

Behavioural Insights: Where the Rubber Needs to Meet the Ottawa Road

Erica Kohos

7442822

University of Ottawa – Graduate School of Public and International Affairs

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1. Abstract

The decade long-search for more efficient policy making strategies and service delivery programs has left governments around the world sympathetic to human vulnerability, and advantaged by the insight to manipulate environments and effectively shape choices. This research paper explores the offerings of behavioural economics (BE) in so far as behavioural insights (BI) can contribute to shaping more effective and more desirable long-term outcomes of policy making and program delivery.

Foundational to this study are three questions. What potential do behavioural insights have for advancing the Government of Canada's (GC) priorities, especially as they pertain to the public service and the creation of policy? What are the potential areas of concern if the GC is to incorporate behavioural insights into its policy making toolkit? How ought the GC to adopt behavioural insights as a tool of policy making so as to ensure compliance with a policy model of governance?

First a review of the failings of the conventional neoclassical economic models makes evident the need and context for the collaborative multidisciplinary field of BE. Following which a review of behavioural insights and "nudging" in public policy and public service delivery internationally, using Caroline Oliver's (2002) model of policy governance, identifies some of the trends apparent in current practical examples of nudging.

To explore the Canadian context before making recommendations, a case study approach is used to analyze three current Canadian applications of BI. Case studies are most useful because as a tool BI is still in its infancy in Canada and the local data available is quite limited and mostly anecdotal in the form of government reporting.

Based on the discussion of current examples and areas of concern, three recommendations are made to government:

1. GCanada ought to establish a change lab or innovation hub as a permanent residence for the BI mandate, including the responsibilities to staff the task team in accordance with the model of governance to ensure that the governing body has the capacity and competence to fulfil its mandate (Oliver, 2002). As such all staffing processes should include both internal and external competitions.
2. Appropriate stakeholders should be identified and clear working relationships should be established with them, so that they can be involved in the assembly of an oversights team to ensure that the requirements for accountability are fulfilled.
3. Mechanisms for accountability and reporting must be established to ensure that the productive impact to all Canadians is verifiable and available to all Canadians in open format per current Government priorities.

2. Introduction

The decade long-search for more efficient policy making strategies and service delivery programs has left governments around the world sympathetic to human vulnerability, and advantaged by the insight to manipulate environments and effectively shape choices. This research paper explores the offerings of behavioural economics in so far as behavioural insights can contribute to shaping more effective and more desirable long-term outcomes of policy making and program delivery.

Foundational to this study are three questions. What potential do behavioural insights have for advancing the Government of Canada's priorities, especially as they pertain to the public service and the creation of policy? What are the potential areas of concern if the Government of Canada is to incorporate behavioural insights into its policy making toolkit? How ought the Government to adopt behavioural insights as a tool of policy making so as to ensure compliance with a policy model of governance?

To provide context before addressing these questions and looking ahead to possible recommendations, the first section of this paper will review what has now come to be understood as the failings of conventional neoclassical economic models, including the specter of homo economicus, on the path to modern economics and the collaborative multidisciplinary field of behavioural economics. Following which, some examples of behavioural insights and "nudging" in public policy and public service delivery in the United Kingdom and other countries are briefly outlined. Caroline Oliver's (2002) model of policy governance is introduced and applied broadly to the examples in question to demonstrate some of the trends apparent in current practical examples of nudging.

For the purposes of exploring the Canadian context in preparation for the discussion and recommendations to the Canadian government which follow, this paper employs a case study approach to analyze three separate instances of behavioural insights being applied in Canada currently. This lens of analysis is the most useful because it provides the opportunity to explore what is already being done and to identify some of the strengths and weaknesses inherent in each case. Despite the global successes attributed to behavioural insights in policy and program development, this tool is still in its infancy in Canada and the local data available is quite limited. A case study approach is fitting given that the information available is mostly anecdotal and in the form of government reporting.

Governments and public servants around the world have expended a great deal of time and energy over the last decade trying to reorganize and streamline or improve the efficiency of their processes. In line with this priority, in 2013, the Government of Canada, in consultation with public servants, citizens, and stakeholders introduced their action plan Blueprint 2020; a model for renewing the public service through innovation and modernization. It would seem most ironic to suggest adopting behavioural economics in the spirit of modernizing since behavioural economics is not a new field, its roots date back to the 1950s with certainty, and possibly before. It is a field which has been harnessed for social marketing which attempts to engineer behaviour in response to collectively identified and defined social challenges. Behavioural insights, however, ought not to be confused with behavioural economics or social marketing because it is both an assimilation and a completely separate endeavor.

Behavioural insights take the principles and findings from behavioural economics and the definitions and understandings of the collective experience of social marketing and

inform policy and programs. Whereas behavioural economics is a school of thought that builds off of and extends the models of conventional neoclassic economics, behavioural insights are the practical and applied use of those principles, they are effectively where the rubber meets the road.

3. Neoclassic and Behavioural Economics

3.1 Conventions of Neoclassical Economics

The science of economics can be defined first and foremost as the study of well-being as a function of resource allocation and exchange. Individuals and markets are constantly faced with choices about the time to devote to particular activities, the capital to invest in potential ventures, and other means of combining resources and endowments to optimize outcomes and maximize benefits (American Economic Association, n.d.). In order to simplify discussions about economic theories, they have been loosely divided into classifications based on the chronological evolution of the discipline; classic, neoclassic, and now modern economics. The focus of this review is on the neoclassic period, a term coined in 1900 to refer to those theories which came in the late 19th century. The section that follows will look to modern economics and its contemporary influences (Colander, 2000).

Some theorists have criticized the arbitrary manner with which the theories of this era have been lumped together under the term neoclassic, with little else than similar birthdates to show in common (Colander, 2000). Others have posited that in fact, neoclassical economics is a metatheory that necessarily imposes a set of rules or guidelines for building and developing an economic theory (Weintraub, 1993).

There are six principle attributes often associated with neoclassical theories that provide the lenses through which to focus on theory building. Namely, the allocation of resources at any given moment, utility as it dictates the framing of the market and economic decision making, marginal tradeoffs, rationality with the ability to predict and plan for long-term outcomes, a focus on the individual as the unit of measure, and a state of

general equilibrium in the economy (Colander, 2000). While these principles largely set the context for the economy, neoclassical theories further decompose the model of the individual as a decision maker and actor having at their core three pillars to explain behaviour within the context of the economy, in some variation; individuals are rational actors; as rational actors, individuals are utility maximizers, and where applicable firms maximize profit; and individuals have, and act on the basis of, complete and relevant information (Lawson, 2013; Rajko, 2012; Weintraub, 1993).

Furthermore, neoclassical theories are well known for applying these rules in the creation of mathematical models to explain human behaviour and decision making in closed systems. Closed systems exist wherein event regularities and context can be presupposed and absent extenuating circumstances or externalities, outcomes can be calculated based on the conditions outlined above (Lawson, 2013). In these models, the individual remains the principle unit of analysis (Colander, 2000; Lawson, 2013; McDonald, 2005; Weintraub, 1993). Economic man or homo economicus possesses all of the attributes inherent in the above assertions, and is further characterized by immunity to emotion, social influence, and contextual cues; the perfect rational calculating being. Neoclassical economists have occupied themselves essentially with the normalities of the optimal cases, while attributing any anomaly to circumstances beyond the control or purview of inflexible models (Lawson, 2013).

Over time, and with uncontestable evidence from other disciplines and developing branches of economics, some of the assumptions, or rules, have come to be relaxed and reformulated to varying degrees (Rajko, 2012). Specifically, the assumptions of full

individual rationality and complete information have been recognized as unrealistic theoretical ideals.

3.2 Criticisms of the “Rational Man”

In the 1950s, Herbert Simon was among the economists who disputed the neoclassical straitjacket of perfect rationality. Simon advocated for replacing perfect rationality with a conception more consistent with documented and observable human experience. The idea of a “bounded rationality” encapsulated the limitations of information processing inherent to realistic human cognitive capacities, and posited instead that “thinking man” utilizes the tools at their disposal to make decisions, even when these tools are suboptimal rules of thumb, instincts, emotions, or habits, rather than utility maximizing rational computations (Moseley & Stoker, 2013; Rajko, 2012). Until the time of Simon’s writing, public policy circles were largely dominated by the pure rationalist actor conceptualization, those that came after began to recognize and pay heed to the heuristics and biases inherent in human decision-making (Moseley & Stoker, 2013).

In the development of bounded rationality theories, particular human biases were identified that impose a significant impact on behaviour and decision making, namely an *overconfidence bias* and a *status quo bias*. The former refers to an unjustifiably optimistic perception of one’s own judgments, while the latter is a tendency towards maintaining the status quo with little impetus for change or growth (Rajko, 2012). Taken together with bounded rationality, these biases suggest that individuals may be making decisions based on habit or emotion, refraining from rational computation or utility maximization exercises, because of overconfidence stemming from imperfect information and perception, and then simply maintaining the inertia of the outcome over the longer term. Over a half

century ago, Simon cautioned policy makers against overlooking this occurrence, and underlined the failings of the neoclassical economists to incorporate interdisciplinary understanding of human behaviour and cognition into economic models (Moseley & Stoker, 2013; Rajko, 2012).

3.3 What is Behavioural Economics?

Where traditional economic models have fallen short in explaining behaviour independently, the emerging field of behavioural economics has seen a synergy develop between classically opposed social sciences. Those engaged in the study of behavioural economics (BE) are contributing to the development of an alternative framework that highlights the complex and “dynamic interplay between rationality, behavioural triggers, and psychology” to better explain and predict individual and firm behaviour and decision making (De Civita, MacDonald, & Downs, 2011, 2). More simply, BE engages practitioners in diversified methods of *doing* social science and applying insights from psychology, learning, and sociology theories to economics.

By incorporating the use of a variety of classically proprietary research techniques unique to each of the component disciplines, BE has been able to investigate the anomalies of human behaviour, particularly examples of systemic error in human decision making (McDonald, 2005). In their very influential book, Thaler and Sunstein (2009) draw the important distinction between humans and econs, emphasizing that humans are not the rational strictly mathematical computing beings that traditional economic models have suggested. While it is true that some decision making, perhaps more accurately the intentions of decision makers, begins with a careful consideration of the choice in question and an initial cost-benefit type analysis, it would be naïve to assume that the optimal choice

will necessarily result (Considine, 2012). Cognitive psychologists and proponents of social learning practice offer insight into the often over-estimated cognitive processing capacities of human beings. In fact, the scope of information that individuals can realistically handle and interpret is far more limited than would be needed to fully appreciate the complexity of the world in which they operate (Moseley & Stoker, 2013).

BE practitioners synthesize and combine the findings from various social science and learning fields with the modeling capacities of economics to identify the systemic patterns in human decision making when faced with inadequate processing capacity and information. As a theoretical framework adding to the contemporary economic models, BE underlines the limitations of rationality and resulting decision making processes of the more “typical” actor, or self-interested individual (Camerer, 2005 as cited in De Civita et al., 2011).

3.4 Behavioural Economics and Decision Making

Herbert Simon’s bounded rationality is credited as the earliest contribution to the field of BE, but insight about inherently human characteristics and observed biases has and continues to emerge from a variety of venues (De Civita, et al., 2011; Moseley & Stoker, 2013; Rajko, 2012). Experimental economics for example, using laboratory settings to test BE hypotheses as well as market regulation and firm behaviour under strictly controlled conditions has emphasized “altruism, fairness, and self-image” as key motivators in decision making (De Civita, et al., 2011). In fact, contradicting conventional models of economics, fairness has been found to be so strong a motivator that many individuals would be willing to sacrifice income if only to achieve fairer outcomes (McDonald, 2005).

While altruism has made the list of experimentally observed characteristics, one would be wise to keep in mind the proposed *self-centered inequity aversion*, which may give context to what could otherwise appear to be selective altruism. The *self-centered inequity aversion* may limit one's willingness to give to only those situations where the recipient is less well-off than the giver, and where the giver may perceive that others with similar incomes are equally giving (McDonald, 2005). If this aversion is substantiated, the result could be skepticism and doubt of experimentally observed behavioural characteristics, since evidently actions might not always be as straight forward as they seem.

When neurosciences, economic theory and psychology have been combined into transdisciplinary testing models, fully blind to disciplinary boundaries rather than simply collaborating, other fundamental cognitive tendencies have been identified, such as *hyperbolic discounting* (De Civita, et al., 2011). *Hyperbolic discounting* refers to the irrational or unfounded discounting of the value of a particular course of action at different points in time (Rajko, 2012). Some theorists have proposed an overwhelming tendency to overvalue the present, while undervaluing the future (De Civita, et al., 2011; Rajko, 2012). The impact of this *present-bias* may come to be magnified when the *status quo bias* becomes a factor, setting the stage or the inertia of short-sighted choices made in the moment.

Similarly, individuals faced with questions or choices for which they are inadequately informed may *anchor* to reference points that they feel they can use to best relate to the relevant conditions in order to adjust and estimate the best answer (Thaler & Sunstein, 2009). Unfortunately, the points of reference are sometimes less relevant than they may have thought or less reliable than they may have assumed, and therefore the deduction

they make is inherently flawed. An alternative to anchoring is to defer to others where available. To engage in *herding* behaviour, whereby one copies or mimics the behaviour of another member of their group that they perceived to be better informed or adjusted in order to feign competence or knowledge, to integrate, or to demonstrate membership (Moseley & Stoker, 2013).

Finally, it is worthwhile to mention that BE does not always contradict the tenets of conventional economics, in some instances it merely extends the conditions of the extant models. While it is conventionally understood that rational homo economicus is risk averse, BE borrows from *Prospect Theory* the understanding that people are more averse to losses of possessions or endowments they already have than those they have the potential of earning (Moseley & Stoker, 2013). Morgenstern's expected utility theory reaffirms that the thinking processes underlying value judgments in conditions of imperfect information are based on the estimated value or utility of possible outcomes, as compared to the prospective risks (Policonomics, 2012). With that said, however, individuals are still averse to making sacrifices in the present and must therefore be faced with a compelling enough reason or motivation to make a conscious sacrifice in present, regardless of the offerings or potential utility and value in the future (De Civita, et al., 2011; Thaler & Sunstein, 2009).

While actions guided by a status quo bias, anchoring, and herding for example may sometimes be efficient in the absence of information, understanding tendencies and patterns of behaviour and decision making provides important insight about the cases when individuals make suboptimal choices, despite having complete and perfect information. The policy making world must assume that individuals will be making choices

and acting in the absence of perfect information. The implications of this insight are paramount to better predicting the conditions for encouraging the availability of better choices and the elimination of potentially misleading contexts.

It is therefore unsurprising that Dr. Richard Thaler, one of the authors of *Nudge: Improving Decisions About Health, Wealth, and Happiness* (2009) has served as an unofficial advisor to both President Barack Obama in the United States and Prime Minister David Cameron in the United Kingdom. During that time, his co-author, Dr. Cass Sunstein was also appointed as the Administrator to the Office of Information and Regulatory Affairs. There is a great deal of insight that can be harnessed from the field of BE to enrich the world of policy making.

4. Background – The Current Behavioural Insights Context

4.1 What is ‘Nudging’? When BE becomes BI

In the years following the publication of the Thaler and Sunstein (2009) book, the United Kingdom led the way globally in research and incorporation of behavioural economics into the realm of public policy. It is this relationship that came to be termed behavioural insight (BI), wherein the findings and insights provided by the BE school of thought serve to inform and enrich the lenses through which policy makers view the people they serve.

The Institute of Government, established as a Cabinet Office in the United Kingdom released a publication in 2010 exploring the ways that BI could lead to “significantly improved policy outcomes, and at a lower cost” as compared to, but particularly when used to complement more conventional policy tools (Dolan, Hallsworth, Halpern, King, & Vlaev, 2010, 10). Mindspace was the frame of reference that was being developed at the time, and in its later incarnations would ultimately lead to the development and formal establishment of the Behavioural Insights Team (BIT), or as they have been more colloquially referred to by the government, the “nudge unit”. From modest beginnings, BIT has now become a private-public partnership owned by the employees, the United Kingdom Government, and the United Kingdom’s leading innovation charity Nesta, leading the world in work on advancing social purpose goals (Behavioural Insights Team, 2014a).

BIT endeavors to elicit desired behaviour modification working through a simple design framework based on four principles that allow for scalable randomized control trials. By making interventions easy, attractive, social, and timely (EAST) they have been effective in

nudging the public and able to measure and record the success of the outcomes (Service, Hallsworth, Halpern, Algate, Gallagher, Nguyen, Ruda, Sanders, Pelenur, Gyani, Harper, Reinhard, & Kirkman, 2014).

Before exploring some of the ways that behavioural insights have been used in recent years, it is worthwhile to consider the practicalities of their application. Thaler and Sunstein's (2009) discussion of choice architecture spoke directly to the role and responsibilities that must be adopted by the *nudgers*. Essentially by introducing minor context or environmental changes or "calibration," often in the form of stimulus or cues, behavioural and decision making can be influenced and ideally improved without being forcefully modified one way or the other (Selinger & Whyte, 2010). The decision maker is still in control of their decision; however they are now exposed to subtle hints or suggestions which have been strategically introduced by harnessing the knowledge of biases and cognitive processes including but not limited to those mentioned in the preceding chapter. In the section that follows, some of the examples of nudging in the United Kingdom, and then some internationally are briefly mentioned.

4.2 Nudging in the United Kingdom

As nudging has erupted to the forefront of discussions on policy, program and service delivery and intervention, there are some typical case studies which are repeatedly mentioned in the literature. While the BIT is responsible for designing many of them, some cases are merely influenced by the insights they have provided into the realm of applying psychological understandings of behaviour to solving social and political problems. Below are some examples of the nudging taking place in the United Kingdom in the period since the establishment of the BIT.

Job Centers – Helping People Get-Back-To-Work

The United Kingdom's BIT was intimately involved in a collaborative pilot project with the Loughton Essex Job Center Plus to help people get "back-to-work." The outcome was so successful that it was later extended to other jurisdictions and job centers (Behavioural Insights Team, 2012; Karsten, 2012).

Three modifications were introduced to the conventional Job Center approach, and the outcomes of the members of the trial group were then compared to those of the control group in getting and keeping a job. The first of the changes was an earlier mention of getting back to work, in the first visit rather than after a two week delay. Secondly, job seekers were forced to make greater commitments to their job seeking activities over the forthcoming two week period, instead of merely answering for whether or not they had performed at least three such activities in the preceding two week period. This nudged job seekers in the direction of a more proactive approach signifying a noticeable shift in paradigm which emphasized the importance of looking and planning ahead. Finally, job seekers were given a little extra nudge towards self-confidence in interviews and jobs searches by building up psychological resilience and self-esteem through strength, skill, and competency identification testing.

According to the published results on the BIT blog (2012), those in the trial group had a 15-20% greater likelihood of being off government benefits within 13 weeks of beginning the programming.

Babies of the Borough

In 2012, crime in the town of Woolwich, a historic borough of London was becoming increasingly problematic. With shops being vandalized and the growing costs of repairs, business owners were calling for intervention. OgilvyChange, a private company specializing in behavioural practice endeavored to combine their understanding of research in cognitive psychology and behavioural economics to provide the behavioural insights necessary to implement effective intervention and curtail the occurrence of crime in the area (OgilvyChange, 2013).

Drawing on similar incidents in New York, and other well documented studies, OgilvyChange suggested harnessing what is understood about the inherent human reaction to the sight of “cute babies” to nudge perpetrators in a more humane direction, and discourage poor behaviour (Gordon, 2012; OgilvyChange, 2013). Pictures of babies were painted onto the metal shutters closed in the evenings to protect store windows and doors from intruders. Despite having established a fund in anticipation of potential repairs or clean-up of vandalism, after several months, the outcome was conclusive and positive, and the fund had not been drawn from at all. Individuals interviewed by the local media at the time reaffirmed that the images of the babies seemed to replace the once hostile energy in the area with a more caring and mutually respectful response (Gordon, 2012).

Growth Vouchers

More recently, the BIT is exploring which types of business advice are most useful and most likely to lead to innovation and growth (Behavioural Insights Team, 2014b).

Eligibility to participate in the study is based on a digital application submitted through an

online government portal which includes questions to ensure that the company has been established for at least one year and is operating with less than 50 employees (Behavioural Insights Team, 2014b). The rest of the assessment includes question which help to determine what type of advice would be most useful for the small business in question. Failing to complete the application through the online process, a company may still be eligible if they successfully make alternate arrangements to meet with an adviser or to speak with them over the phone (Behavioural Insights Team, 2014b).

Once selected, if selected, a company will receive advice in one of five select categories; finance and cashflow management; marketing; digital technology; leadership and management skills, and; recruiting or talent management (Behavioural Insights Team, 2014b). For those participants that are selected to participate up to and including the advising stage, a voucher of £2000 was given. The intention of the BIT unit is to determine whether the absence or presence of the voucher led to most successful outcomes; which of the five streams of advice were correlated with best outcomes if any; and whether any difference existed between those companies assessed online and those assessed in person. This trial is ongoing.

Organ Donation

In 2013, the Behavioural Insights Team, in conjunction with the Cabinet Office, the Department of Health, Driver and Vehicle Licensing Agency and the NHS Blood and Transplant organization embarked on a journey to increase the uptake of subscriptions to the organ donor registry (Cabinet Office, Behavioural Insights Team, Department of Health, Driver and Vehicle Licensing Agency, & NHS Blood and Transplant, 2013).

Whereas the existing system relied on citizens to voluntarily and intentionally opt-in to registering, the new approach introduced a separate prompt, acting as a less than subtle nudge, which appeared as an automatic function once an individual renewed their vehicle tax or registered for their driving license online. In addition to a friendly prompt to join the registry, a message about organ donation in some instances accompanied by a strategically selected image also appears. The message was formulated and the image selected based on behavioural insight from BE and an appeal to cognitive patterns, some of which were identified in the previous chapter (Cabinet Office, et al., 2013).

To test for efficiency of possible messages, eight variants were created and uploaded to the website, and those receiving the prompt were exposed to only one of the eight possibilities. Over the course of the five week randomized control trial, over one million people participated proving sufficient and reliable data to analyze the effectiveness and nuance of each possible message and variant (Cabinet Office, et al., 2013).

With only one exception, the remaining seven nudges were all effective in increasing uptake of subscription to the organ donation registry. The most significant variant drew on the principle of reciprocity asking “If you needed an organ transplant would you have one? If so please help others” (Cabinet Office, et al., 2013, 7).

Nudging, Shoving, and Smacking

The Local Government Association has investigated some of the proposed ways of inducing behaviour change to improve health among citizens in the United Kingdom. Resorting to cues, stimuli, hints, and less subtle requirements, they have examined a broad range nudging, shoving and smacking (Local Government Association, 2013).

In the realm of smacking, citizens have been deprived of their ability to choose as bans have been imposed on goods or services. A prime example is the ability to smoke in public places. By prohibiting individuals from smoking in public places, it effectively reduces the amount they *can* smoke, because they are limited to *where* they can smoke. Shoves are less imposing though still more restrictive than nudges. A shove can include financial disincentives or more stringent regulations which discourage behaviour. The Local Government Association report (2013), includes strict regulations about the establishment of fast-food restaurants nearby to schools which effectively discourages entrepreneurs from business in those locations.

Finally nudging, by providing additional menu and nutritional information, changing the marketing and display schemes, fewer opportunities to take elevators or escalators and more signage pointing to staircases, using salad as a default option for meal accompaniments in restaurants and including friendly notes about the social norms and heuristics are all ways of encouraging healthier choices without forcing them (Local Government Association, 2013).

In the spirit of promoting, perhaps even forcing healthier choices on UK citizens, consultations have begun to take place on enacting policies like a minimum pricing for alcohol to create a disincentive for its purchase and consumption (Local Government Association, 2013).

4.3 Nudging Abroad

Although the United Kingdom has frequently been at the forefront of discussions of behavioural economics and the application of behavioural insights, other countries have been equally successful at implementing campaigns of their own to address social purpose goals. Singapore is often listed among global leaders in this respect. The Singapore Land Transport Authority for example has taken steps to address social courtesy, while the National University of Singapore has tackled the challenge of recycling. Other successful initiatives have spread across borders, particularly those which are most shocking like the use of visual illusions to slow traffic, as has emerged in France, Canada, and the United Kingdom, discussed below.

A Seat with Cheer

In an effort to improve the uptake of public transit services, the Land Transport Authority in Singapore set out on a six-month long study to survey the public and determine the most common grievances about using transit services (Masramli, 2014). Perhaps not surprisingly, most respondents complained about the reserved seating being taken up by those not needing it, and unwilling to cede their seats to those for whom the seats are reserved. Among the suggestions made were larger reserved seating signs. Instead, using BE to contribute to a behavioural insights approach, the Land Transport Authority drew from experience and knowledge of human behaviour and patterning and opted for an unusual makeover of the reserved seating on the city commuter trains (Masramli, 2014).

Picking vibrant patterns and eye catching colors in combination with short but positive messaging above the seats, the reserved seating became a stand out area adorning nudges including “be sweet”, and “be good”, “show you care” (Masramli, 2014). The team responsible for this nudging initiative resorted to positive messaging to set a social heuristic that people would feel compelled and satisfied to follow, rather than trying to impose additional rules or increasing threats of punishment for infractions. According to the Land Transport Authority, within two months of installing these flamboyant designs, 80% of respondents to random surveys felt that the new campaign was very effective in reminding commuters to give up their seats (Land Transport Authority of Singapore, 2014; Masramli, 2014).

Nudging Recycling

Recognizing the main obstacles to successful recycling, the National University of Singapore endeavored to address two principle concerns; contamination of properly recycled materials (i.e., plastic bottles or cardboard cartons within remaining liquids inside) and; use of recycling bins as garbage receptacles (Office of Environmental Sustainability, 2009).

To address the first concern, the choice architects designed the recycling bins and surrounding areas with an expectation of user errors. As such, they introduced large, color coded; illustrated, clearly labeled signage above the recycling bins denoting what was acceptable recycling material (Office of Environmental Sustainability, 2009). The sign was placed strategically over the bin so as to ensure that users would be faced with it as an inescapable nudge prior to discarding their waste into the recycling bin. The choice

architects designed the environment to minimize the potential of human error or disregard, thereby planning for those users who found the instructions about liquids, material contents, and so forth too complicated or unappealing. All recycling bins were paired with garbage bins to accommodate for those who simply wished to discard their waste without further consideration. The outcomes reported were quite positive (Office of Environmental Sustainability, 2009).

Road Design Tricks for Slowing Traffic

Traffic accidents are a significant cause of injury and loss of life around the globe. Policy makers have resorted to more innovative means of getting drivers to be more cautious and alert, they have started using behavioural insight to nudge drivers to slow down and pay attention (Moskvitch, 2014). In France, black silhouettes have been erected on the sides of the road to represent those that have been killed in traffic accidents, and to elicit enough of a shock and surprise from drivers to nudge them to drive more responsibly (Moskvitch, 2014).

A similar approach, using visual effects and cues, has been adopted by the Traffic Safety Foundation Vancouver in British Columbia, and by authorities in Philadelphia Pennsylvania (Moskvitch, 2014; Pelle, 2012). By painting children or people right onto the street in Vancouver in such a way as to give the impression of a possible pedestrian, drivers are prompted to slow down and prepare to stop. In the United States, drivers encounter a series of fake speed bumps painted in 3-dimensional design to give the impression that they are real, and to elicit the reflex to slow down.

In Scotland, UK other forms of humanized signage have been introduced to nudge drivers towards taking their time, being aware of driving speeds and reducing instances of road rage. For example, smiley faces have been added to digitized signs which measure speed, when a car is recorded at a speed within the speed limit, a happy face appears, when the speed is too high, a sad face is displayed instead. Similarly, as drivers pass through areas of construction, they first encounter a sad face which becomes progressively happier as they move through the reduced speed area (Moskvitch, 2014). In each of these experiments, drivers' responses have been measurably positive and consistent with the desired results.

4.4 Nudging Oversight

Nudging citizens has proven to be an effective means of getting citizens in different countries to subscribe to healthier more courteous, and in some case more policy compliant ways. While some government departments and authorities have embarked on a journey of behavioural insights discovery leading to the development of units like the United Kingdom's Behavioural Insights Teams, which was a part of the government until February 2014, others have contracted out or simply left the nudging to private contractors as was the case with Babies of the Borough campaign orchestrated by OgilvyChange mentioned in the previous section.

Perhaps in part because of the current paradigm framing the use of BE and behavioural insights as innovative and cutting edge, examples of nudging are well reported, and their outcomes well documented. Some critics have raised questions about the longevity of the effects of nudging and whether it can really be taken for granted that

behaviour change will be sustained, or whether it will require a constant reinforcement (Local Government Association, 2013). Moreover, the reliability of reporting results has been questioned and will continue to be scrutinized, absent some form of assurance that technocrats have credentials sufficient to carry out the systematic work of social scientists with accuracy and integrity. It is, after all, the technocrats from within government, or private consultants, who are designing programs and interventions and running trials, with little evidence to substantiate the assumption that they are better informed than the general public, or that the desired behaviour they identify is in anyway optimal (Evans, 2012).

All of the above examples are excellent illustrations of ways in which to draw on experience and established knowledge to substantiate hypotheses, but there is little consistency in the means of designing, administering or discernable governance structures that can be enforced to ensure quality, standards, and the safety of citizens. Caroline Oliver (2002) proposes a policy model of governance comprised of three elements; the organization of the governing body is such that it ensures the capacity to fulfill their mandate; there are established mechanisms by which to hold the governing body accountable, and; in the context of policy making, the deliverables or output of the governing body have a productive impact for the citizens. While the third element of this model seems relatively straight forward and the productive impact of applying behavioural insights to policy development and service provision is fairly apparent, the first two elements are much less clear, and perhaps most crucial. In the examples above, there is little mention of what means, criteria or credentials are used to assemble the governing bodies designing the interventions and services. One cannot therefore conclusively

determine whether they are able to adequately fulfill their mandate, which includes not only design but also evaluation, prediction, and recommendation for policy making.

Similarly, it is unclear by what means the organizations administering the trials could be held to account for their designs, choice architecture, or conduct.

5. Analysis – Canadian Case Studies

The model of policy governance proposed by Caroline Oliver (2002) is useful for examining the ways that policy development is evolving over time, and verifying whether the fundamentals of policy making are being carried over into the new paradigms. In the section that follows, three examples of behavioural insights being incorporated into the Canadian context are examined using the elements of Oliver's model, followed by a summary table graphically illustrating whether each of Oliver's criteria are met; assembling a governing body so as to ensure that they have the capacity to fulfill their mandate; the establishment and clear definition of measures of accountability, and; designing policy and programs that have a clear productive impact for Canadians.

5.1 Birth Registration Package

In 2014 the Canadian federal government joined forces with nine provinces and territories to offer an innovative service to new parents. The birth registration package allows parents to apply for their newborn child's birth certificate and social insurance number at the same time, using one form, from the convenience of their hospital room (Service Canada, 2014). In the same transaction, parents are also registering for Canada child benefits, and when in an applicable province, the child benefits provided by that province as well (Service Ontario, 2014). The lead up to this amalgamation of services was the realization that despite the availability and eligibility of families, many of whom were most in need of Canada child benefits, the uptake was a mere 16% (Lu, 2013).

Further investigation into the obstacles of uptake made it clear; the problem was not difficulty, but rather abundance of steps. Parents, many of whom were already finding

themselves overwhelmed with all of the responsibilities of a new child, were suddenly faced with a seemingly endless to-do list of government websites and services centers to visit. Despite the availability of many services online, the task of filling out multiple forms with the same information becomes daunting and unappealing, parents procrastinate, and eventually, the forms get forgotten or neglected (Lu, 2013).

By introducing the “4 in 1” application, like that available on the Service Ontario website, parents visit the website, are instructed immediately that filling out the form will take approximately 25 minutes, the associated cost for each of the items they wish to order, the conditions for eligibility, the information needed to successfully complete the registration, where the information can be found or acquired in case the parents are unsure, the 6 to 8 week anticipated delivery time, a reminder to always print and keep a copy of the receipt, and an option to track the status of the birth certificate order (Service Ontario, 2014).

This approach draws on the contributions of BE and applies behavioural insight to service delivery. By making everything simple and available in the same place the task for parents becomes less daunting, they are therefore encouraged to successfully register their child for their necessary documents and for the benefits and services they are entitled to; a seemingly evident way to encourage a positive and desired behaviour. It is in the families’ and the government’s (at all levels) best interest for the child to be registered, and registered early.

Returning to Oliver’s (2002) model of governance, the productive impact to Canadians is indisputable. Reducing the paperwork to be processed at all levels of government ought to lead to a more efficient government. Reducing the paperwork ought

to lead to a Canadian clientele that is much more satisfied with the level of services they are receiving from their government. Uptake of services and child benefits ought to lead to better quality of life as well. Ultimately one could argue that this program could also be a segue, wherein if successful, it could be used to extend the services provided, allowing parents to sign up for other child benefits, savings plans and savings bonds, and/or provide information that may later be used for the providing useful and timely information about learning and labour market to inform student and parent choices about education and vocation.

In the case of government services like those provided by Service Canada, it may be more difficult to determine who comprises the team that designs the program delivery. While on the surface it seems like an obvious change to make to simplify the task for parents, there are logistical concerns. How is information shared between levels of governments? When documents are submitted online, where are they sent and which team is responsible for triaging them? Are social insurance numbers now being handled by provinces along with birth certificates or is there a department responsible for liaising between the two? These questions certainly suggest potential risks for security because the number of times that information is transmitted may be increasing. Therefore it is necessary to determine who is making the decisions and designing these relationships and how they are addressing such concerns. This information is not available to the public, but perhaps it ought to be. If one is to assume that much like other Government of Canada services, it is left up to the technocrats working in the Service Canada department and intergovernmental working groups to establish the structure, how are participants selected

and what are their credentials? The first element that Oliver (2002) introduces in her policy model is enough to question the entire premises upon which this otherwise seemingly ideal program has been built and is being run.

Oliver (2002) also highlights the need for measures of accountability. In its simplest form, this element looks at who is responsible for errors and oversights. In the Canadian government, technocrats in service-providing departments are accountable to the Minister of their department, who is then supposed to be accountable to their electorate by means of election. There is nothing, particularly without the former element being met, to ensure that those designing programs with built-in nudges are equipped to do so in an effective way. Furthermore, there is nothing on either the federal or provincial government websites which indicate what to do in the event that a citizen does have a concern about the program, or where they may find additional information about the administration of the program. There do not seem to be any statistics posted about the uptake, though they are available via Statistics Canada, if one knows where to look and how to read the data tables they present.

With respect to privacy and potential breaches, which are becoming a greater concern and which would be potentially problematic with the transmission of personal information between levels of government, privacy commissioners typically oversee broader issues and potential risks. The task of overseeing every portfolio and its related privacy concerns is delegated to information officers, privacy officers, working groups, and other internal bodies. In this particular case, the program crosses governmental jurisdiction and has implications for both provincial and federal level governments. It is

unclear what mechanism is available for the public if they feel that there has been an oversight, or a mishandling of their file, or where they may direct questions or ask for inquiries if they suspect such a breach has occurred.

5.2 Old Age Security

In 2013 Canadian pension plan sponsors, including the Canadian federal government agreed that Canada was in the midst of a pension crisis (Vettese, 2014). In an effort to improve the state of the federal government with respect to the provision of the Old Age Security (OAS) program, or pension delivery, Service Canada turned to BE to contribute some behavioural insights to their policy and program design. As a result, three changes were made to the administration of the OAS to be introduced progressively over the coming years (Service Canada, 2013).

The first change is a shift in age of eligibility for pension and guaranteed income supplements from 65 to 67 to be progressively implemented over six years beginning in April 2013 (Service Canada, 2013). The impact of this shift is both a nudge and a shove by the aforementioned definition. By increasing the age of eligibility progressively, a signal is being sent to those become eligible for retirement over the coming years that in fact they could remain in the workforce, and may even perhaps be encouraged to do so. Furthermore it nudges those who wish to retire earlier to take the initiative to increase their own savings and make arrangements for income during the gap years if they choose to retire earlier than they are eligible to under the Government of Canada's eligibility. This policy shift is in essence a shove as well because for those who are otherwise nearing the age of retirement and were ill-prepared to make alternate arrangements, they may find themselves forced to remain in the work force longer than anticipated. Under the same

heading, a change in the age of eligibility for survivor benefits has also been incorporated shifting from 60 to 62 which reinforces all of the same messages for widows or widowers (Service Canada, 2013).

Secondly, in July 2013 an option was introduced wherein those who were and are eligible for pensions/OAS payments could delay the commencing of their payments by up to 60 months from their date of eligibility. In return for delaying the start of payments, monthly amounts increase (Service Canada, 2013). This option allows those who become eligible for OAS aged 65 to 67, depending on when in the progression of the age transition it may occur, to delay their retirement up to 5 years in exchange for higher monthly payments, effectively nudging individuals who can continue to work, to continue working, and consequently contributing to the betterment of their social context at large.

Finally, the automatic enrollment element of OAS that has been introduced since 2013 is an addition that reduces the demands on seniors to apply, to ensure their applications are filled in correctly, and to ensure they are submitted in a timely fashion to avoid any income gaps (Service Canada, 2013). The default option is a BE principle that has been invoked quite frequently in the application of behavioural insights to policy and programs of financial relevance because it appeals to the cognitive patterns, strengths and weaknesses of the individual. As mentioned in an earlier chapter, individuals often need to be stimulated into action, otherwise the status quo bias and a tendency to overvalue the present can lead to procrastination and ultimately in the case of OAS, failure to apply (De Civita, et al., 2011; Rajko, 2012).

As with the previous example, perhaps with the exception of some disgruntled senior citizens who would prefer to stop working, the program design seems overall

beneficial. Evidence shows that when retirement was pushed from age 62 to 65, a significant portion of financial stresses were relieved (Vettese, 2014). It stands to reason therefore that by shifting the age of retirement for those that are able by another two years, their contribution to their own pension and to the communal funds is beneficial to everyone. With that said, there are some questions of productivity and employment opportunities for the generation entering the labour market (Vettese, 2014). This raises the question of who is designing the program changes and how are they evaluating the cost-benefit to the Canadian population as a whole.

Oliver's (2002) emphasis on having a capable governing body able to fulfill their mandate requires first that the mandate be clear. In the case of OAS, it is the largest pension plan in Canada, one in which citizens do not contribute directly, but rather which is drawn from collective funds. Therefore one could understand the mandate of the administering department to ensure that funds are being allocated in the most effective and efficient means possible. It is unclear whether those designing the program changes are doing so based on recommendations compiled from other departments and experts in economics, statistics, social development, those delivering services, and those able to assess the psychological and social needs and well-being impacts of the program, or whether the changes are modifications being made based on the best attempts at economic improvements on the part of moderately skilled technocrats. Given the implications of applying behavioural insights to influence the choices of Canadian citizens, both in encouraging later retirement by changing the age of eligibility but then further encouraging delays by offering incentives, it is necessary to be properly informed about the potential risks which may arise.

As a hypothetical situation, one may ask if the incentive of a higher monthly payment may appear to be so appealing to an individual who is neither physically equipped to continue working, nor financially stable enough to risk losing their employment due to inefficient levels of productivity. The potential risk to the individual is grave. This suggests consideration of Oliver's (2002) second proposed element; accountability. Who can be held to account for outcomes, and how? If an individual, such as the one in this hypothetical situation is negatively impacted by the introduction of these program changes, what avenues of recourse do they or those caring for them have available? This is also not clear.

Just as evidence demonstrates that working for longer may lead to greater financial security, evidence also shows that it could be damaging to companies and to the economy as it diminishes productivity (Vettese, 2014). Who can be held accountable for these effects? While the program website provides the usual information about where to direct general inquiries, or where to submit particular items if the website is malfunctioning, it does not provide the information of those designing the program and responsible for the changes. If the changes are applied to those who need the services and support most in an inefficient way, the repercussions could be life threatening and irreparable, yet it is unclear who would be responsible at the governmental or program delivery level. It is unclear who at the governmental or program delivery level is responsible for measuring and monitoring the outcome of program changes, if in fact anyone is.

Oliver's (2002) third and final criterion is that the policy measure has a productive impact on Canadians. The argument can be made both in favor and against a productive impact of these measures. It is only with appropriate, qualified and objective monitoring of program outcomes that the answer to this criterion can be established.

5.3 Ottawa's Model of Smoking Cessation

In May of 2014, at the Conference Board of Canada's *Nudging Toward a Culture of Wellness Event*, three panelists presented a program summary of a smoking cessation regimen they developed (Papadakis, Webster, & Rioux, 2014). The premise of the program was to "make it easier, deliver more evidence based treatment" and "to more patients" (Papadakis, Webster, & Rioux, 2014, 22). Their model is one they hope receives uptake from policy makers and is founded on asking, advising and acting, observing the framework proposed by the Behavioural Insights Team in the United Kingdom; easy, social, attractive, timely (Service, et al., 2014).

Essentially, these practitioners suggest adding questions about the intake of tobacco to the standard health care vital signs checks, which would also make them a routine part of the examination. Equipped with that information, medical professionals would then be able to provide compassionate, accurate, but non-judgmental information and guidance to patients, and effectively assess their readiness and willingness to quit smoking, by simply asking whether they are ready to work with them. This serves as a nudge because of the self-image and self-centered biases inherent in the human character (De Civita, et al., 2011). At the same time, however, the medical professional will be providing support and offering to work with the individual which is, based on contribution from BE, known to be an indicator of success (Papadakis, et al., 2014).

The next step in this model would be to act. By developing a personalized plan for quitting, deciding on whether to use pharmaceutical support, and if so what kind, and providing phone number and or email for follow-up are all nudges which simply by going

through the motions increase the individual's likelihood of succeeding (Papadakis, et al., 2014). The suggestion made to policy makers based on this model is to assist individuals in the endeavor to quit smoking because the access to free pharmaceutical supports, and the cost to add or remove environmental cues including signage and public ashtrays is far less than the over \$100 million in health care spending related to preventable health conditions caused by or correlated with smoking (Papadakis, et al, 2014, 2). Furthermore, Papadakis, Webster, and Rioux (2014), were able to introduce some cost saving measures into the model including automated follow-ups rather than occupying the very costly and limited time of medical professionals.

The effectiveness of the model was tested at the clinic where one of the practitioners was employed. This provided additional insight about the team that they were working with, and the medical recording systems already in place. Ultimately, the outcome was very positive, and included other technical improvements to the functions and resources of the clinic (Papadakis, et al., 2014). The presentation prepared for the conference also addressed potential barriers to adoption of policy and measures by other practitioners and policy makers as well as the evidence to counter balance concerns and demonstrate the ways in which application of the model could be overseen, monitored, regulated, and ultimately lead to improvements in the health and well-being of Canadians, the financial well-being of the country as a whole, and even potentially liberate some of the medical professionals from time constraints due to preventable chronic medical conditions (Papadakis, et al., 2014).

This model was particularly unique in that it was not designed by policy-makers, program designers, or service deliverers in the conventional government sense as were

those in the preceding case studies. This model was developed by practitioners and researchers whose credentials are demonstrated, but who were also able to clearly articulate the relevant policy considerations both in the design of the program and in their presentation as previously mentioned. The ability to identify potential bureaucratic obstacles and preemptively provide solutions and arguments to mitigate them is illustrative of a clear understanding of policy considerations and field-specific bureaucratic and behavioural complexities. In that sense it is evident that those designing the program have the appropriate credentials for designing, monitoring, evidence gathering, evaluating, reporting, presenting and making further recommendations. Furthermore, in order to appropriately test the model and acquire real time and real life feedback, a working group from a small clinic was assembled with appropriate credentials and previous experience. They were only responsible for reporting on elements within their frame of experience and expertise. As such, it is reasonable to conclude that Oliver's condition of a governing body with the capacity to fulfill their mandate has been met.

With respect to accountability, the methodology used to develop the model lends itself well to identifying who carries the responsibility for the model, the activities, the trials and the outcomes. It is also well known and understood that in order to conduct any type of research at this level and by researchers with PhD credentials and University affiliations, as all of these practitioners are, an ethics review would have been required prior to ever having recruited participants or engaging with the clinic that conducted the trial. Certain measures would have been respected and guaranteed given the regulations inherent to university and PhD research and medical testing such as it was. Furthermore, as part of the presentation, Papadakis, Webster, and Rioux, (2014) also shared the

published version of their study write-up which would have been subject to peer-review and scrutiny procedures to ensure accuracy and basic validity standards were met. If ever there were discrepancies, the credentials of researchers and their credibility would be in jeopardy which is a fairly reliable insurance policy.

Oliver's (2002) final condition was that the policy in question contributes a productive impact to the Canadian citizens. Successful smoking cessations brings with it advantages to the person, to society, reduces burdens on the health care system and on the economy. Those who would suffer as a result of these measures would be those who were not successful, and those industries which rely on the consumption of, and addition to tobacco products. Improvements in air quality, improvements in physical and psychological health, reduction in cost of living for some, reduction in chronic illnesses, and less demands on health care professionals are overall results that ought to result from large scale smoking cessation. These are among the measurable observable outcomes, though some may argue that quality of life writ large may be improved for everyone if the war of smokers versus non-smokers were to disappear. Moreover, if the war of smokers versus themselves were replaced with healthier more productive habits, it is entirely likely that the residual impacts on the Canadian society would also contribute to financial well-being and increased productivity. The cost of implementing a basic program based largely on cost-free nudges and supported by minor financial commitments to pharmaceutical support and capital investment in digitizing record keeping and automated follow-ups pales in comparison to the ongoing costs to the Canadian society of habitual smokers.

5.4 - Table 1 - Governance Analysis of Canadian Case Studies of Behavioural Insights Application¹

	Criteria 1. Assembling a governing body with the capacity to fulfill their mandate	Criteria 2. Clearly defined measures of accountability.	Criteria 3. Designing policy and programs that have a clear and productive impact for Canadians
Case Study #1: Birth Registration Package (1/3 criteria met)	<ul style="list-style-type: none"> The involvement of multiple levels of government makes it difficult to determine who ought to be on the team designing the program/intervention. 	<ul style="list-style-type: none"> No assurance that program-designers are trained or qualified. Lack of clear methods of communicating inquiries or complaints through Federal/Provincial websites. Lack of statistics to substantiate claims about increased uptake of services. Multiple levels of government involvement complicate privacy and information sharing issues. 	<ul style="list-style-type: none"> Centralizing and simplifying the paperwork process increases the number of Canadians benefitting from Government services. Streamlining processing leads to less demand and strain on government which should result in more efficient service provision. Less paperwork for citizens means greater likelihood of service uptake and higher levels of satisfaction.
Case Study #2: Old Age Security (0/3 criteria met)	<ul style="list-style-type: none"> There is an unclear mandate for the team designing the program. It is unclear whether the modifications have economic motivation or whether they are on the basis of advice and suggestions of qualified analysts and experts. 	<ul style="list-style-type: none"> Who can be held to account for negative repercussions? Are there any opportunities for recourse should there be a negative impact? If the changes/modifications are improperly implemented then the consequences could be life threatening, but who would be responsible? 	<ul style="list-style-type: none"> Evidence shows delayed retirement relieves financial stresses. Increased contributions to personal savings and to communal funds. Possible reduction in productivity. Possible reduction in employment opportunities and entry level positions for new labour market participants.
Case Study #3: Ottawa's Model of Smoking Cessation (3/3 criteria met)	<ul style="list-style-type: none"> Not designed by policy-makers. Developed by practitioners and researchers with peer-reviewed and demonstrated credentials. 	<ul style="list-style-type: none"> The methodology of the program design speaks to who is accountable and who can be held responsible at every step. Affiliation with a medical clinic and professional designations guarantee external systems of accountability enforcement. 	<ul style="list-style-type: none"> Less suffering, less individual costs, less chronic illness. Longer lifespans which may be problematic, but could be mitigated by less cost of medical treatment. If longer lives are healthier lives. Improved air quality.

¹ Criteria included in table are adapted from Caroline Oliver's model of Policy Governance

6. Discussion

6.1 Government of Canada Context

The past decade has been witness to the government of Canada's attempts at rebirth and attempts at reformation of the public service to become more innovative, more competitive, and ultimately more efficient. As part of these attempts, there have been many programs tried and failed with the intention of improving performance, and while some were quickly reconsidered and forgotten, others had lasting and detrimental effects on the Canadian social fabric (De Waal, 2010).

In 2013, public servants and Canadian citizens were asked to envision what their ideal public service would look like in the year 2020, and were then invited to contribute to a collaborative discussion. Since that time, three pivotal reports have been released by the Government, including the initial Blueprint 2020, an update, and more recently, the Destination 2020 progress report and update (Government of Canada, 2014). While Blueprint 2020 is far from being the first attempt at modernizing or effort to innovate the existing model of the federal public service, the social context in which this discussion took place is quite different. The ability to network and communicate with experts in different fields and disciplines, to reach out and consult with stakeholders around the world, and to open up consultations in an ongoing way has enriched the discussion (Government of Canada, 2014). Opening up the network of discussion and influence in this way has resulted in the adoption of two key guidelines. Drawing on the best practices of other countries, innovation and change labs have started to emerge, and Canadian public servants have recognized the value of these entities, taken cues from them, and have

introduces their own innovation hubs and change labs into departments of the public service (Bellefontaine, 2012). Secondly, the Government of Canada as a whole, along with each department, has committed to a Higher Performing Organization (HPO) strategy which involves identifying, planning, and implementing the necessary measures to increase efficiency and output (Government of Canada, 2014).

Blueprint 2020 is founded on four principles; an open environment that engages the very citizens and partners it serves; avoiding a fragmented approach and moving with a whole of government commitment maximizing the value of every investment; modernizing the workplace and technologies and deploying the most innovative and state of the art information available; and a confident and high performing workforce (Government of Canada, 2014). Change labs, or innovation hubs as they have been referred to in the Canadian federal public service, accomplish these goals by moving from a simple think-tank approach of policy shops in government to a “do-tank” approach, where policy makers are qualified and enjoy access to avenues for developing prototypes, designing programs and service reforms, as well as running pilot and focus group studies (Bellefontaine, 2012). A diversity of talents and a concerted effort towards talent management is overseen and higher performance levels are anticipated over the longer term, while simplifying and making more accurate and effective the entire policy making process (Bellefontaine, 2012; De Waal, 2010).

De Waal (2010) identified some of the key recurring elements in studies of public and private sector HPOs. First and foremost, effective and decisive management, reliant on evidence based research is necessary to promote knowledge transfer within teams.

Construction of effective policy happens when the team avoids instances of over analysis through use of testable findings and concise action-based approaches and interventions. Furthermore, HPO teams are comprised of members with high levels of competence and accountability to ensure that those responsible for carrying out the assigned tasks are equipped to do so, and are prepared to take responsibility for the outcome.

While behavioural economics may not be applicable and relevant to all policy areas, it can most certainly contribute to the innovation ecosystem as one of the tools in the innovators' toolboxes (Bellefontaine, 2012; De Civita, 2011). BE can be used to offer behavioural insight to the policy making and service provision functions of the public service, adding efficiency and increasing the returns on necessarily smaller investments (De Civita, 2011). The change labs or innovation hubs are effectively natural homes to BE practitioners and are well positioned to contribute and apply behavioural insight to policy making efforts and program development trials. Furthermore, with the intentional diversity of talent and expertise within the change labs, including competencies in oversight, monitoring, and testing, they are best situated to determine the outcomes of each intervention.

In order for behavioural insight to be applied to the policy making process while respecting the conditions set out in Oliver's (2002) model of policy governance, the governing body would need to have the competence and capacity to fulfill their mandate; there would need to be a guaranteed mechanism for enforcing accountability; and the output would need to have a productive impact on Canadians. Change labs or innovation hubs are intentionally and specifically made up of a variety of talents with specialized knowledge and expertise. Given this existing condition, it would be more straight forward

to ensure that the team responsible for designing policy and program nudges is competent and has the capacity to understand the context and implications of their suggestions, to design the program and run the trials. Effectively they would meet the criteria for having the capacity to fulfill their mandate, and where they may not, it would be simple enough to identify and address. By the same token, given that it is on the basis of their expertise that individuals are recruited into the change lab or innovation hub teams, they can be held accountable for their performance. To the extent that their suggested interventions may or may not be effective, they can equally be held responsible for the outcomes. It is conceivable that professional orders may also be involved if professional licensing is a prerequisite for hiring. In the absence of all other measure, it is conceivable that a change lab would have, or could be required to introduce, a governance structure for approving trials which would include an ethics review and oversight review committee.

Finally, the case has been made repeatedly and by many experts in the field for applying behavioural insights to program and policy development. It is a low cost means of encouraging the uptake of services and the cessation of counterintuitive or undesirable behaviour. It is a means of earning the greatest possible return on the smallest possible investment since the policy and program would be put in place regardless, doing so in a way which minimizes costs and maximizes benefits is arguably of greatest productive impact to Canadians and the Canadian government.

6.2 Questions and Concerns

Thaler and Sunstein's (2009) approach to applying BE to behavioural insight and nudging is cast in the light of an understanding of inherently flawed human judgment and

decision making processes which will lead to quite the opposite of benefit maximization in the long-run. It is for this reason that they claim that policy makers need to understand human behaviour and use that insight to anticipate reactions to policies and programs and ultimately, to design such offerings to promote the greatest uptake (De Civita, 2011).

Some critics however have cautioned against the use of nudging, equating it to easily exploitable manipulation, and suggesting that despite the libertarian freedom to choose element of the definition given by Thaler and Sunstein, it is the paternalism element which dominates and is most worrisome (Evans, 2012; Wilkinson, 2013). Evans (2012) underlines the reality that at the moment, with behavioural insight being left up to the technocrats in various government departments, there is nothing to suggest that they are any more equipped to make the right decision overall than citizens or “ordinary people”. Moreover, in instances where they do make a decision about a policy or program that is then imposed on others, often times some of the most vulnerable people in a social cohort, there is an absence of systemic markers for measuring errors or detecting problems to avoid social disasters. Unfortunately, this is not simply a laboratory simulation, but the manipulation of people’s lives and in some cases may mean the difference between whether they can access the necessities of life (Evans, 2012).

Before moving to ethical considerations and the blanket social skepticism that may be caused by misapplied BE and exploited behavioural insights, it is worth exploring the potential professional ramifications and concerns which exist for those in the scientific and political fields, both related and disconnected from policy making, since the reputation of one could and likely will impact all. From a scientific perspective, the implications are quite great. For the time being, scientific evidence is considered strong supporting evidence for

policy makers because it is seen as a field that is objectively removed from the biases of politics, rationality, religion, conflicts of interest, financial incentives and so forth (Seymour & Vlaev, 2012). If caution is not exercised in the application of scientific findings and behavioural economics to behavioural insight in policy making, this credibility will be reduced to a memory and science will no longer be a source of reliable information to substantiate hypotheses or theories.

The political considerations may be more worrisome. Evans (2012) invokes the specter of George Orwell and his foreboding premonitions about having choices shaped and molded without even realizing it. He underlines the way in which understanding the psychological weaknesses and vulnerabilities of humans leaves policy makers in a position to manipulate and take advantage of their limited capacity for calculating and computing information to make accurate judgments in their own best interest (De Civita, et al., 2012; Evans, 2012). Since policy by government are at their core about inducing or encouraging behaviour and nudging is fundamentally about inducing behaviour covertly and subliminally, it would be infinitely difficult for individuals to be aware of the choice architecture, to seize control over their decisions, and to be able to hold their governing bodies to account for wrong doing and exploitation (Evans, 2012).

There is a certain level of erosion of democratic freedom and rights which accompanies nudging and the application of behavioural insight (Evans, 2012). However as in Hobbes' infamous conception of the Leviathan, there is a certain social consent to coercion in exchange for social order and security. It is possible that the same argument could be made for nudging, in that individuals ought to consent to a certain level of coercion and manipulation in order to elicit the most positive outcomes. By the United

Kingdom's Behavioural Insights Team's standards, any nudging campaign or initiative must have at its core the betterment of society or the best interest of the individuals as they would agree is their best interest, not simply as it is conceived by a governing body and imposed on them (Behavioural Insights Team, 2014a).

There is some debate about the acceptable level of manipulation in the decision-making process, provided of course that the definition of manipulation specifies that a person's options are not modified, but instead that the person is exposed to opinions, information or other stimuli which may influence their decision in one way or another (Wilkinson, 2013). Manipulation is therefore acceptable because all of the possible decisions are still available to the decision-maker it is simply a question of providing them with additional information or insight. When behavioural insight is applied to choice architecture therefore, the question must be asked about whether the access to options is hindered in any way. That would effectively change the context from manipulation to coercion which is considerably less tolerated, and politically more dangerous.

At the core of much of the controversy is the language used to discuss behavioural economics and nudging. It seems to be that the language invites possibilities of future exploitation. Terms like "reframing" have been highlighted by some as particularly alarming because of the suggestion that the way facts are presented may become more selective. This leads to the question of what happens when out of concern for the "common man" who does not possess the faculties to process all of the information and stimulus necessary to appreciate the complexities of the world around them, choice architects begin making decisions about which information is and is not necessary for that individual, and which decisions are more or less crucial for them to make. Inevitably, measures to protect

individual autonomy will need to be introduced if behavioural insight is to continue contributing nudges to public policy.

6.3 Recommendations

In light of the Government of Canada initiatives to renew the face and the inner mechanics of the public service, it makes perfect sense to adopt new methodology that will increase efficiency, decrease cost, and lead to more satisfied Canadians.

The Blueprint 2020 vision sees the new public service a more modernized machine of government working with more innovative tools to accomplish more optimized outcomes. The power of behavioural insights and nudging is a low cost highly effective way of accomplishing all of those goals. It is however crucial that if the government is to successfully and ethically adopt these mechanisms into the public service toolbox, the process is cautious, timely, and complete with oversight and input from professionals and experts.

It is the recommendation of the current research paper that in line with government priorities, behavioural insights be adopted as an acceptable and comfortably used technique for optimizing the outcome of policy-making and program design. As with the open government principles of transparency and accountability that have come to characterize Canadian Government initiatives, it would be imperative that the policy model of governance be applied in this adoption.

As such, this paper makes the following three recommendations:

1. The Government of Canada establishes a change lab or innovation hub (herein referred to as “the lab”) in a centralized agency or line department that is equipped

to house and provide resources to this entity. Staffing of *the lab* would be completed through internal and external processes ensuring that all of the competencies required to fulfill the mandate of *the lab* are successfully provided and accounted for.

2. Stakeholders would need to be clearly identified and lines of communication established. In addition to the internal staffing of *the lab*, a working group would be assembled of stakeholders external to government including academics, members of professional orders, members of external oversight committees, ethics commissioners, social science experts (particularly statisticians and researchers), student representatives, members of visible minorities, and other minority groups, as well as members of external communities of practice.
3. Under the watchful eye of *the working group*, the Government of Canada would provide *the lab* with the unique mandate of providing the behavioural insights into policy-making and program development for the entire Government. Although *the lab* could be asked to work in conjunction with other teams in order to expand the reach and longevity of resources, it would be crucial for the sake of accountability that one entity and only one entity carry the brunt of the responsibility for this task and for ensuring that government information about best practices are up to date. *The lab's* mandate would in effect be to establish themselves as the subject matter experts on the topic of behavioural economics in order to contribute behavioural insight where applicable and where beneficial. *The lab* would be responsible, as part of the mechanisms of accountability to report to *the working group* regularly on their activities, findings, and reports, and to make public in open format on the

government portal of the Treasury Board of Canada Secretariat's choosing all reports for public consumption.

7. Conclusion

At the outset, this research paper looked at what has now come to be understood as the failings of the conventional neoclassical economic models, including the specter of homo economicus, as the prequel to modern economics, and the introduction of the more collaborative multidisciplinary field of behavioural economics. Neoclassical economic models took for granted that individuals were rational benefit optimizing computing beings, and that behaviour could be predicted on a general basis using mathematical models and general heuristics. The contributions of cognitive psychology, neuroscience, social psychology, sociology and a variety of other social sciences have since refuted what were dismissed as anomalies, and have instead asserted those cases as being the norms that ought to be examined for trends and ultimately to make predictions. From early beginnings in the 1950s behavioural economics has understood the shortcuts that humans take when the information they are presented with overwhelms the faculties and capacities available to them, and decisions need to be made. Behavioural economics therefore has a great deal of insight that can contribute to cost-cutting measures and efficiency increasing tips and tricks to policy-making and program designing. Evidently, policy needs to be made not with homo economicus in mind, but rather with homo sapien sapien as the target audience.

What followed the literature review was a brief background overview of current practical applications of behavioural insights and behavioural economics in public policy and public services, in order to appropriately situate the reader within the current context. These examples were some of the more blatant and entertaining ways that nudging has been used in the United Kingdom, Singapore, and other international contexts. Caroline

Oliver's (2002) model of policy governance was then introduced and applied broadly to the examples in question to demonstrate some of the trends apparent in current practical examples of nudging.

For the purposes of exploring the Canadian context in preparation for the discussion and recommendations to the government which followed, this paper adopted a case study approach analyzing three separate and current instances of behavioural insights being applied in Canada. The birth registration package is one example of intergovernmental cooperation and innovation leading to optimal outcomes for government and citizens, and to the increased uptake of government services. The changes to the Old Age Security program have been met with some controversy, and as explored briefly, the nudges associated with the updates can be seen through both positive and potentially negative lenses. Finally the wellness and smoking cessation model was a particularly interesting example. Using Oliver's (2002) policy model of governance to scrutinize the context of each of the case studies, only the latter, which was designed and applied by health practitioners in Ottawa, met all of the criteria to be considered compliant. This case study approach seemed most worthwhile because it provided a forum for exploring what is already being done and to view some of the strengths and weaknesses. Despite the global successes attributed to behavioural insights in policy and program development, it is a tool still in its infancy in Canada and the local data available is quite limited. A case study approach was most fitting given that what information is available is mostly anecdotal and in the form of government reporting.

There were three research questions introduced at the outset of this paper which guided the development and set the foundation of this study. What potential do

behavioural insights have for advancing the Government of Canada's priorities, especially as they pertain to the public service and the creation of policy? What are the potential areas of concern if the Government of Canada is to incorporate behavioural insights into its policy making toolkit? How ought the Government to adopt behavioural insights as a tool of policy making so as to ensure compliance with a policy model of governance?

After having investigated these questions further and considered the potential causes for concern, and while attempting to situate behavioural insights in the toolkit of current government priorities, three recommendations are made to conclude this examination.

The decade long-search for more efficient policy making strategies and service delivery programs has left governments around the world sympathetic to human vulnerability, and advantaged by the insight to manipulate environments and effectively shape choices. Behavioural insights if applied responsibly, can contribute to shaping more effective and more desirable long-term outcomes of policy making and program delivery.

In 2013, the Government of Canada in consultation with public servants, citizens, and stakeholders introduced their action plan Blueprint 2020; a model for renewing the public service through innovation and modernization, and making a commitment to becoming a higher performing organization. It is therefore the responsibility and the duty of a committed Higher Performing Organization (HPO) to take advantage of the tools they have available to them to optimize their offerings to the public they serve. Although behavioural economics is itself not modern, actively and consciously applying behavioural insights to policy making and program and service design is among the most innovative

and cutting edge approaches to public service and business deliverables in the current context.

Recommendations made in the current study are that the Government of Canada ought to establish a change lab or innovation hub as a permanent residence for the behavioural insights mandate, including the responsibilities to staff the task team in accordance with a policy model of governance, to ensure that the governing body has the capacity and competence to fulfil its mandate (Oliver, 2002). As such all staffing processes should be both internal and external competitions. It is also the recommendation of the current study that the appropriate stakeholders must be identified and that clear working relationships be established with them, and they be involved in the assembly of an oversight team to ensure that the requirements for accountability are fulfilled. Finally, the recommendations conclude with suggested mechanisms for accountability and reporting to ensure that the productive impact to all Canadians is verifiable and available in open format per current Government priorities.

While governments, policy makers, researchers, and journalists have occupied themselves with commenting on their ethical concerns with nudging and behavioural economics, it is the hope that the current paper has emphasized that behavioural economics and behavioural insights are not the same. Whereas behavioural economics is a school of thought that endeavors to acknowledge the complexity of the dynamic interplay of the social science disciplines while remaining somehow committed to the legacy of models and assumptions, behavioural insights are the practical and applied use of those principles, they are effectively where the rubber meets the road.

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