The Emergence of a EU Lifestyle Policy

Alberto Alemanno HEC Paris / NYU School of Law Alemanno A. and A. Garde, Regulating Lifestyle Risk in Europe: Tobacco, Alcohol and Unhealthy Diets, SIEPS Policy Report, 6/2013.

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Alemanno A. and A. Garde, Regulating Lifestyle Risks - Europe, Alcohol, Tobacco and Unhealthy Diets, Cambridge University Press (2015).

# Regulating Lifestyle Risks

The EU, Alcohol, Tobacco and Unhealthy Diets



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#### MODERN STUDIES IN EUROPEAN LAW



#### NUDGE AND THE LAW

A EUROPEAN PERSPECTIVE

WITH A FOREWORD BY CASS SUNSTEIN

edited by Alberto Alemanno and Anne-Lise Sibony

BLOOMSBURY

CAMBRIDGE

#### not only academia





#### advice





#### outline

I. Setting the scene

II. What the EU has done?

III. What the EU can actually do?

<[>

# Market liberalisation efforts provide economic prosperity, and

#### world life expectancy

7.2 - 81.5 yrs 4.7 - 77.1 1.7 - 74.6

8.9 - 71.6

3.8 - 68.8

7.9 - 63.7

0.8 - 57.8

1.5 - 50.7

2.7 - 41.4

lo Data

# **ILife Expectancy at Birth, in Europe**



## technological innovation



#### world food prices



## not

# happiness



# well-being



## but

# greater consumption











# <risk factors>



# leading causes of **NCDS**

#### NCDs, like heart attacks and strokes, cancers, diabetes and chronic respiratory diseases, as **biggest global killers** ('NCD epidemic')

See UN General Assembly, 16 September 2011

#### NCDs are the single biggest cause of death: 9 million people die every year at young age



- Group III Injuries
- Group II Other deaths from noncommunicable diseases

Group II – Premature deaths from noncommunicable diseases (below the age of 60), which are preventable

Group I – Communicable diseases, maternal, perinatal and nutritional conditions

global burden of mortality, morbidity and disability attributable to NCDs has rapidly increased

> also in developing countries ('double burden')

## Noncommunicable Diseases

#### **Projected global deaths (2030)**





#### **2011 UN Political Declaration on NCDs**



#### **UN Political Declaration on NCDs**

- Recognition of global burden and threat of NCDs to social and economic development
- NCDs largely preventable
- Urges MS to reduce risk factors by adopting preventive action

#### WHO Global NCD Action Plan 2013-2020

 Adopted unanimously on 27 May 2013 by 194 States

– Resolution 66.10

- Builds on the UN Declaration of 2011
- Proposes 9 voluntary targets and 25 indicators to be reached by 2025

#### 9 WHO targets to reduce NCDs

Harmful use of alcohol: Reduce by 10%

Physical inactivity: Reduce by 10%

Sodium intake: Reduce by 30%

Tobacco consumption: Reduce by 30%

Raised blood pressure: Reduce by 25%

Drug therapy & counselling: 50 coverage%

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#### 'regulatory mix'

evidence-based, cost-effective, population wide and multisectorial intervention

through 'the implementation of *international agreements* and *strategies*, and *education*, *legislative*, *regulation* and *fiscal* measures'

(great faith in the power of law in changing behavior)

#### Tobacco as the blueprint

- After the 'Framework Convention on Tobacco Control' – mandating its 176 members – to adopt anti-tobacco measures
- UN Members might conclude other health treaties, such as:
  - Framework Convention for Obesity Control (?)
  - Framework Convention for Alcohol Control (?)

NOW:

VOLUNTARY TARGETS by NCD Global Strategy

# The Law as a Tool for NCD Prevention

Not a panacea but key instrument

- can compensate for information asymmetries
- can help shape our environment to make the healthy choice a healthier choice
- can help rectify market failures
- can help reduce health inequalities
- -can help educate people
#### Nuffield intervention ladder

Eliminate choice: regulate to eliminate choice entirely.

Restrict choice: regulate to restrict the options available to people.

Guide choice through disincentives: use financial or other disincentives to influence people to not pursue certain activities.

Guide choice through incentives: use financial and other incentives to guide people to pursue certain activities.

Guide choice through changing the default: male 'healthier' choices the default option people.

Enable choice: enable to change their behaviours.

Provide information: inform and educate people.

Do nothing or simply monitor the current situation.

legitimacy legality design effectiveness

of any regulatory intervention



# <II>

#### What the EU has done?

The EU has been gradually stepping in into the regulation of 'lifestyle risks'

#### historically the EU has been regulating:

- Tobacco
- Alcohol
- Food

as goods that had to circulate freely

now increasingly interested in reducing their **consumption** 

- 2001 Tobacco Products Directive (TPD) revised
- 2003 Tobacco Advertising Directive (TAD)

• EU Alcohol Strategy (2006)

• EU Obesity Prevention White Paper (2007)

# **Toolbox** of EU lifestyle regulator

- Product bans
- Limits on product availability
- Fiscal measures
- Marketing restrictions
- Disclosure requirements
- Self-regulation

# **EU** action varies in nature, scope and intensity depending on the **risk factor**



### Why we ban marketing of tobacco but not restrict that of alcoholic beverages? (same evidence base)

Why we mandate provision of information for food and beverages but not for that of alcohol?



# <III>

#### What the EU could do?



# Nudge

is 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

#### Nudges are not mandates:

Putting the fruit at eye level counts as a nudge. Banning junk food does not.

(Thaler and Sunstein 2008, 6)





### Structure

- What behavioural sciences ?
- Why relevant for policymakers?
- The appeal / The flaws
- Legitimacy and Practicability concerns

our understanding of policy action is set to change as a result of behavioural sciences

### how humans actually behave

(when they make choices)

#### humans are not









Intuitive

Automatic

Fast

Calculative

Deliberative

Slow

# Why this matters for policymakers?



#### a few illustrations of

#### insights from behavioural research





#### 10% complications







### lesson learned

- people influenced by how information is framed
- choices not affected by properties but frame

We think much less than we think we think

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# new toolbox



- Defaults
- Simplification
- Use of social norms
- Make things easier
- Disclosure
- Precommitment
- Reminders
- Eliciting implementation
- Informing people of consequences of their own past choices ("smart disclosure")

Source: Sunstein, Nudge: A very short guide, J Consum Policy (2014)



# EO 13563, Jan 18th 2011

"where relevant, feasible, and consistent with regulatory objectives...each agency shall identify and consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public. These approaches include warnings, appropriate default rules, and disclosure requirements as well as provision of *information* to the public in a form that is *clear* and intelligible"

# Test, Learn, Adapt: Developing Public Policy with Randomised Controlled Trials

# Randomised controlled trials (RCTs)

#### **Random allocation to groups**

RCT is an experimental design which involves random allocation of participants, either to an experimental group which receives some form of 'treatment' or intervention, or to a control group which receives no such special treatment or intervention.



#### What about the EU?



# **Environmental Labelling**







a) Current Energy Label

b) Proposed Energy and Carbon Footprint Label c) Proposed Energy and Environmental Label



# **Consumer Rights Regulation**



#### Article 22 Additional payments

Before the consumer is bound by the contract or offer, the trader shall seek the express consent of the consumer to any extra payment in addition to the remuneration agreed upon for the trader's main contractual obligation. If the trader has not obtained the consumer's express consent but has inferred it by using default options which the consumer is required to reject in order to avoid the additional payment, the consumer shall be entitled to reimbursement of this payment.

 $\rightarrow$  to address power of inertia

Ethical Effectiveness Design Legality

## Invitation to re-think autonomy

We cannot reason every choice (scarcity of mental bandwidth)

 Autonomous decisions are not necessarily deliberative

#### Regulate how people behave,

not how they are assumed to behave

### Thank you for your attention!