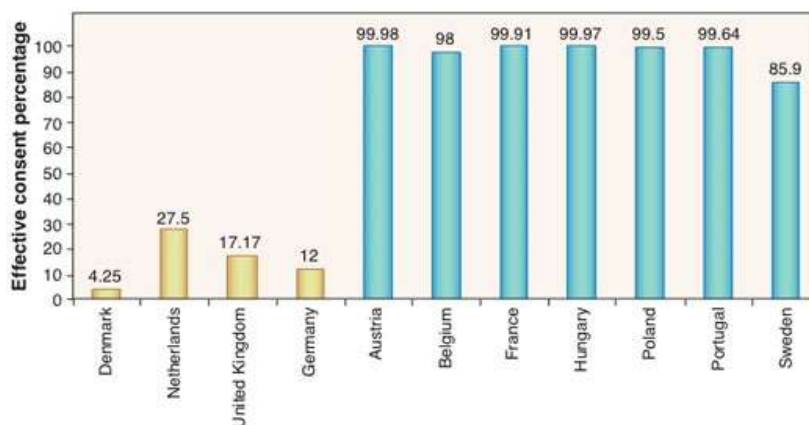
Nudges: Opt-in/opt-out solutions

Two types of question

Opt in – Do you agree to donate your organs? If yes, tick the box (gold)

Opt out – Do you disagree? If yes tick the box (blue)

It is "easier" not to tick a box whatever the question is



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Nudges: price announcement strategy

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Nudges: price announcement strategy

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Looks now as a very good deal

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Nudges: some environmental examples

- For environmental actions: green choice as the default option
- Setting green options as the default option favors pro-environmental choices
 - Default (recycled) paper in the copy/printing machine
 - Default plate size limits food waste
 - Power consumption: the share of individuals purchasing green electricity increases when the default electricity mix is the green mix
 - Also in paper use, plastic consumption, energy efficiency, and smart grids

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Limitations of nudges

- Too many nudges, signals and recommendations reduce impact of nudge policy (too many signals)
- A study on measuring the effectiveness of 455 nudges shows weak to moderate effects
- Nudges are relatively effective in the domain of diet and nutrition, moderate in the domain of environment and poor in the domain of health and finance
 - *The effectiveness of nudging – a meta-analysis of choice architecture interventions across behavioral domains – Proceedings of the National Academy of sciences (PNAS), 2022*

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Policies for increasing awareness: Signaling, labels and education

- One issue hindering individuals' cooperative behavior is the **lack of information** among consumers.
- Households have little knowledge of their resource consumption and the footprint of their purchases:
 - **Smart meters' implementation** help enhance energy conservation
 - **Signaling the environmental quality** of products helps trigger behavioral changes
 - **Informing** on health effects of addictive products



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Social norms are hard to change

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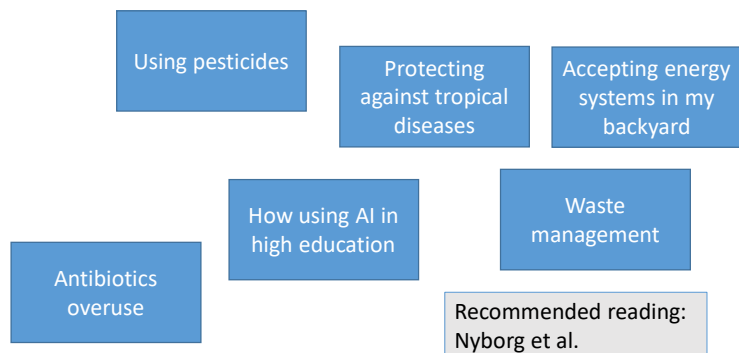
The toolbox:

Narrative Policy

- *Price, tax, regulatory framework, rationing
- *Public investments to provide reasons for people to change their expectations
- *Levering coordination benefits towards behavioral tipping
- *Nudges, education
- *Observability and social sanctions

- For each individual: private interest > a fraction of the social cost (social cost is shared by many) (structure of the *tragedy of the commons*)
- Atomicity of agents – whatever I do, there is no effect - I am too small
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Air transport vs healthy diet





A fast track! **EPFL**

China's Social Credit System Explained

The infographic features a red background with a silhouette of a city and the Chinese flag. Three black silhouettes of people are shown, each with a digital display above their head showing a credit score. The scores are 600, 1300, and 1150. Two white surveillance cameras are positioned on either side of the people. The text "China's Social Credit System" is in a black box at the top, and "Explained" is in an orange box to the right.

Person	Score
Person 1	600
Person 2	1300
Person 3	1150

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