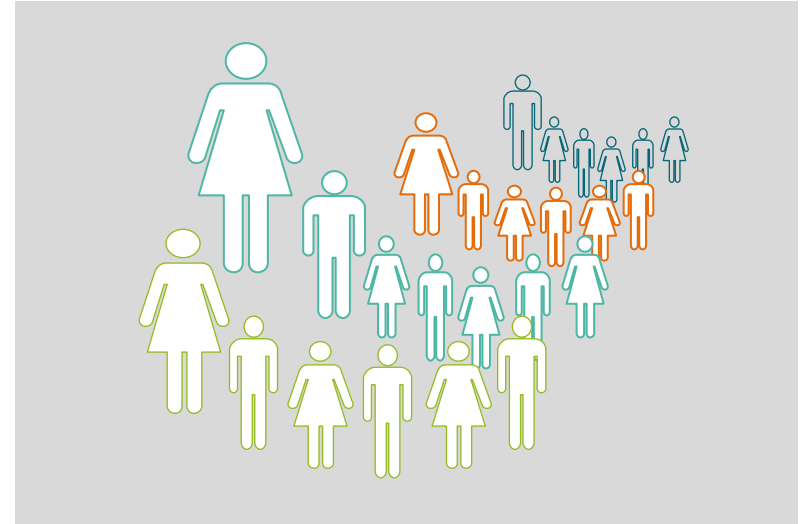# People-centred policy

**through behavioural insights,
design thinking and better use of data**

Government Economics Network Conference workshops

6–7 December 2016

government
economics
network

The
Policy
Project

Responsive today,
shaping tomorrow

Background and intent

The Policy Project collaborated with the Government Economics Network (GEN) committee to facilitate workshops following the 2016 GEN conference on:

'People and Policy – how to make better and smarter policies through behavioural insights, design thinking and better use of data'

The workshops were designed to give participants practical experience engaging with methods and experts in behavioural insights, design thinking and data analytics using a real example taken from the Ministry of Justice's investment approach.

This document

This document records:

- reflections from Day 1 of the GEN conference from the keynote speakers
- Ministry of Justice's presentation of an investment approach to justice
- insights on 'value add' and 'what to watch out for' from each of the methods and approaches – data, behavioural insights, design.
- next steps to bringing it all together: actions for building a more sophisticated policy toolkit and understanding when, how and in what combinations to apply a variety of tools and methods to policy challenges.

Recap: Day 1 of the GEN conference

Day 1 of the conference included:

- **Opening address** (Hon Bill English, then Minister of Finance).
- **Behaviour and policy** session (Dr Alex King, Director of Behavioural Insights, NSW; Struan Little, The Treasury).
- **Design and policy** session (Dr David McKenzie, World Bank; Dr Nina Terrey, University of Canberra/ThinkPlace).
- **Data and policy** session (Prof Julia Lane, NYU; Hon Amy Adams, Minister of Justice).
- **Chief Executive reflections** (Andrew Kibblewhite, DPMC and Head of the Policy Profession, Liz MacPherson, Government Statistician).

"The Public service needs to be willing and able to learn which means rejecting some long-held nostrums and a shift in the traditional policy paradigm."

– Hon Bill English

"We need to reduce the prevalence of anecdotal advice towards evidence and data on what works. The social investment approach in justice means investing ahead of demand to reduce future demand."

– Hon Amy Adams

"We need to ensure our advice is grounded in as much evidence as possible – both quantitative and qualitative – about real people, the lives they lead, what motivates them and how they experience government. [We need to] learn more about when and how we can apply a variety of tools and methods to policy challenges and how they form part of a more sophisticated policy toolkit"

– Andrew Kibblewhite, Head of the Policy Profession

"Data is powerful but has limitations we have to understand and admit...we [statisticians] have to steward the data and make it available."

– Liz MacPherson, Government Statistician

Access the speakers' presentations here
Read Andrew Kibblewhite's speech here

Reflections on Day 1 of the conference

Prof Julia Lane set the scene by sharing her reflections from Day 1.

Make the most of the authorising environment

- Ministers have charged the public service with being innovative to use data and new methods.
- The engagement and openness of large scale data providers [like Stats NZ and IRD] is a gift; use it while you can.
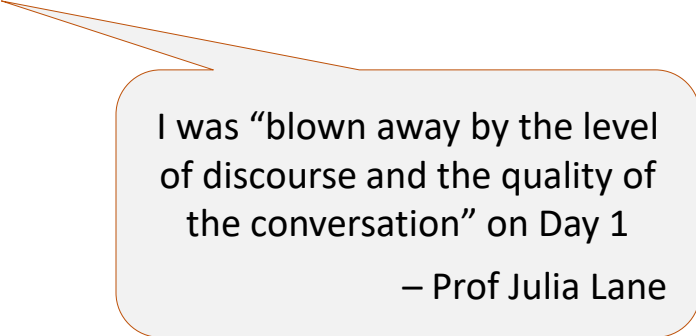
Bridge data frontiers

- Think broadly about the dynamic interaction of datasets including business data and data on individuals (e.g. for labour market policy).
- There are opportunities to combine quantitative and qualitative information to get a fuller picture (e.g. behavioural insights and big data).

Take care with data and analysis

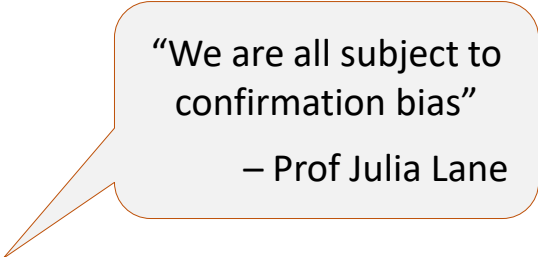- Think through how data was generated and 'poke your priors'.

Construct teams carefully

- Build teams across skill sets and disciplines so we can 'poke each others assumptions'.
- Constructive critique is healthy; we can be too polite to challenge each other in New Zealand but we need to.

I was "blown away by the level of discourse and the quality of the conversation" on Day 1

– Prof Julia Lane

"We are all subject to confirmation bias"

– Prof Julia Lane

Reflections from the panel of experts (keynote speakers)

Get ahead of the curve – confront the time issue

- Fast policy is usually bad policy. Think about building the evidence base and developing greater levels of certainty to inform policy – you are not looking for immediate solutions but working to 'know' more.

Right method for the right problem

- You need to know what methods to apply to what sort of problem – is it about shifting behaviour or learning about a population group?
- Can the methods be used as a blend without breaking their integrity? There is significant potential for synergies (e.g. between design and behavioural insights, as well as with other approaches (e.g. systems thinking). The challenge is in scale, complexity, cost and pace.

Confront the bias

- Beware of the risk of statistical 'othering' and inherent bias in segmentation. Don't leave it to the algorithms – probabilistic models are too easily conflated into determinism.
- Segmentation tells us about potential targets, but doesn't tell us what to do next, or who will benefit most (the 'treatment effect').
- Acknowledge the bias in datasets.

Bring different perspectives into the challenge

- Co-design can pull together lay and expert views.
- Don't forget about the frontline – we need to know what works on the ground (especially as we think about implementation).
- Quantitative and qualitative information can provide mutual verification and challenge.

Test, test and test

- Don't be afraid to prototype and try stuff.
- Keep testing the assumptions.
- Support real time programme innovations – build as you go.

Building capability

- Draw on expertise from inside and outside government agencies, but build internal capability as you go – frontline staff and non-governmental organisations can learn by doing with us and can provide an ongoing source of insights.
- There is a risk that we will do everything 'lite' – the methods need to be applied rigorously, not just played with.
- Foster a growth and learning mindset.

Share 'what works'

- We need to get better at sharing lessons and examples of what works.
- Bring people (including politicians) along on the journey – through storytelling, accessible statistics and visualisation. But beware of stories highlighting extreme cases.

An investment approach to justice

Colin Lynch shared the Ministry of Justice's journey to an investment approach

The opportunity

- The justice sector provided an opportunity to test thinking and try new methods.

The journey

- Began in 2012 when the Ministry of Justice start looking at other agencies' administrative data.
- Enter IDI – provided a platform for data sharing.
- Small steps – apply analysis to discrete pieces of analysis; insights reveal new stories to explore in the justice pipeline (burning platforms).
- Build capability and show the value and results to maintain momentum.

Focus on longer-term outcomes

- Asking "what can we do to prevent crime?" has given focus, as did the relevant Better Public Services targets.
- Stop asking short term questions and instead try to understand long-term investment.
- Ask: "if you took an investment approach where would you invest?"– the answer in this case suggested spending in other areas (not in Ministry of Justice).
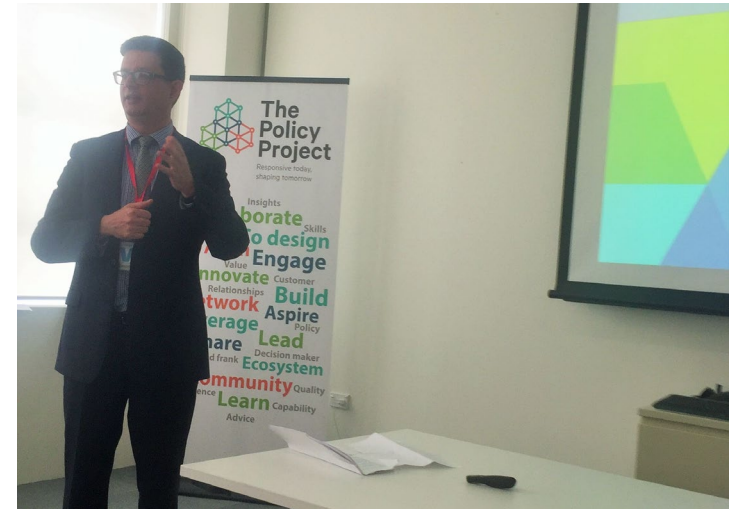
Data is only useful if it's used
interesting – useful – used

An investment approach to justice

Build capability and expertise

- Developed a range of teams – operational, research and evaluation, investment, quantitative, policy and bought them together to create a multi-disciplinary approach and to drive synergies.

- Initially used consultants for actuarial work to develop the investment approach, but deliberately built internal expertise along the way.

- Deliberately reallocated resources and FTEs to the investment approach.

- Situating the Data Lab in the building made the process, expertise and data accessible.

Leadership

- Key role for senior leaders is to: support the team, protect the space, be the 'cheerleader'.

- Take ministers along – tell the compelling story about what it is, how it works and how it helps them decide what to invest in. Help ministers to see the value.

"Ministers are making it clear that 'welfare' is a bigger story – that gives the authorisation to think and shift spending across portfolios if that would improve outcomes"

– Colin Lynch, MoJ

Q: How does this compare to the Investment approach in other parts of the system – some are just focused on reducing future fiscal liabilities?

A: A number of people and agencies are trying different approaches. We need to leverage that small community. The Social Investment Unit is a system resource and can act as an anchor, demonstrating how to use IDI data, sharing the tools, building capability and thinking about broader welfare measures. Statistics NZ is ramping up to meet agencies' demand for data.

Ministry of Justice investment approach – how it's done

Tim Hughes gave a deep-dive into MoJ's social investment approach

Features

- Evidence-based policy.
- Longitudinal, person-centric, problem definition.
- Evidence informed, cross-outcome, theory grounded, options development.
- Build on lessons from the past.
- Try new tricks, bring in diverse voices: data and evidence only takes you so far.
- Show the story behind the numbers.
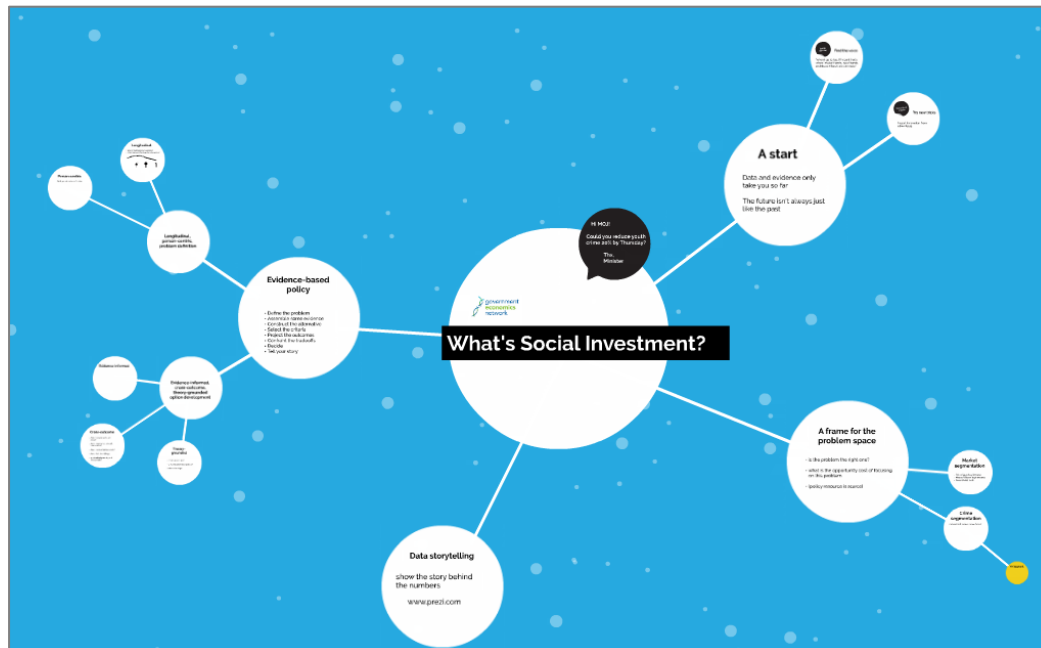
See Tim's presentation here:
'What's Social Investment?'

A data approach

Workshop participants got up close and personal with data from a justice sector population segment.

The exercise. We were challenged to:

- Choose a policy problem – What does it look like from the perspective of the people involved? How is the problem distributed across time, place and population?

- Think about what works. What does the theory and evidence tell us? Where are the gaps in knowledge and how might they be filled?

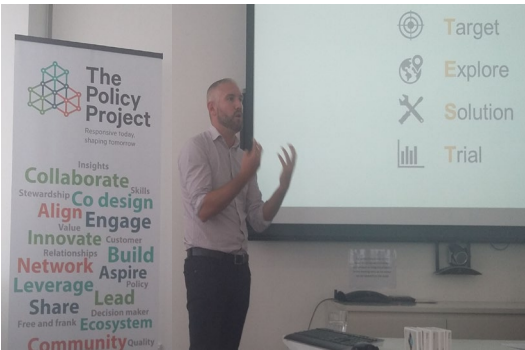- Reflect – does this analysis help us frame work to solve the problem?

A behavioural insights approach

Dr Rory Gallagher and Lee McCauley explained the behavioural insights (BI) approach using the justice segment practical example.

## Value of BI thinking and approach

- Takes insights from behavioural science and psychology to understand human behaviour and how it can be influenced.

- Starts with thinking about what behaviour to encourage or discourage (most policy is about changing or reinforcing behaviour).

- The process builds and tests options (through random controlled trials) to find the most effective solution. Results of trials builds evidence of interventions ('what works') and what can be scaled.

How to apply BI – the T.E.S.T. framework

- **T**arget – A SMART problem statement – what do you want to achieve?

- **E**xplore – what info (data, field research, process mapping, etc.) would help decide whether to proceed? How would you collect it?

- **S**olutions – how can behaviours be influenced by solutions/interventions that are: **E**asy, **A**ttractive, **S**ocial, and **T**imely (EAST)?

- **T**rial – how will you know if interventions are successful?
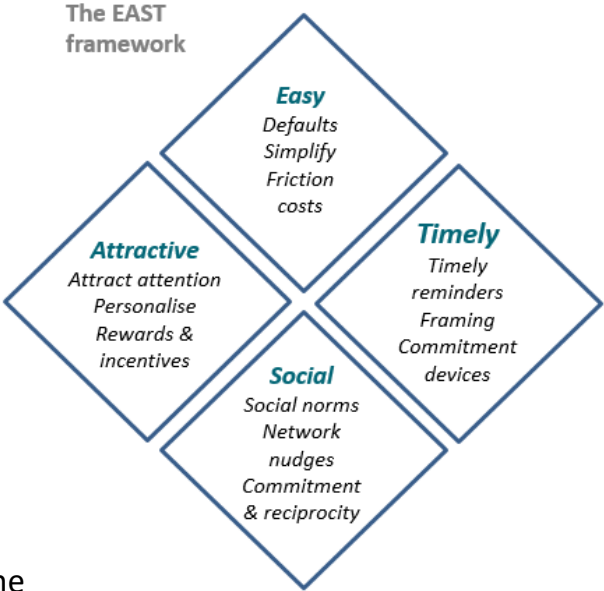
What to watch out for

- BI should be used to understand and influence behaviour not *attitudes* – it is not a selling strategy for current policies (push that to the political domain).

- The workshop used EAST to look at behavioural solutions. In real life it is important to spend time to really understand the problem before getting into solutions.

Building Capability

- Take on the mind-set, but recognise that expertise is required and building capability takes time.

"Always start by asking what specific behaviours you want to encourage or discourage"

– Rory, Behavioural Insights, NSW

The EAST framework

Easy
Defaults
Simplify
Friction costs

Attractive
Attract attention
Personalise
Rewards & incentives

Timely
Timely reminders
Framing
Commitment devices

Social
Social norms
Network nudges
Commitment & reciprocity

See Rory & Lee's presentation here
More information on BI here

A design approach

Jane Strange shared the Auckland Co-design Lab's design thinking approach. She used a persona – "Henry" (related to the justice population segment) – to illustrate part of the human-centred design methodology.

Value of co-design

- Can help to weave together approaches and diverse perspectives (e.g. tikanga Māori frameworks) to give deep insights about people's lives and experiences (including of interactions with government). Can help bridge the policy-operations divide.
- Can be powerful in getting the best out of quantitative <u>and</u> qualitative information; we can take existing data and research and merge that with 'lived experiences'. Provides a disciplined process to collectively reframe the problem, challenge assumptions and create shared 'intent'.
- Starts with the 'user'. Ask "who are we designing for and how do we engage with them?"
- Is strengths based rather than deficit based (think about people's 'protective factors' not just 'risk factors').
- Is 'democratising' – gives tools to participants to help solve their own problems and challenges.

What to watch out for

- Need to know how to engage – including how to engage people in a problem they don't know they have – to surface unarticulated demand.
- Consider all actors in the value chain (e.g. policy, frontline, other functional areas, end users, delivery partners).
- Ethics. Who owns the insights? What do we do with revealed risks and needs? How do we use people's stories & information ethically?
- Translating insights into action – insights can inform options but it's more powerful to take the process further to the implementation stage to test options. Design is not just about generating ideas.

Human centred-design methodology
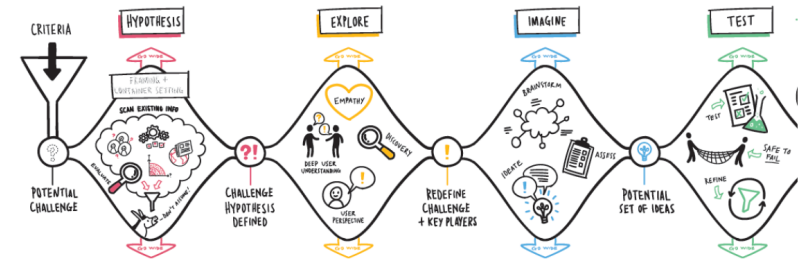
> **The Co-design lab** enables multi-agency teams to collaborate and work alongside citizens to support and broker innovative ideas and solutions.
> **Find out more @** aucklandco-lab.nz
> **See Jane's presentation** here

Building capability

- Just start. You can apply the design mind set and tools to a range of work – even with colleagues or other agencies. Think 'build to learn'.
- Deep expertise will be required (e.g. ethnography) if you are interacting directly with users of public services, especially vulnerable people.

Bringing it together… and next steps

Key insights from the day

Synergies

- There are synergies between the methods – we should think about combinations of methods and how together they might offer a sum of rich quantitative and qualitative information to inform our policy advice.

Building capability

- We need to build capability in methods – using and applying data, behavioural insights, design thinking – and apply them to real policy challenges.
- We are likely to need to harness capability from the outside as well as the inside. At the outset we might need to buy-in expertise. But we should ensure we build internal capability as we go.

Improving the policy practice

- Just do it – we need to be curious, have a go with different approaches and build on what we learn – they will help us to ask better questions, challenge our assumptions and bring diverse voices and new approaches to the policy craft.

Appetite to learn more?

- There is an obvious appetite for learning more about methods and for hearing about applied practice.
- It is important that we share what worked and didn't, what was challenging, and how different methods may need to be adapted for optimal effectiveness in a public policy context.
- We can speed up learning by sharing experiences. The Policy Project is keen to help broker this sharing and learning.

Building on the foundations

- The Policy Project is working to build a toolkit for the policy community to boost understanding of why, when and how to deploy different methods and approaches to policy challenges.
- Get in touch if you are interested in contributing to this work – policy.project@dpmc.govt.nz

Acknowledgments

The Policy Project and GEN thank:

- GEN keynote speakers for contributing their wisdom to the Day 2 workshops.
- Workshop presenters for sharing their approaches with us.
- Ministry of Justice for sharing their social investment journey and providing our 'live' data to work with.
- MBIE for hosting us.
- All participants for engaging in the spirit of open learning and discovery.

Learn more about:

- The Government Economics Network @ gen.org.nz
- The Policy Project @ dpmc.govt.nz/policyproject