

The CNMC will analyse how behavioural economics can help public authorities to regulate and supervise markets

- This branch of economics focuses on the psychology of individuals to better understand how markets work.
- Among its applications is the use of cognitive stimuli to avoid regulating or banning certain conducts.
- Several countries and institutions, such as the OECD, the European Commission and the United Kingdom, have been using these tools systematically for years.

Madrid, 28 April 2023. – Behavioural economics is based on the behaviour of individuals, drawing on their cognitive and perceptual biases, to better understand markets and increase the effectiveness of public interventions.

In a recently launched study, the CNMC will analyse how to harness its potential to improve regulation, supervision and public intervention.

“Nudges”

A classic application of behavioural economics is to use cognitive stimuli (“nudges”), which influence individuals and help achieve general interest objectives, e.g. pre-selected options on forms or awareness-raising campaigns.

Public authorities thus avoid having to resort to more restrictive regulations, such as obligations or prohibitions, or to use more costly options (subsidies and taxes).

Several countries and institutions, such as the OECD, the European Commission and the United Kingdom, have been using these tools systematically for years to improve the quality of their public intervention.

Pursuant to the first paragraph of Article 5 of Law 3/2013, of 4 June 2013, creating the Spanish National Markets and Competition Commission, the CNMC's functions include the promotion of effective competition in the markets through, among others, studies and research work on competition, as well as general reports on economic sectors, where appropriate, with proposals for liberalisation, deregulation or regulatory modification.

The CNMC's [2023 Action Plan](#) envisages the production of studies that contribute to greater efficiency of the mechanisms for public regulation and intervention.