

Behavioural Insights across governments



Chiara Varazzani, PhD

Lead Behavioural Scientist
OECD

Why?

Why?

Most public policy challenges involve human behavior

Why?

Most public policy challenges involve human behavior



Energy use



Education



Waste



Misinformation



Employment



Taxes



Elections



Defensive
bureaucracy

Why?

Most public policy challenges involve human behavior



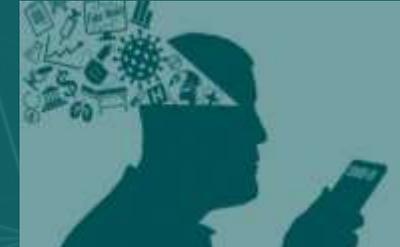
Energy use



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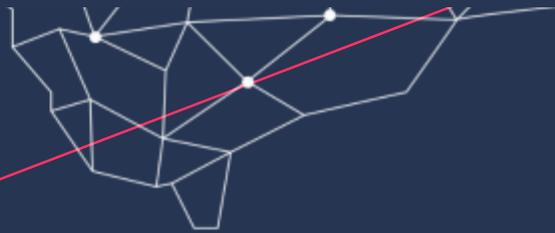
Defensive
bureaucracy

However, we often assume an unrealistic model of human behaviour

Two systems drive human behaviour



System 1: Fast



Automatic, Low cost, Intuitive

2x2

Ride a bike



System 2: Slow



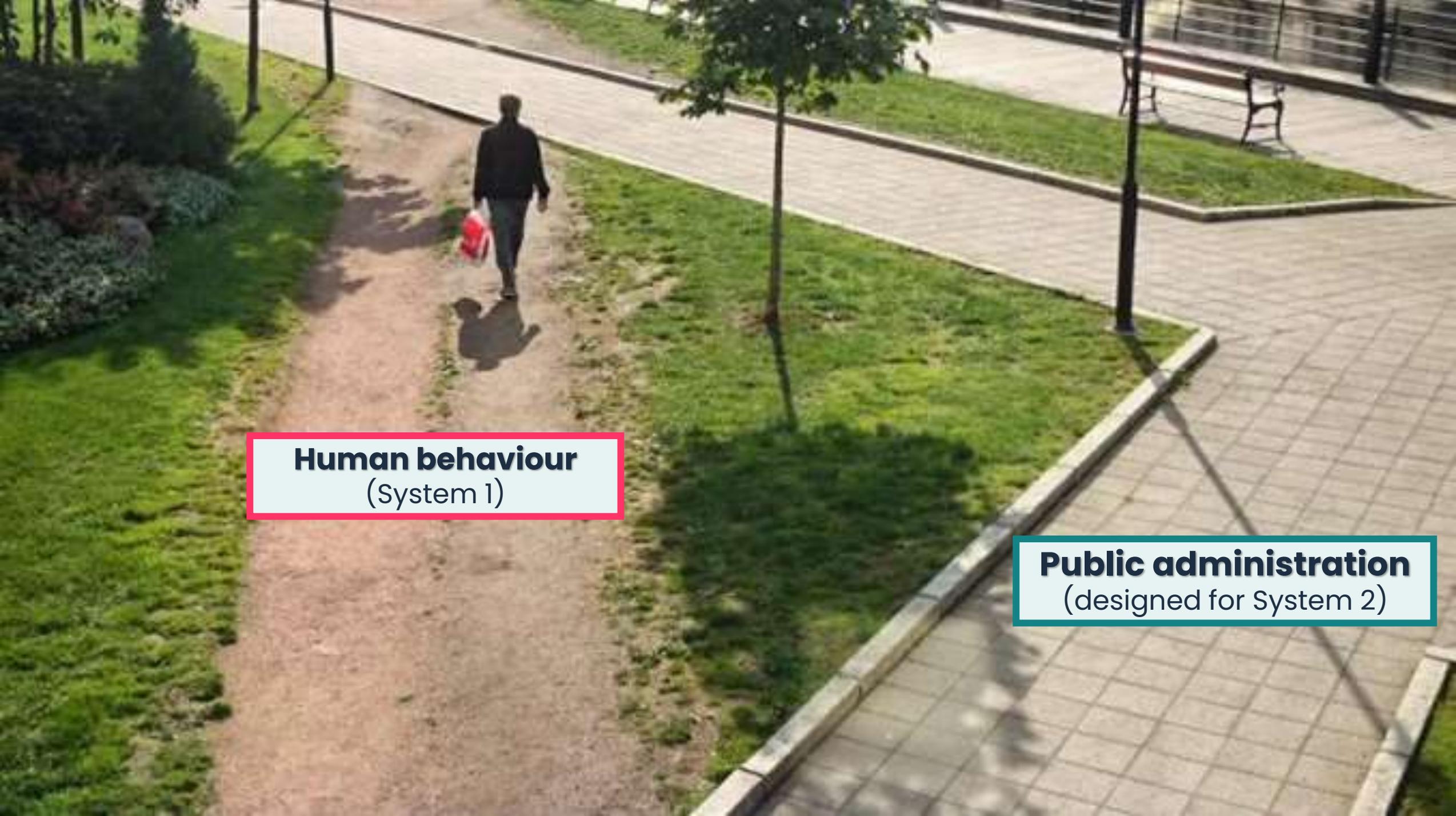
Analytic, High cost, Deliberate

37x18

Learn to ride a bike



Daniel Kahneman, Nobel Economics

An aerial view of a park area. A person in a dark jacket and pants is walking away from the camera on a dirt path, carrying a red bag. To the right of the dirt path is a grassy area with a young tree. Further right is a paved walkway with a bench and a lamppost. The scene is brightly lit, suggesting a sunny day.

Human behaviour
(System 1)

Public administration
(designed for System 2)

What?

Behavioural Insights

apply empirically-tested results
to design public policies for humans

Examples Behavioural Insights

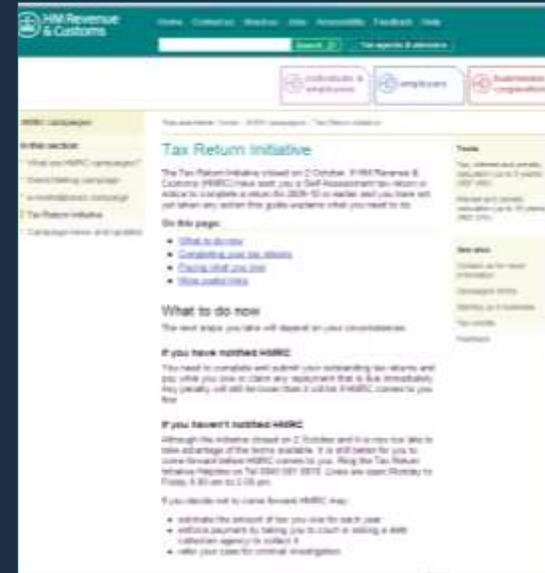


Nudge

Make it...



Webpage



Direct to form

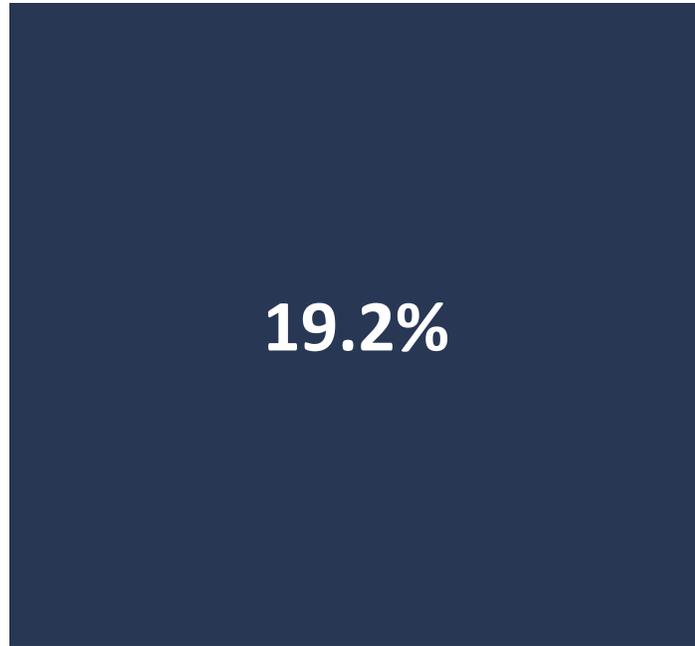


A trial on the 'Tax Return Initiative' with HM Revenue & Customs

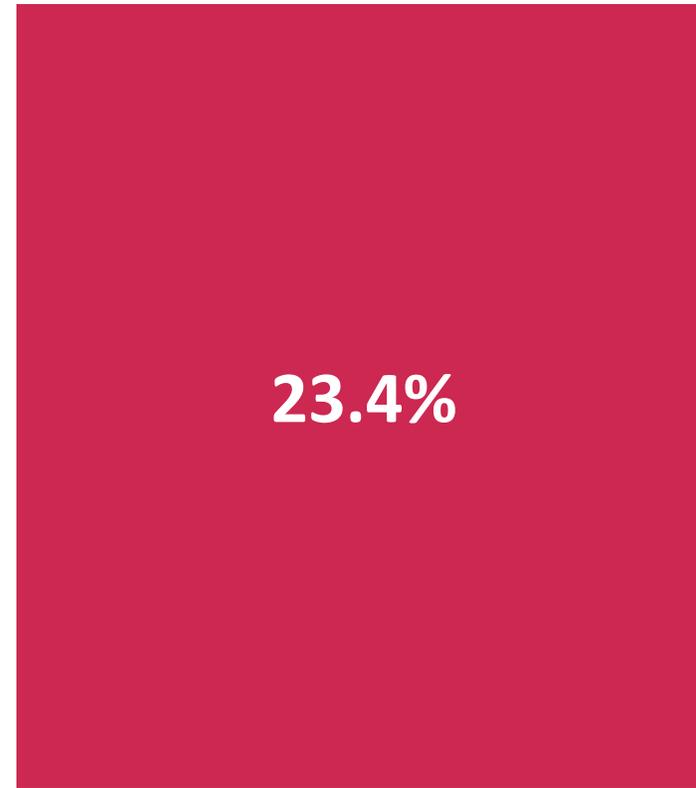
Easy

Removing small frictions seems to make a disproportionate difference

Sending taxpayers directly to a form, rather than a webpage that contains the form, increases response rates



Webpage



Direct to Form

Make it easy!

A clear call to action stamp to increase payment of fines

A trial testing a new design of enforcement order notices

Control

Trial

Enforcement Order

Office of State Revenue
State Debt Recovery

Issue Date: 28 Feb 2013

Enforcement Order No: 319160848

Amount due: \$462.00

Date due: 28 Mar 2013

Why have you been sent this enforcement order?

You have been sent this enforcement order because you have not paid a penalty notice or the subsequent penalty reminder notice by its due date. See below for details of what this enforcement order is about. **Please note: Do not ignore this enforcement order. Read the information in the enforcement order carefully concerning your options. If you do not pay or take up one of the options detailed over the page by the due date, it will cost you more.**

Details of the penalty or fine in this order:

Penalty notice no: 7112051825

Description of the offence: PROCEED THROUGH RED TRAFFIC ARROW - CAMERA DETECTED - INDIVIDUAL

Location: Pitwater Road Dee Why

Vehicle registration: [REDACTED]

Date of the offence: 27 October 2012

Time of the offence: 12:29

Direction of travel: South

Penalty amount enforced: \$387.00

The amount due on this enforcement order includes up to \$ 66 in additional costs. Additional penalties/fines in this order are listed on subsequent pages.

How to pay Important: See over the page for more information.

Online: www.sdro.nsw.gov.au to pay by Mastercard or Visa.*

Phone: Call 1300 130 112 to pay by Mastercard or Visa.*

BPAY: Quote Biller Code 196788 and your Reference No, 319 1668 4866 to pay using your cheque or savings account. Access BPAY via your financial institution's website or phone banking service. For more information visit www.bpay.com.au

Post: Post a cheque or money order made payable to the State Debt Recovery Office, Locked Bag 2128 North Sydney NSW 2059. Please write the Enforcement Order Number on the reverse of the cheque or money order.

POSTalway: Take this to Australia Post and pay by cash, cheque or EFTPOS.

Payment Reference No: 319 1668 4866

Amount due: \$462.00

Date due: 28 Mar 2013

*A card payment fee of 0.4% applies. This fee is not subject to GST.

Unpaid Fine

Office of State Revenue
State Debt Recovery

Reference Number: 123456789

You owe: \$999.00

You must pay by: 29 MAY 2012

Payment Reference Number: 123456789

To pay now, call: 1300 130 112

For more information, go to: www.sdro.nsw.gov.au

PAY NOW

Pay your fine now or lose your licence, possessions or money from your bank account.

You have not paid your fine set by the court or responded to previous notices to pay your fine. This has already cost you up to \$65 on top of your fine.

Pay now to avoid further actions, which we can now take without further notice, including:

- canceling or suspending your driver licence or your vehicle registration and you will incur additional costs of at least \$40
- authorising seizure of your goods or property
- deducting money from your bank account or wages
- changing any land or property partly owned by you.

Each of these measures will cost you at least an additional \$65.

This is your notice under Section 59 of the Fines Act that an enforcement order has been made for an unpaid fine.

Your payment options are below. You can view other ways to finalise this notice over the page.

Details of the fine which you have not paid:

Court of issue: WYONG LOCAL COURT

Date of the offence: 02 November 2011

Date fine imposed: 16 April 2012

Amount of original penalty: \$555.00

Description of the offence: FAIL TO APPEAR

Additional fines in this order are listed on subsequent pages.

Location: WYONG NSW 2259

How to pay

Online: Visit www.sdro.nsw.gov.au to pay by Mastercard or Visa.*

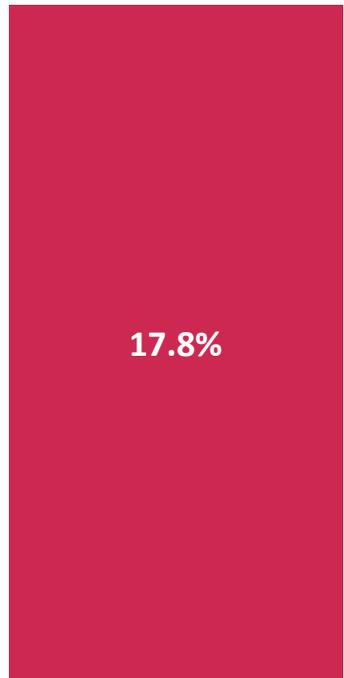
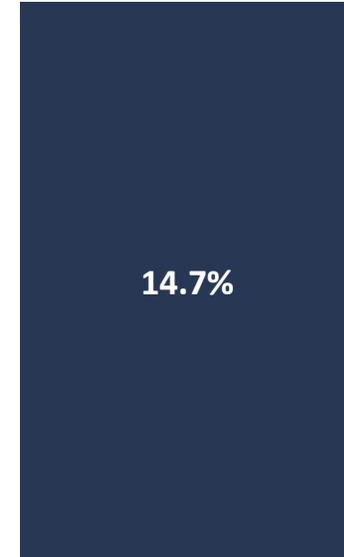
Phone: Call 1300 130 112 to pay by Mastercard or Visa.*

BPAY: Quote Biller Code 196788 and your Payment Reference Number 1234567890 to pay by cheque or savings account. Access BPAY via your financial institution's website or phone banking service. For more information visit www.bpay.com.au

*A card payment fee of 0.4% applies. This fee is not subject to GST.

See over the page for other payment options.

make it easy



Control

Trial

Case study from the UK

A letter worth an extra £200m a year

How did BIT help HMRC collect an extra £200m in tax debt in a year?



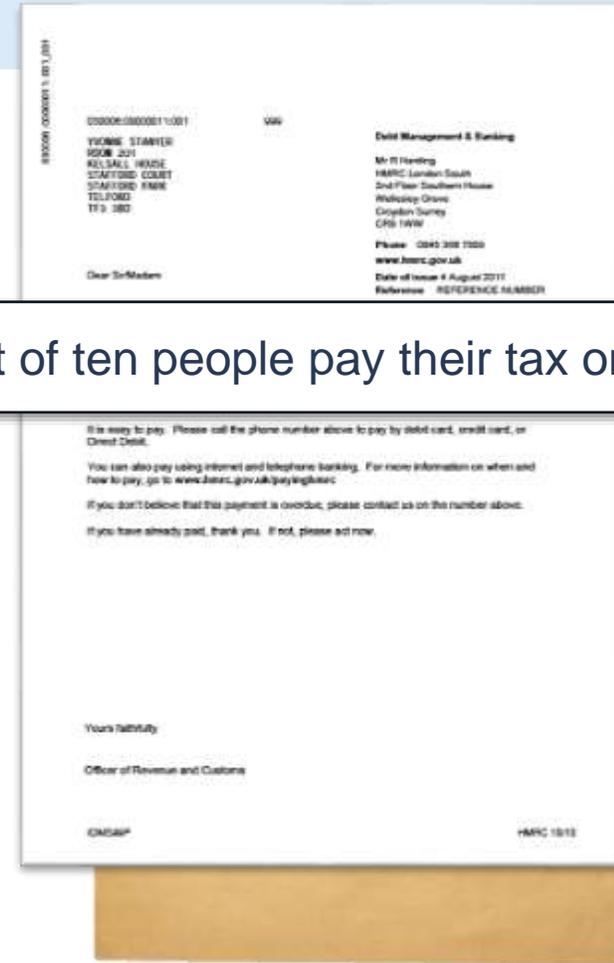
Case study from the UK

A letter worth an extra £200m a year

make it social

How did BIT help HMRC collect an extra £200m in tax debt in a year?

Nine out of ten people pay their tax on time.



Are these results context-specific?

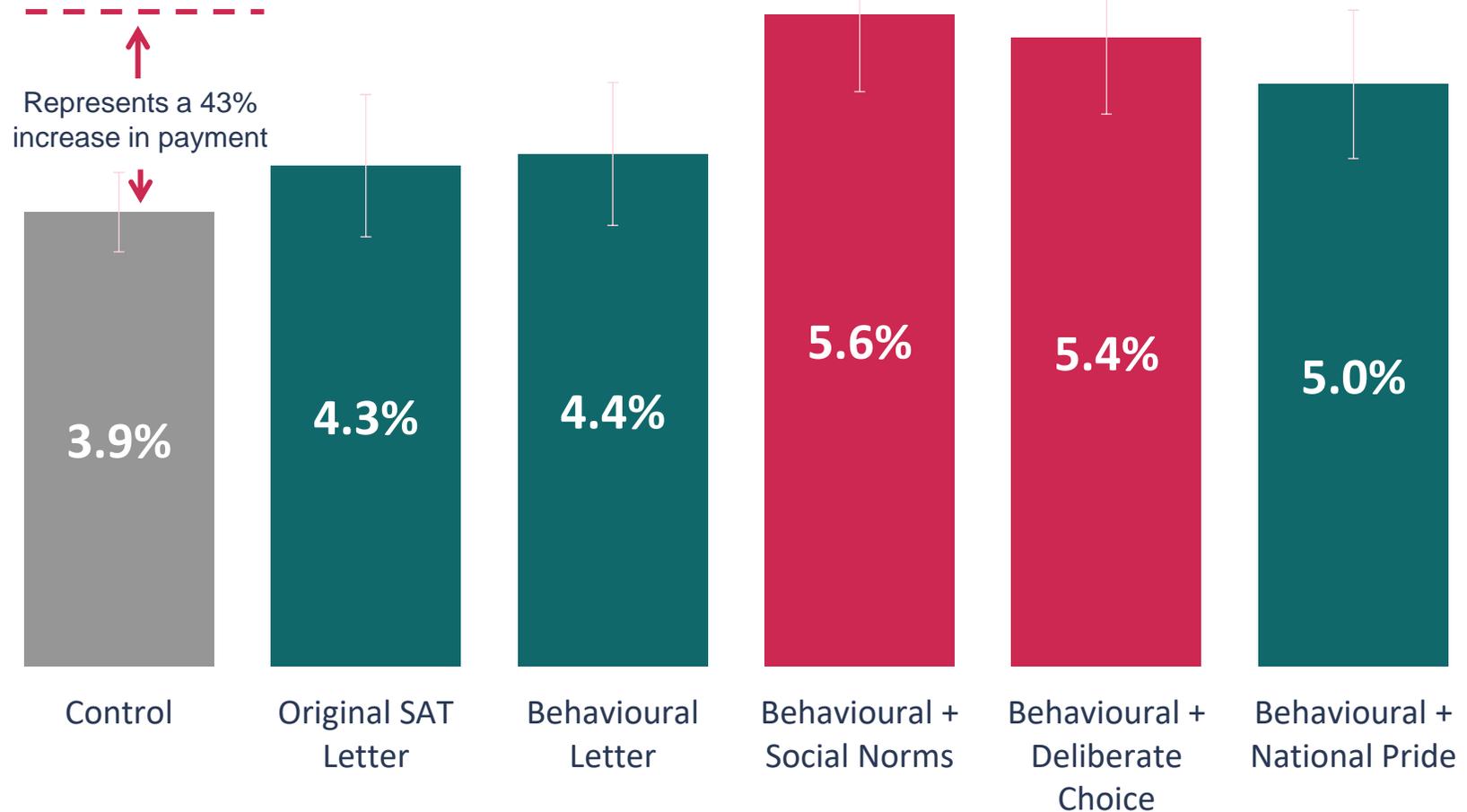
Example from Guatemala



Are these results context-specific?

Example from Guatemala

Percentage of taxpayers that **paid** tax by letter received



The difference between the worse and the best performing letters, when rolled out nationally, is over **USD\$300 000 of savings.**

Indonesia

11.2 million taxpayers

Behavioural Public Policy (2022), 1–20
doi:10.1017/bpp.2022.25



ARTICLE

Behavioural prompts to increase early filing of tax returns: a population-level randomised controlled trial of 11.2 million taxpayers in Indonesia

Emails led to a statistically significant increase in early and overall filing rates

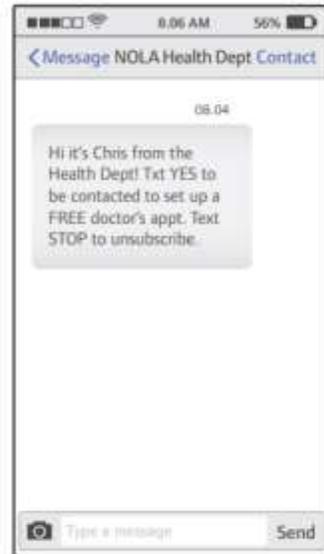
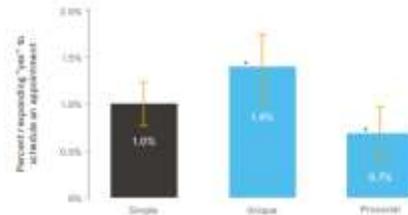
Behavioral science has been quietly revolutionizing city governments

THE
BEHAVIORAL
INSIGHTS TEAM

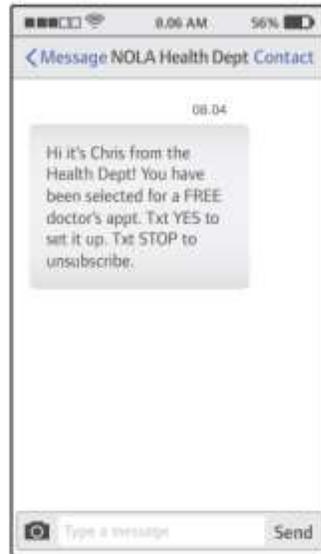


Telling people they had been 'selected' increased the number of people agreeing to schedule a doctor's appointment by **40%**

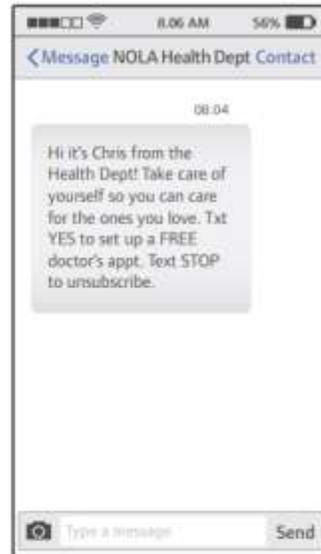
Effect of text messages on preventative healthcare take up



Simple



Unique



Prosocial

Behavioral Insights for Cities



Behavioural Insights



Sludge

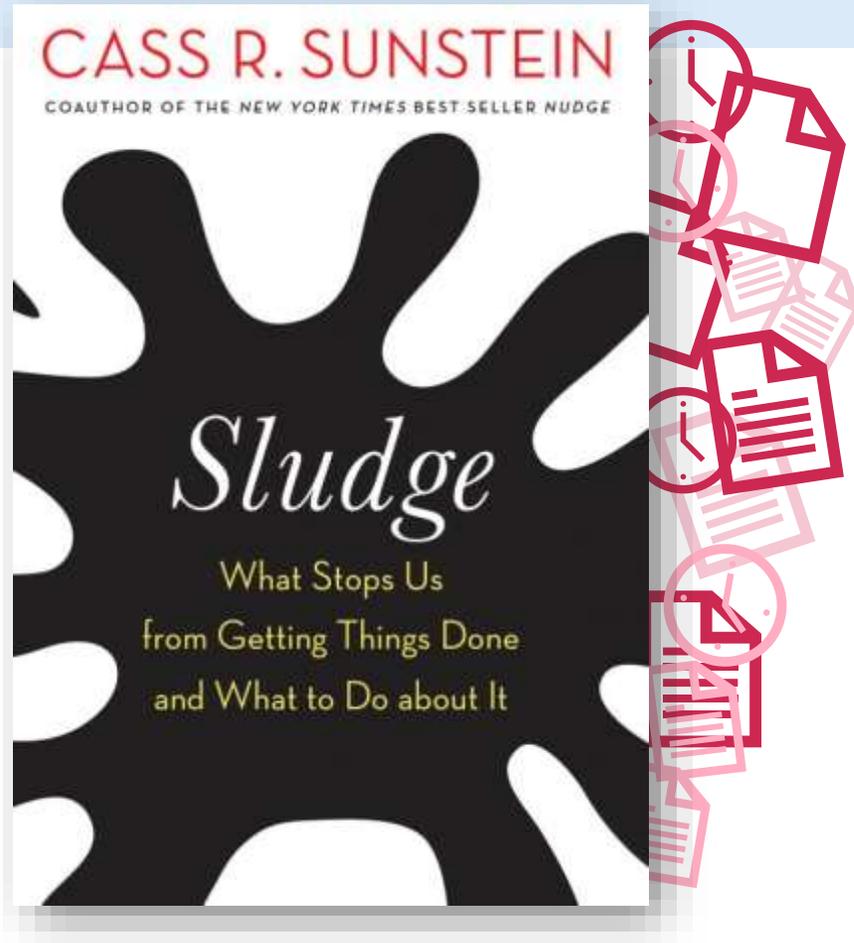
From nudge to sludge

What is a sludge?



From nudge to sludge

What is a sludge?



“ **Excessive or unjustified frictions** that make it more difficult for consumers, employees, employers, students, patients, clients, small businesses, and many others to get what they want or to do as they wish. ”

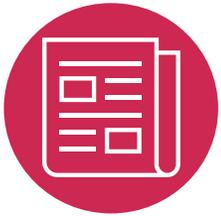
Commonly these frictions take the form of excessive administrative requirements or waiting time.

Cass Sunstein



Sunstein, C. R. (2022). Sludge audits. *Behavioural public policy*, 6(4), 654-673.

Some sludge is deliberate



Subscription models that are designed to make it hard to cancel



Rebates that are designed to make it difficult to claim



Deceptive user interfaces (i.e. dark patterns) that trick users into buying something they didn't intend



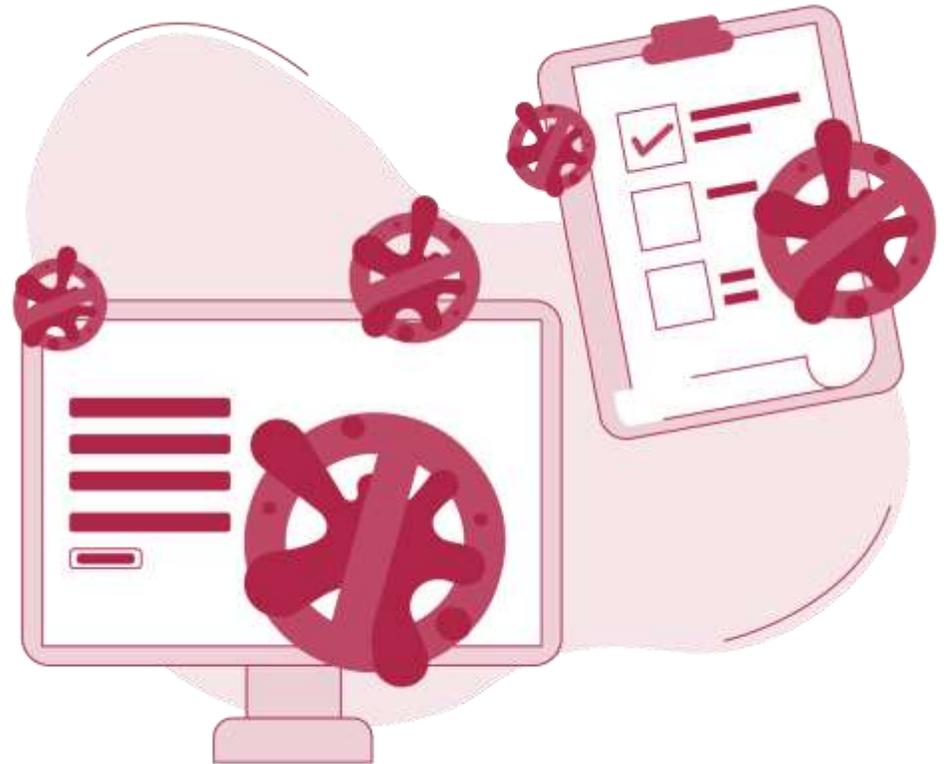
“ Sludge can take two forms. It can discourage behaviour that is in a person's best interest such as claiming a rebate or tax credit, and it can encourage self-defeating behaviour such as investing in a deal that is too good to be true. ”

Richard Thaler



The sludge in government services tends to be **unintentional**

-  **Information** that is hard to find
-  **Forms** that are hard to complete
-  Excessive **wait times**
-  **Complex decision points**



What the NSW Government in Australia is doing about sludge

NSW has created a **sludge audit** method to identify, quantify and eliminate sludge

A standardised method to **identify sludge** and **quantify the time, cost and experience** of interacting with Government

Informed by:

- Behavioural science
- Transaction cost economics
- Lean methodology
- NSW Customer Commitments
- CX/UX design principles
- Accessibility guidelines

How do they measure it?

Using the following metrics:



Time



Cost



Effort



Inclusion

Other process-specific metrics can include **customer satisfaction** and **behavioural data**



What the NSW Government in Australia is doing about sludge



The sludge scales set out the criteria to measuring the customer experience

Scales for common government channels & interaction points

 Check eligibility	 Make a decision	 Gather documents	 Government action	 Miscellaneous step	 Paying for something	 Physical access
 Third party action	 Wait (active)	 Wait (idle)	 Read confirmation	 Read email	 Complete form	 Read letter
 Provide consent	 Read signage	 Read text message	 Login to account	 Read notification	 Use phone app	 Provide docs (via email)
 Submit docs (online)	 Use website FAQs	 Read website	 Navigate a website	 Search for a website	 Access support (via email)	 Access support (via phone)
 Handle complaints	 Face to face interaction	 Negotiation process	 Phone call from government	 Private interaction or decision	 Obtain rebate	 Submit complaint

Access and equity checks to measure inclusion

 General usability	 Psychological costs	 Tell us once
 Inclusivity	 Compliance	 Transparency

Underpinned by BI & NSW Government CX principles

 Easy to access	 Respect my time
 Explain what to expect	 Act with empathy
 Resolve the situation	 Engage the community

Case study: Home building licence applications



The problem

Builders in NSW need a licence to work on residential building projects.

Fair Trading processes 40,000 applications per year.

The audit found



On average, it takes 26 hours to apply for a license

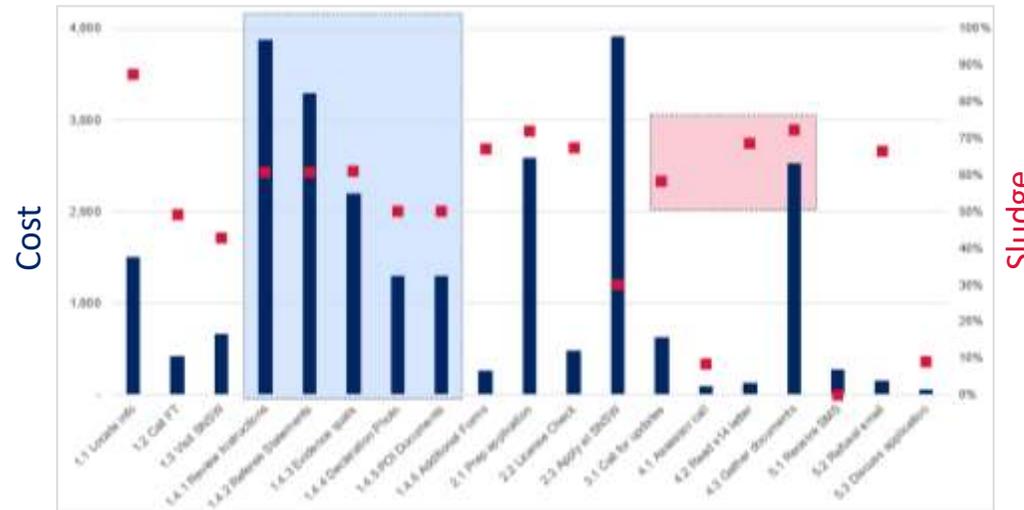


25% of applications need follow-up and builders can't get to work while they resubmit information

What we did

We conducted a sludge audit to identify and prioritise frictions

- Customers spend on average 10 hours just collating the documents required for their application
- Remediating action was made in phases - in priority order based on **time/cost** and **sludge scores** (bar graph below)
- Phase 1 involved simplifying instructions and requirements



Customer interaction points

The result

We reduced follow-up enquiries in home building licence applications by 32%

The introduction of a behaviourally informed letter correlated with a drop of 32% in phone calls by customers who would otherwise need to contact Fair Trading to clarify requirements.

✓ Approx. 3,000 more builders are receiving their licences quicker per year

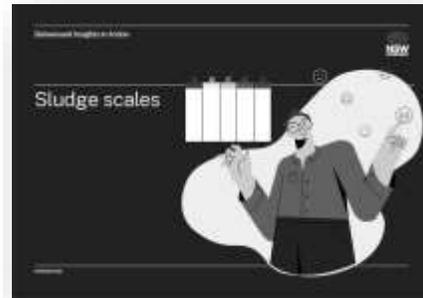
✓ Saving to government of approx. \$80,000 per year

What's next?

Reduce sludge in governments around the world

Sludge scales

Rich, evidence based scales to assess the customer experience in government channels and set the standard for best practice



The sludge guides

Evidence-based guides giving practical advice on how to reduce sludge in key customer communication channels

Sludge audit guide

Step-by-step guide to completing a sludge audit



Sludge audit templates

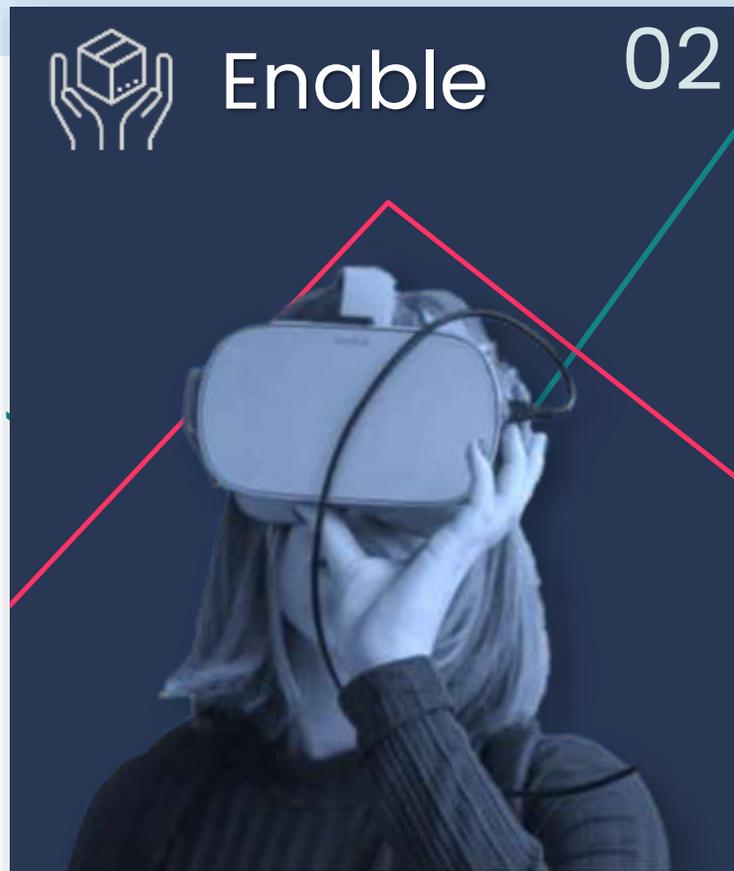
Practical templates to help complete key audit steps

Behavioural Insights at the OECD

What we do

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What we do



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What we do



Convene

01

A GLOBAL NETWORK

We foster a global network of experts in government who apply behavioral science to public policy



Enable

02

with TOOLS & TRAINING

We offer tools & training for governments to start or deepen the use of behavioral science



Advise

03

ADVICE TO
GOVERNMENTS

We provide expert advice to apply behavioral science to domestic & global policy challenges

Behavioural Insights at the OECD

What we do



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A GLOBAL NETWORK

We foster a global network of experts in government who apply behavioral science to public policy

- Knowledge sharing
- Expert peer learning
- Comparative analysis of BPP capacity across countries



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- Frameworks, guidelines & toolkits
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- Impact evaluations
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A global Behavioural Science community

202 institutions applying BI to public policy around the world (2018)



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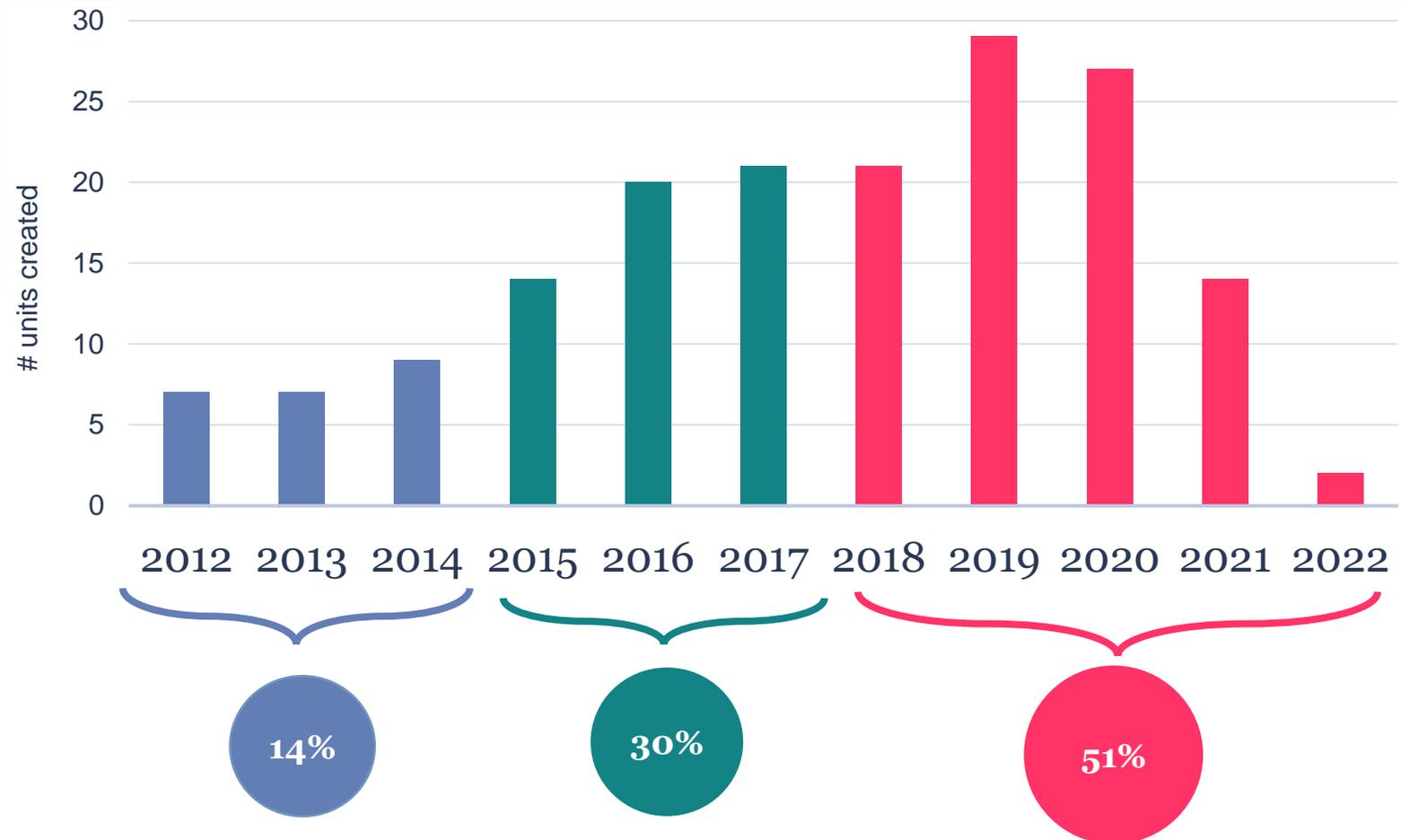
 **Convene** 01

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35 → 50% of new BI units were created in the last 4 years only



A global Behavioural Science community



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2021

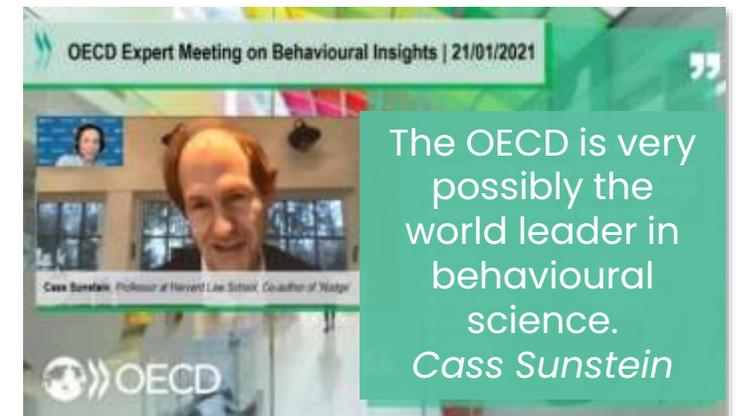
Launch of the global network of BeSci experts in government

+100 experts

from BI Units in governments in **46** countries



A space to discuss common challenges & opportunities to collaborate



Chaired by the governments of Canada, France, and the US

A global Behavioural Science community



Convene

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A GLOBAL NETWORK

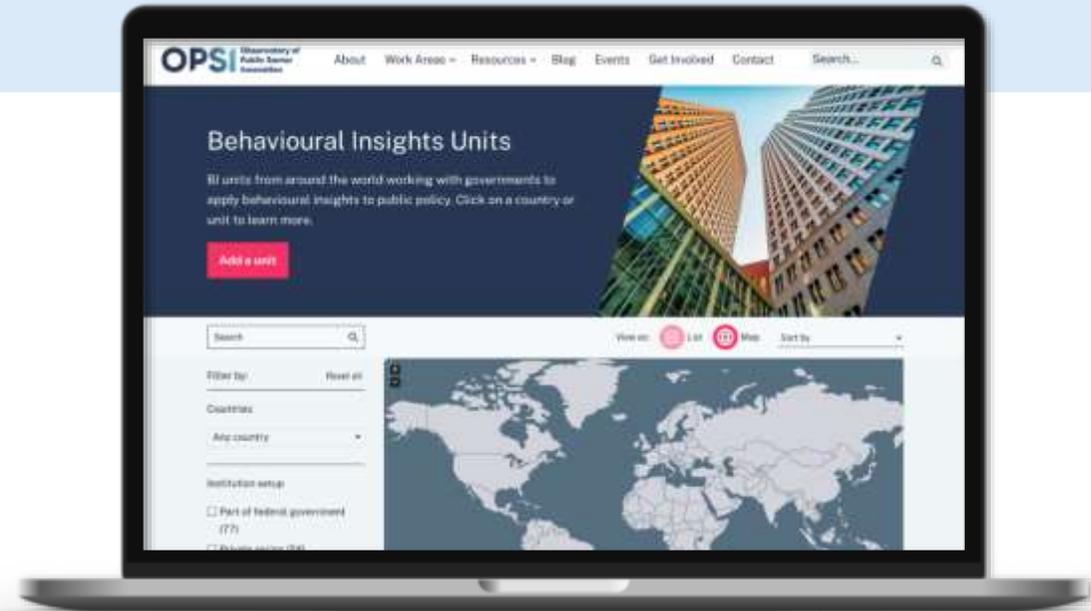
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01 Interactive BI Units Map

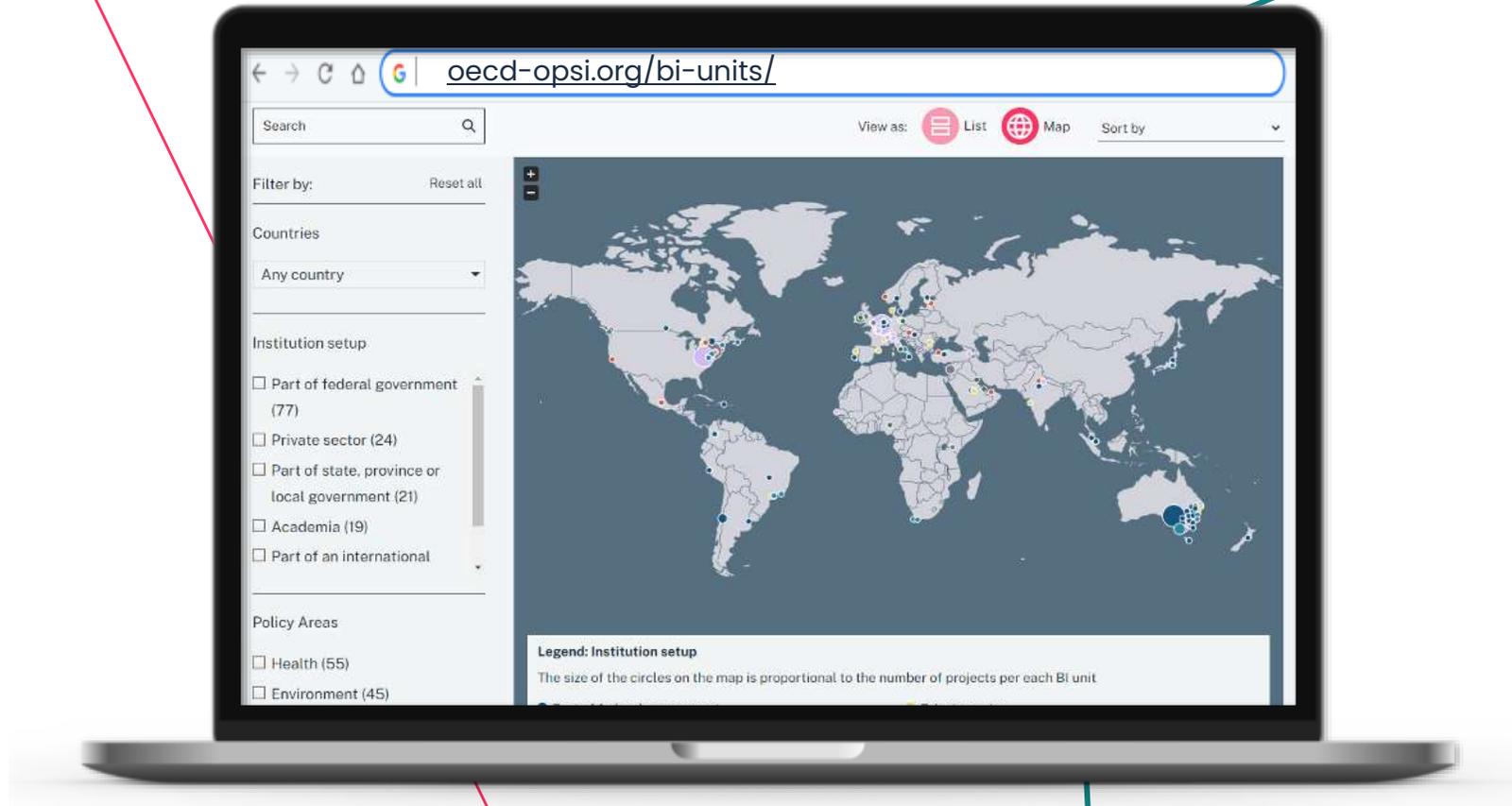
02 BI Projects Platform

03 Pre-registration Portal



Interactive world map of Behavioural Insights Units

oecd-opsi.org/bi-units/



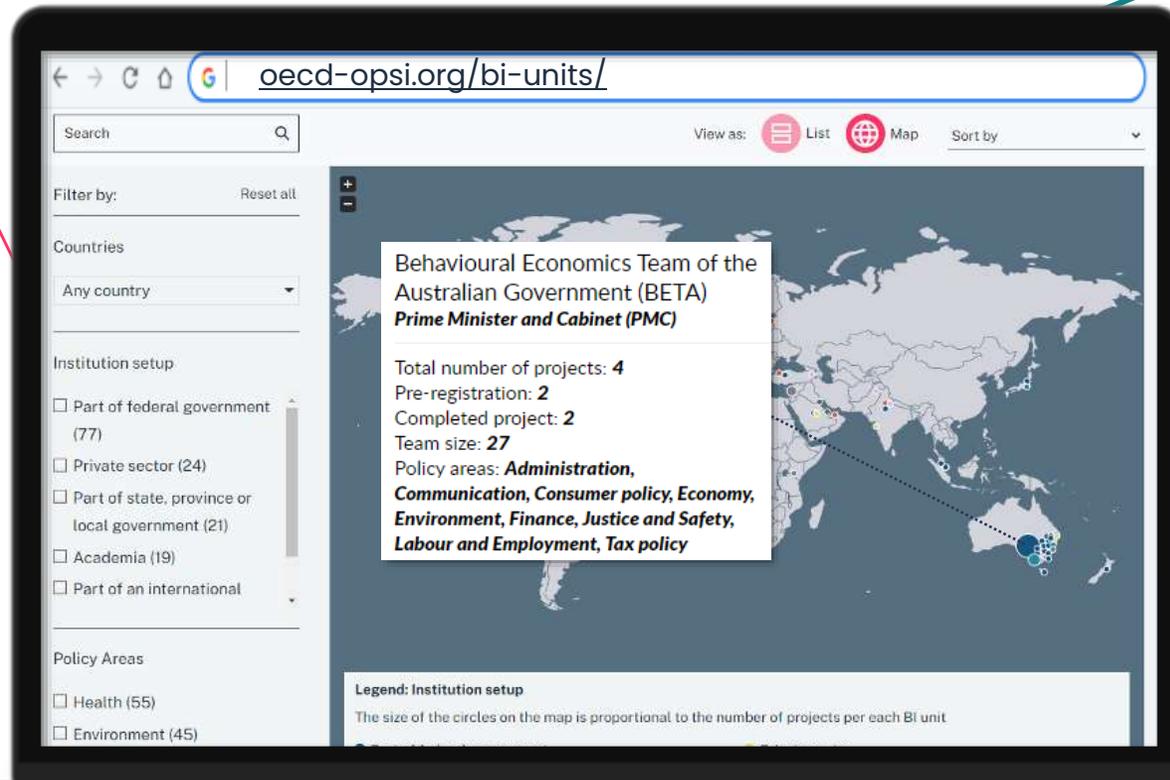
Interactive world map of Behavioural Insights Units

oecd-opsi.org/bi-units/

Map of BI Units

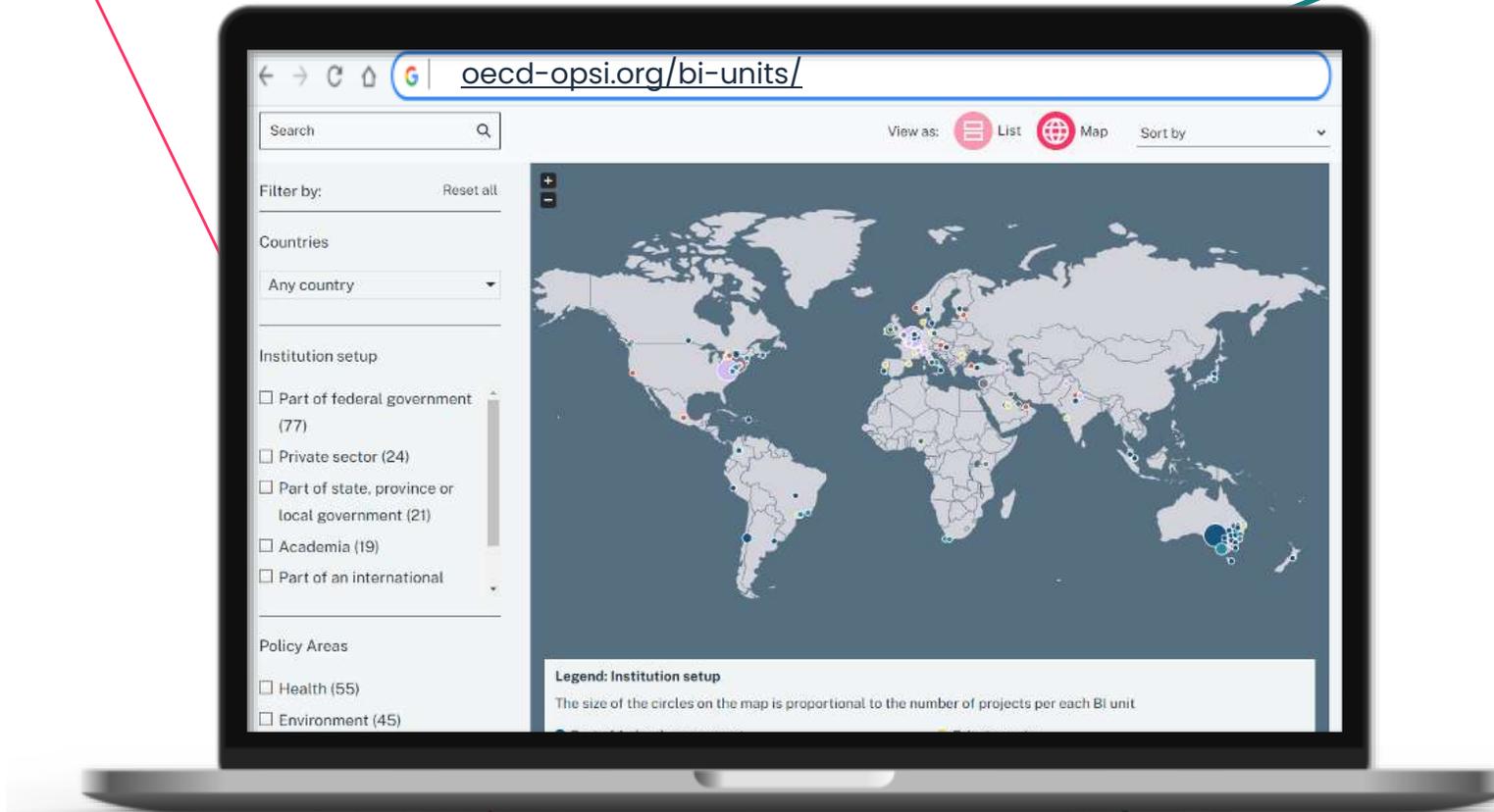
Filter by :

- Country
- Level of government
- Size of the team
- Policy areas
- etc.



Interactive world map of Behavioural Insights Units

oecd-opsi.org/bi-units/



Gamification

The **size of every team on the map** is proportional to the **number of projects** shared with the community by each team

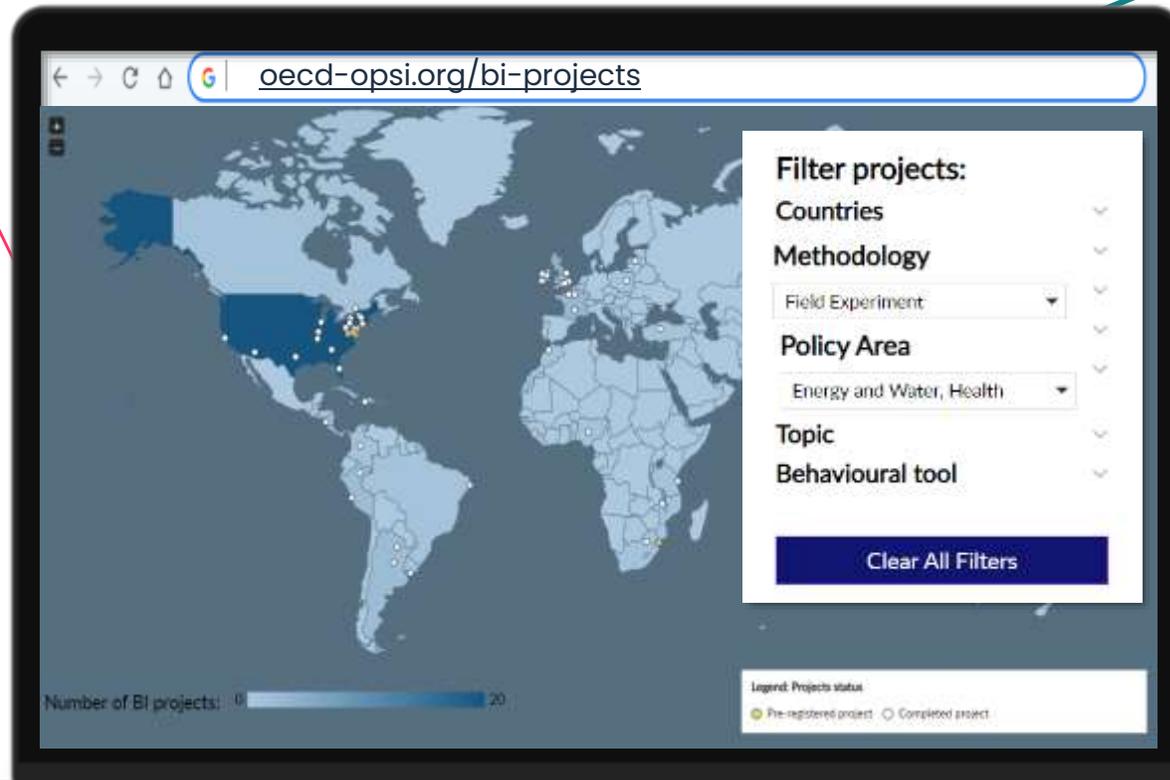
Repository of Projects Linked to teams

oecd-opsi.org/bi-projects

Behavioural Tools

Filter by:

- ▢ Checklists
- ▢ Simplified information
- ▢ Reminders
- ▢ Social norms
- ▢ Etc.



BI Project Repository

>100 BI projects across
40 policy areas
including:

- ▢ Consumer protection
- ▢ Education
- ▢ Environment
- ▢ Health
- ▢ Labour and Employment

Enabling the use of BI Tools and Training



Enable

02

with TOOLS & TRAINING

We offer tools & training
to governments to start or
deepen the use of behavioral
science

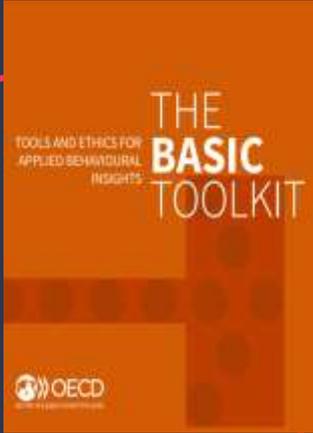
- **Frameworks, guidelines & toolkits**
- Capacity building
- Support to set up BI functions in government

Good practices for an ethical use of behavioural science in public policy

 **Enable** 02

TOOLS & TRAINING

Find the toolkit: oe.cd/BASIC



THE BASIC TOOLKIT
TOOLS AND ETHICS FOR APPLIED BEHAVIOURAL INSIGHTS
OECD



Good practices for an ethical use of behavioural science in public policy



Behavioural Science and Ethics

A practical approach

oe.cd/EthicsGuideBI

Behavioural Science and Ethics

A practical approach



A Checklist

A practical tool designed for anyone to **check the most important ethical pitfalls** when using behavioural science in government

oe.cd/EthicsGuideBI

Behavioural Science and Ethics

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Prompting Questions

A list of questions designed to **prompt a deeper discussion on ethical challenges** for policymakers in governments

Behavioural Science and Ethics

A practical approach



A Checklist

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Prompting Questions

A list of questions designed to **prompt a deeper discussion on ethical challenges** for policymakers in governments



Full Guide

Going into the details of Principles, Prompts, and Practices, presenting **25 case studies and examples**

oe.cd/EthicsGuideBI

Expert advice

Cross-border experiments



Advise

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Energy use



Jobs & Skills



Mental Health



Climate



Vaccination



Misinformation

Behavioural Science to tackle misinformation across borders



Government of Canada
Gouvernement du Canada



Understanding and countering **misinformation** with insights from behavioural science



The OECD partnered with the Canadian and French BI teams and **joined forces to generate experimental evidence** to reduce the spread of misinformation



oe.cd/DontDisMis



Behavioural Science to tackle misinformation across borders

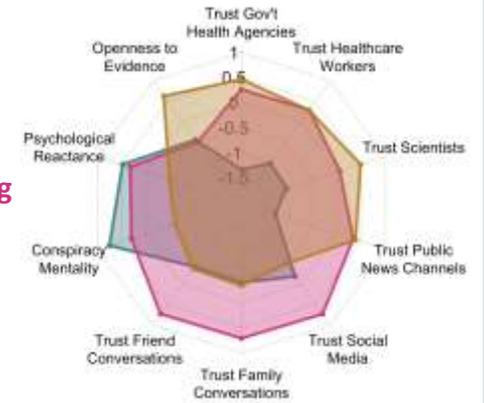
Understanding and countering **misinformation** with insights from behavioural science



First **cross-border collaboration** of its kind to understand why people share fake news on social media and evaluate the impact of BI interventions **to inform policy responses to misinformation**

Individual differences in trust and media use

- 1 Non-trusting
- 2 Social media trusting
- 3 Institution-trusting



The OECD partnered with the Canadian and French BI teams and **joined forces to generate experimental evidence** to reduce the spread of misinformation

Behavioural Science to tackle misinformation across borders

Understanding and countering **misinformation** with insights from behavioural science

Think carefully about the news with these tips



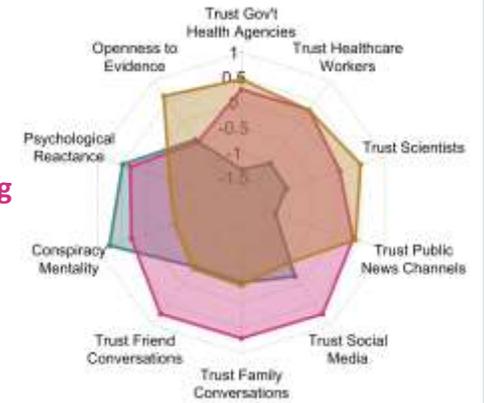
- Be skeptical of headlines.
- Investigate the source.
- Watch for unusual formatting.
- Check the evidence.

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Behavioural Science to tackle misinformation across borders

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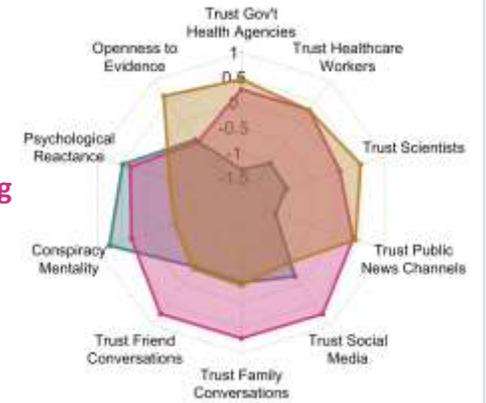
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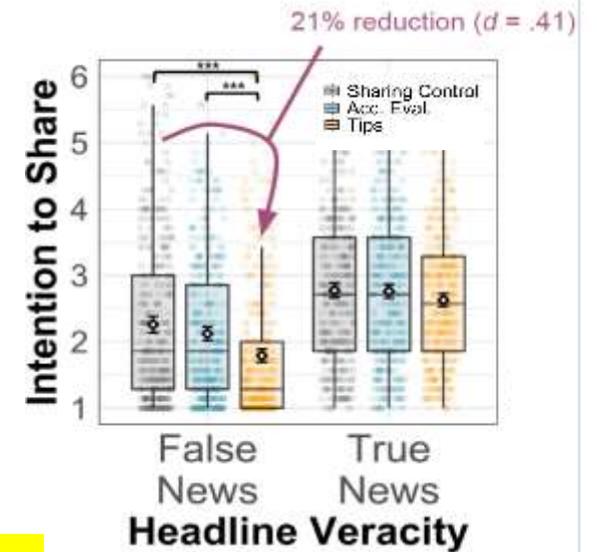
Individual differences in trust and media use

- 1 **Non-trusting**
- 2 **Social media trusting**
- 3 **Institution-trusting**



Results

- 1 We found that **sharing** fake news \neq **believing** in fake news
- 2 The tips **reduced** intentions to share false information **by 21%**



Summary of findings

oe.cd/DontDisMis



01



Some individuals may **share news that they do not believe**

02



Tips on digital media literacy had the greatest impact on online users, **reducing intentions to share fake news by 21%**

03



Individual differences in trust and information consumption shape beliefs and sharing of misinformation

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- **Cross-border experiments**

What's next?

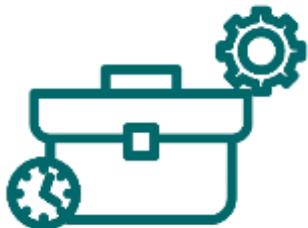
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