

BEHAVIOURAL APPLIED TO POLICY SCIENCE MAKING

We need public policies and laws to govern human behaviour

POLICIES ARE GENERALLY BASED ON THE THEORETICAL ASSUMPTION THAT PEOPLE ARE RATIONAL

Food labels
Regulation on food labelling is based on the assumption that people will make better choices with regard to their diet providing they have the right information.

Tobacco
Until recently warning messages on cigarettes were based on the assumption that people would change their behaviour when informed about the risks of smoking.

BUT... IS HUMAN BEHAVIOUR RATIONAL?

BUT... DOES POLICY-MAKING TAKE INTO ACCOUNT PEOPLE'S REAL BEHAVIOUR?

SCIENTIFIC OBSERVATION OF PEOPLE'S BEHAVIOUR CAN HELP TO PRODUCE MORE EFFECTIVE POLICIES

HOW?

By checking citizens' responses to a potential policy initiative



HOMO ECONOMICUS (theoretical rational person)
Will read food labels and act consequently, making healthy choices.

*homo economicus: a theoretical representation of a human being who always behaves rationally, is able to properly process the information and acts accordingly for his/her own benefit.

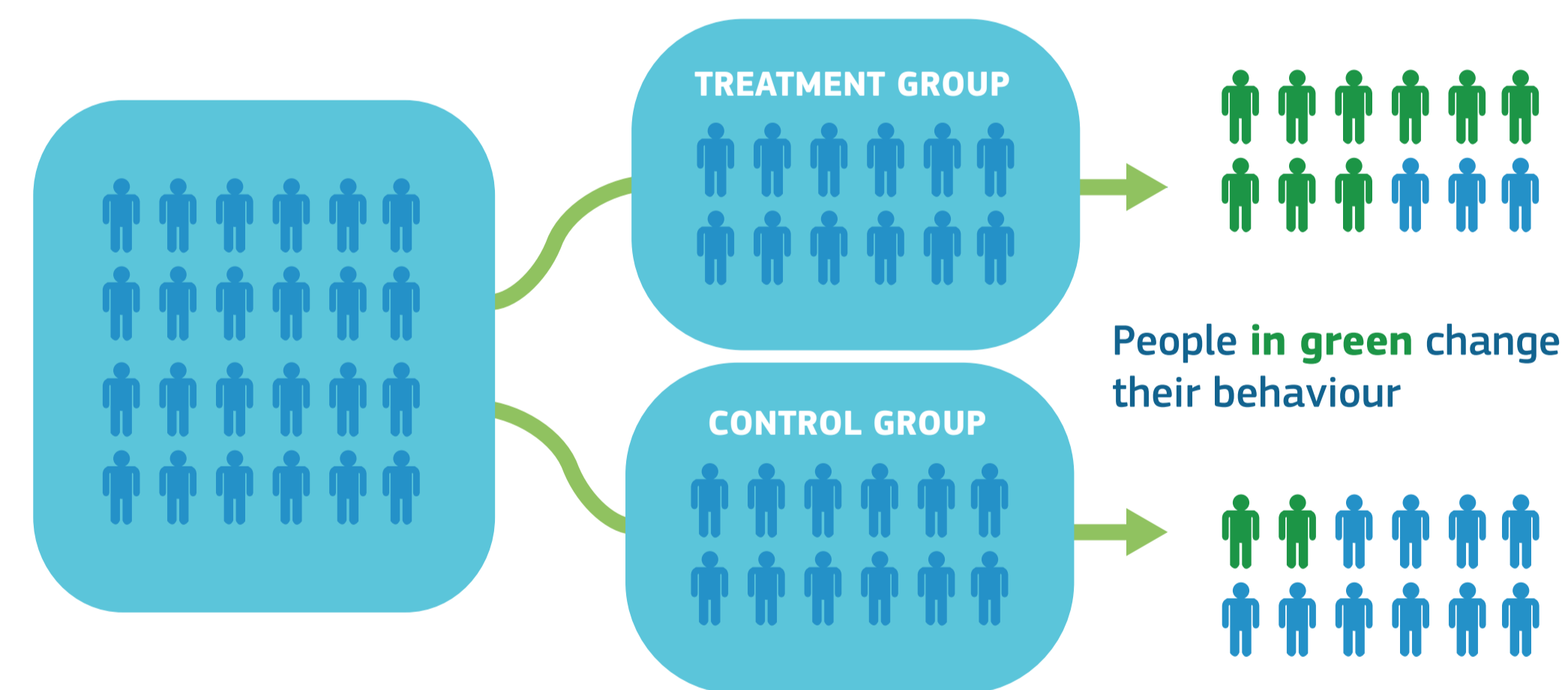
REAL PEOPLE
Research shows that consumers do not pay much attention to food labels and that food labelling has little impact on their diet.

REAL PEOPLE
30% of EU citizens (15 - 64 years) are daily smokers.

HOMO ECONOMICUS (theoretical rational person)
Will read warning labels on tobacco/cigarettes and act consequently by not smoking /stopping smoking.

RANDOMISED CONTROL TRIALS AND EXPERIMENTS

In order to observe how people respond to a policy intervention, a sample is divided in two or more groups.
One or more of these groups is exposed to the intervention (the treatment group); the other not (the control group).
Any difference in behaviour in the treatment group will be due to the policy intervention.



QUALITATIVE RESEARCH

Methods of observation such as focus groups, semi-structured interviews and participant observation fall under the umbrella term of 'qualitative research'. These methods provide richer, more nuanced data on how people think, act and feel.



This approach makes sure policy-makers rely on evidence, not assumptions: ideas about people's expected response to a policy initiative are first tested and then reassessed, leading to a more grounded policy-making process.

THE UK TAX EXAMPLE



Every year, substantial public resources are used in chasing people who haven't paid their taxes on time.



The BIT changed the wording of letters sent to those who had not paid their taxes on time. Instead of a menacing letter warning of the potential consequences of not paying on time (the traditional way), they sent a letter explaining that most people in Britain paid their taxes on time.



The Behavioural Insights Team (BIT) in the UK conducted an experiment in 2011 to speed up the repayment of overdue taxes.



This harnessed the power of social norms: people are strongly influenced by the behaviour of others and will conform to the norm, especially if they feel they are in a minority.



Compared with the traditional letter, the new one proved successful: if the recipient was told that most people in Britain paid their taxes on time, the repayment rate increased by 5% after three months. But when the recipient was told that people in their own town paid their taxes on time, the repayment rate increased by 15%.



Science helps design better policies
Science helps build a better Europe

15%
3 MONTHS
£ 30M

The cost of this intervention was practically zero. It was estimated that this would generate £30 million of extra revenue if it was rolled out nationally.