

# Behavioural insights and the rise of empirical government

5 December 2017



A round-table with Dr David Halpern

THE  
BEHAVIOURAL  
INSIGHTS TEAM ♦



**The  
Policy  
Project**

Responsive today,  
shaping tomorrow

# Background and intent

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On 5 December 2017 Andrew Kibblewhite, Head of the Policy Profession, hosted an executive round table with Dr David Halpern on the use of behavioural insights in public policy. David is Chief Executive of the UK's Behavioural Insights Team (since its 2010 inception) and the What Works Network (since 2013). Previously, he was the founding Director of the Institute for Government (2008-10) and Chief Analyst at the Prime Minister's Strategy Unit (2001-07).

The Policy Project is working on building public service demand and capability for advice that is informed by evidence and insights. New Zealand's public sector is still in the early stages of thinking about how to benefit from behavioural insights. The time is right for this dialogue, as the Government looks for free and frank advice on how to implement its new policy priorities, including through better public participation in policy and service design.

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## Participants

### **Dr David Halpern**

The Behavioural Insights Team, UK

### **Rory Gallagher**

The Behavioural Insights Team, Sydney

### **Veerle Snijders**

The Behavioural Insights Team, Wellington

### **Lee McCauley**

The Behavioural Insights Team, Wellington

### **Andrew Kibblewhite**

Head of the Policy Profession

### **Anneliese Parkin**

Department of Prime Minister and Cabinet

### **Deborah Roche**

Ministry for Primary Industries

### **Catherine Neill**

Ministry of Pacific Affairs

### **Bex Sullivan**

Ministry of Health

### **Jamie Bamford**

New Zealand Customs

### **Sarah Boone**

Ministry for the Environment

### **Catherine Wilson**

Ministry for the Environment

### **Mark Evans**

New Zealand Police

### **Ruth Fairhall**

Ministry of Justice

### **Marcos Pleneur**

Ministry of Business, Innovation and Employment

## Policy Project team

### **Diane Owenga**

Programme Director

### **Jason Tabarias**

Principal Advisor

### **Simon Olsen**

Senior Advisor

### **Alpa Modi**

Team Coordinator

### **Andrew Harris**

Publications Editor

# What is 'behavioural insights' about?

Most public policy is about changing human behaviour, whether the issue is crime, transport, health or education. Sometimes traditional policy instruments – like passing a law or using financial incentives – fail to bridge the gap between policy and making positive improvements to people's lives.

Behavioural insights combines understanding of human psychology with empirical data analysis. It recognises that getting the small details right in implementation of a policy (e.g. encouraging desired behaviour by making things easy, attractive, social and timely) can be as crucial as the policy itself. But you can't always predict what will work. Through a series of controlled trials, policy practitioners can find out which approach is most effective. This reverses the more traditional 'top down' grand design approach, starting instead by understanding details, then scaling what works.

Behavioural insights is increasingly mainstream in the United Kingdom now and in the United States, Australia, Canada, and Singapore. At least 10 governments have their own Behavioural Insights teams. New Zealand agencies using or considering use of these tools include: Department of Conservation; Ministry for the Environment; Ministry for Primary Industries; Ministry of Business; Innovation and Employment; Ministry of Social Development; the Accident Compensation Authority; and the Financial Markets Authority.

The main hypothesis underpinning behavioural insights is that introducing a more realistic understanding of human behaviour will lead to *more effective* policy.



“Behavioural insights aim at improving the welfare of citizens and consumers through policies and regulations that are formed based on empirically-tested results, derived using sound experimental methods. Behavioural insights is one discipline in a family of three, the others being behavioural sciences and behavioural economics, which mix traditional economic strategies with insights from psychology, cognitive science and other social sciences to discover the many ‘irrational’ factors that influence decision making.” (Organization for Economic Cooperation and Development)

# Making actions attractive to encourage uptake

David Halpern outlined many policy design success stories that his Behavioural Insights Team (BIT) have been involved in, combining behavioral insights with empirical testing.

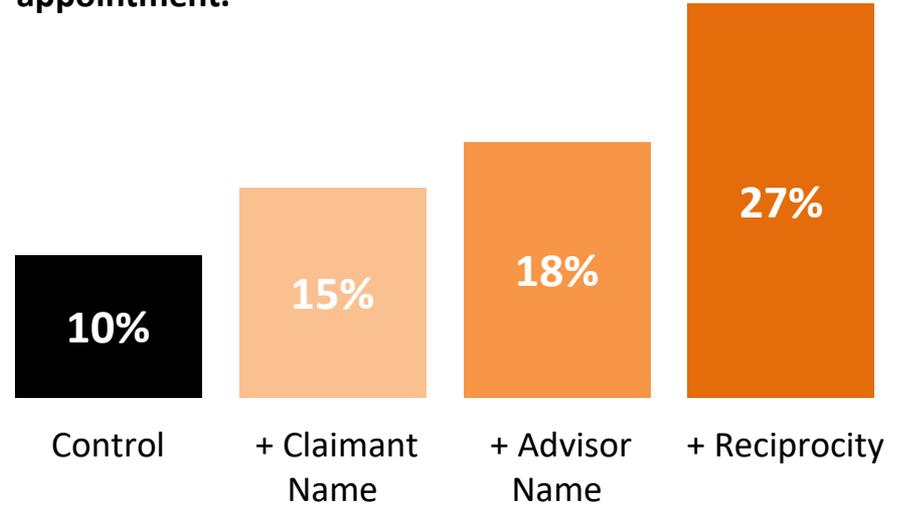
One example is an initiative designed to get people back to work. The first challenge is getting job seekers to attend their appointments at the job centre. BIT produced a range of text messages to job seekers, each using different wording to remind them of an appointment.

The control text message with no personal information had a 10 percent success rate. This went up to 15 percent when the person's name was included.

The greatest response rate (27 percent) came from people who received a letter with not just their name and the advisor's name, but with a reciprocal gesture of effort and good will from the job centre.

Hi Elspeth, 8 new Picker Packer jobs are now available at Pro FS. Come to Bedford Jobcentre on Monday 10 June between 10am and 4pm and ask for Sarah to find out more. I've booked you a place. Good luck, Michael

**The percentage of job seekers attending their job centre appointment.**



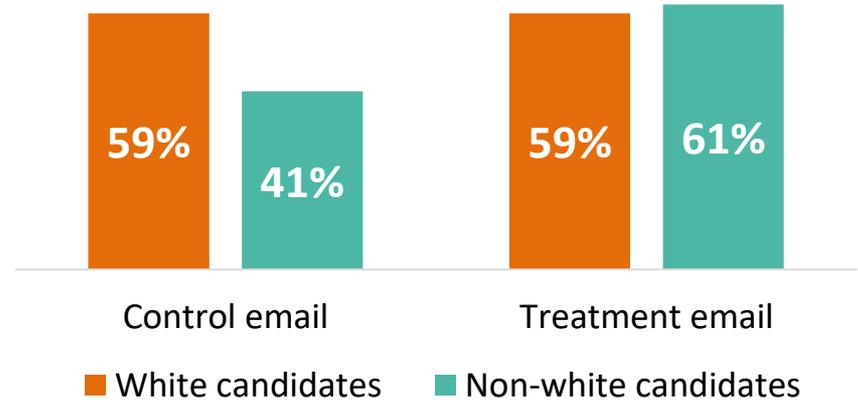
“Behavioural insights is not only effective, it’s nicer. It’s more human. It’s about more than just efficiency – it’s about humanity.”

# Insights into human psychology increase diversity...

Using behavioural insights in the United Kingdom revealed how to lift the pass rate for non-white applicants in police exams. Previously, it was thought that a lack of proficiency in English was the reason for poor results. BIT added one sentence to the exam instructions that asked the applicant to think for a moment about why joining the police was important to them and their community.

The additional text increased the pass rate for non-white applicants from 41 percent to 61 percent. The problem wasn't mastery of English. It was a 'psychosocial' barrier creating lack of confidence at a crucial point. This barrier was effectively tackled by a single sentence that helped activate the determination to succeed.

**The pass rates of white and non-white police applicants.**



## ...and influence industry



In the UK, behavioural insights analysis shed light on exactly how a sugar tax motivated players in the food industry to change their behaviour.

A tax was introduced that made it more expensive for food companies to use high amounts of sugar in their soft drinks. Concern that competitors who lowered their sugar content would have a price advantage motivated Fanta to drop their sugar content by around a third. To compete, Tesco also significantly dropped the sugar levels in two of their products.

This demonstrates that available insights extend from individual human psychology to corporate psychology. We can learn which relatively small adjustments in policy settings will result in big changes by businesses.

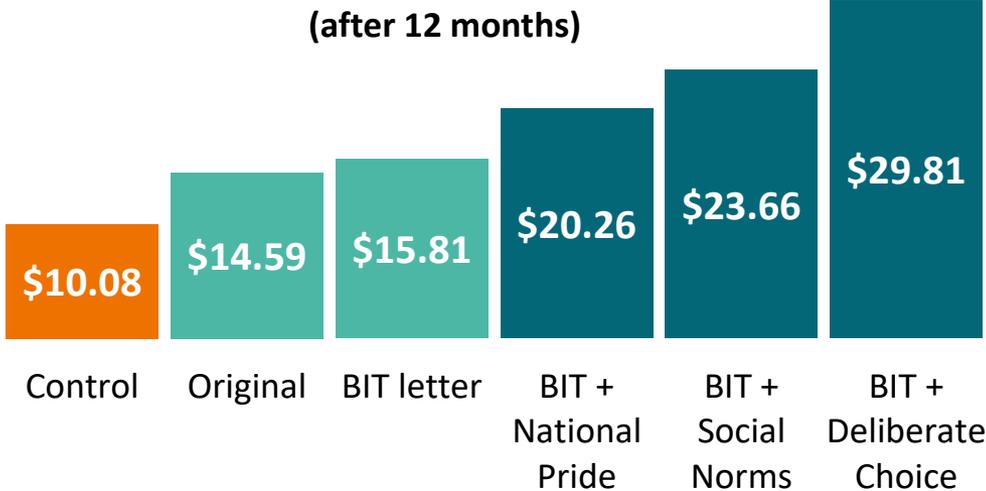
# Showing us what works...

In Guatemala, BIT used randomised controlled trials to understand which psychological appeal would be most successful at recovering unpaid taxes.

They found that payment of taxes increased when they made appeals to the person’s national pride. Payments went up even further when they appealed to the desire to fit with social norms.

The greatest response came from pointing out that a failure to pay taxes was more than an omission, it was a deliberate choice. This motivated more people than any of the other approaches, and generated nearly three times more tax paid with the control.

Amount of tax received by letter sent (after 12 months)



## ...and what doesn't

“Many policies look great, and sound great, but we don’t actually know what really works.”

An initiative called ‘Scared Straight’ used fear tactics to discourage young offenders from pursuing a life of crime. It started in the United States and was picked up by dozens of jurisdictions around the world, including the United Kingdom. It seemed sensible and received positive comments. However, empirical research found that children who went through this programme were 60 percent more likely to keep offending than those who didn’t. It sounded good but had the opposite effect from what was intended.

Such findings are shared through the [What Works Network](#).

# Using behavioural insights in New Zealand

David Halpern pointed out that New Zealand's small size and scale gives us a unique ability to:

- link data across the system and leverage machine learning
- see consequences of change quickly.

The benefits of trying something on a small scale – rather than universally – can be difficult to sell. However, it reduces the potential risk of an initiative to find out in advance what works and what doesn't.



We don't have to wait for local examples of what will work in New Zealand. Behavioural insights are largely universal, and less subject to cultural variations than first thought. What has been *proven* to work elsewhere is likely to work here, at least in terms of the underlying behavioural theory. Testing can reveal 'cultural fit' (e.g. for Māori and Pacific).

The New Zealand Police have found their operational branches to be a natural context for developing behavioural insights. It happened less as a deliberate strategy, and more as a natural capacity they developed from looking at problems and trying potential solutions.

“We need to ‘buy into humility’ to admit what we don’t know. We walk around with blind spots that our brains patch over. We aren’t aware of things we can’t see, and we can’t see how shaky our foundations are without humility.”

# System level challenges and reflections

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## Challenges

- Too few policy commissioners understand and demand behavioural insights approaches.
- Policy is often disconnected from operations, with a lack of willingness to start small and grow in increments.
- There is a lack of a supportive culture for evidence-driven policy, and more of a focus on announcing changes that sound good.
- Capability for behavioral analysis and experimental methods exists in pockets but is spread thinly.

## Reflections

- We need more events like these, where commissioners learn about new approaches and share examples of what has worked.
- We need to drive improvement across the system (not just from the centre) with freedom to innovate, delegated authority to managers to spread good practice, and creative leadership.
- We need to work on experimentation and trials, including building these into the process from the start and driving a culture of learning from what works.
- We need to consider centralised support for the spread of good practice (as in a number of other jurisdictions) and consider the role that academics, consultants and other non-governmental talent can play in improving policy practice.



“With a new government, now is a timely moment for NZ to consider how behavioural insights can help meet ambitious new targets, for example, for tackling child poverty, reducing the prison population or increasing access to mental health services.”

# Top tips, and information sources

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- **Leverage existing data and insights** – use big data to diagnose issues, then leverage what we already know works. The Behavioural Insights Team has over 400 trials to draw inspiration from.
  - **Start with marginal and operational gains** – target ‘quick wins’ where testing and scaling is more feasible. Scaling across siloes can be more challenging, where agencies have different systems and networks.
  - **Sell early testing as ‘de-risking’ policy priorities** – ensure Ministers and senior leaders value empirical evidence from testing different versions of ideas (e.g. randomised control trials) to find which will yield the biggest gains.
  - **Drive a culture that values evidence** – be deliberate and disciplined *enough*, while investing in building capability to shift mindsets and practice. This includes by offering praise, showing others, and storytelling.
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## Acknowledgements

Special thanks to Dr David Halpern, the rest of the BIT, and all participants for their energy and insights.

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## Want to get help or know more?

There is a small BIT office in Wellington that can help you think about applying Behavioural Insights to achieve policy goals and tap into BIT's global expertise.

Contact the Wellington office at

[www.behaviouralinsights.co.uk/wellington](http://www.behaviouralinsights.co.uk/wellington).

For information on why you should use behavioural insights, what it involves, what you'll get out of it, when to use it, limitations, guidance and tools and existing expertise, check out the Policy Project's [Policy Methods Toolbox](#).

For information on training on ‘Behavioural Economics for Policy’ delivered by the Government Economics Network, or for help applying behavioural insights or joining a community of practice, please email [info@gen.org.nz](mailto:info@gen.org.nz).

The [What Works Network](#) offers more information on how it supports use of evidence to improve public services.

The Organization for Economic Cooperation and Development provides [guidance on regulatory policy and behavioural insights](#).

For any other help or to share lessons or training material please [email the Policy Project](#).