Australian Government
Department of the Prime Minister and Cabinet

BETA

Applying behavioural science to public policy

Australian Conference of Economists

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Overview

1. An example of BETA's work: online gambling
2. Some thoughts on 'behavioural insights'
3. Reflections on where next for behavioural insights

How BETA applies behavioural science to public policy

Mission: improve the lives of Australians by applying evidence from the behavioural and social sciences to find solutions to complex policy problems.

We collaborate with partner agencies to:

- Use qual research and surveys to understand people's attitudes and behaviours
- Design and test potential solutions

How we conduct our research:

- Ethics review
- Australian Privacy Principles
- Pre-registration
- 'Publication by default'

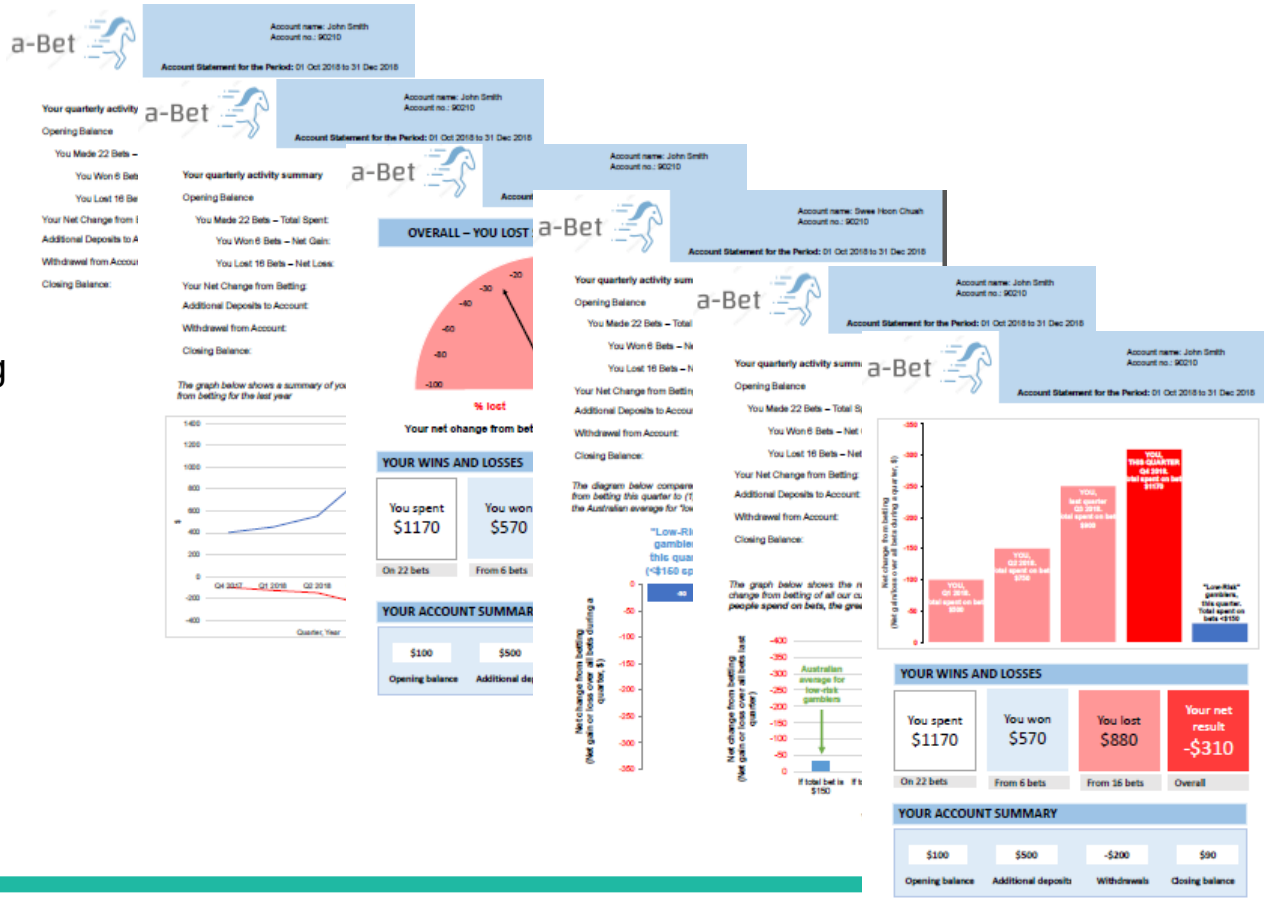
Example: online gambling

Previous research on online gamblers

User research

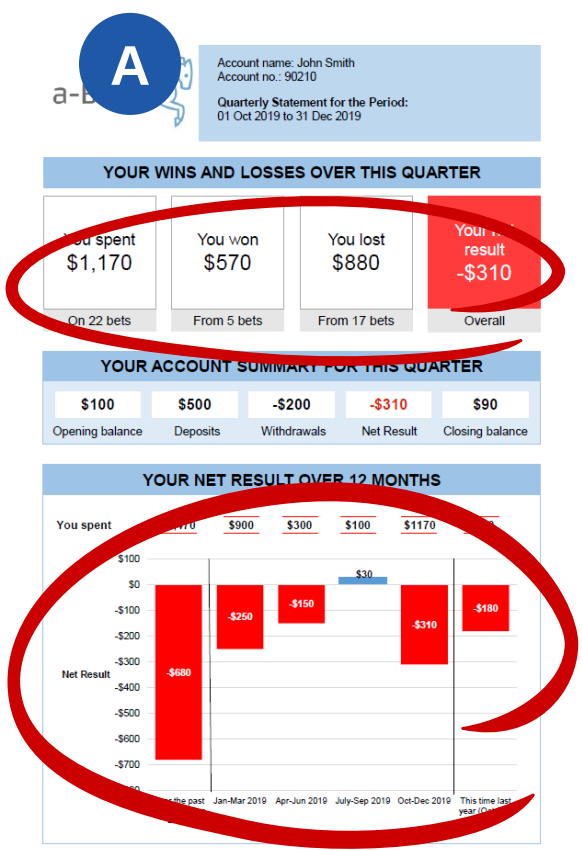
We designed 6 prototype activity statements

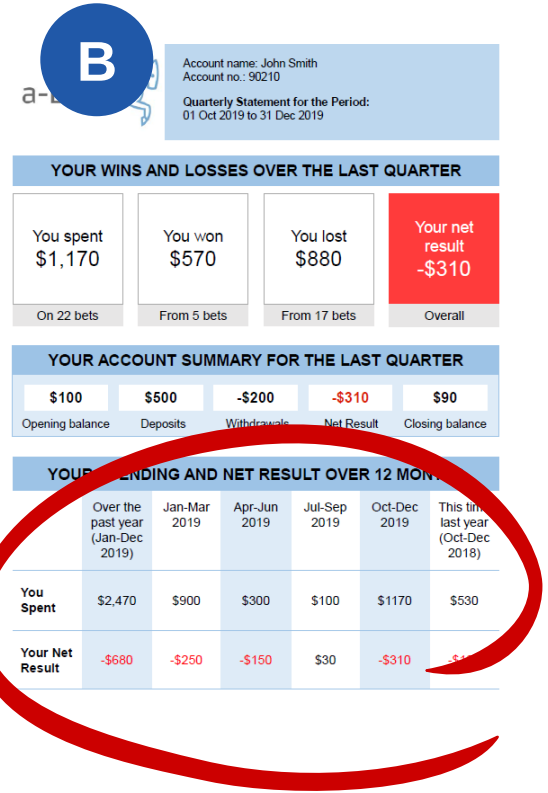
- Interviews and eye-tracking with 24 participants
- A focus group with 6 participants
- Interviews with 6 high-risk gamblers



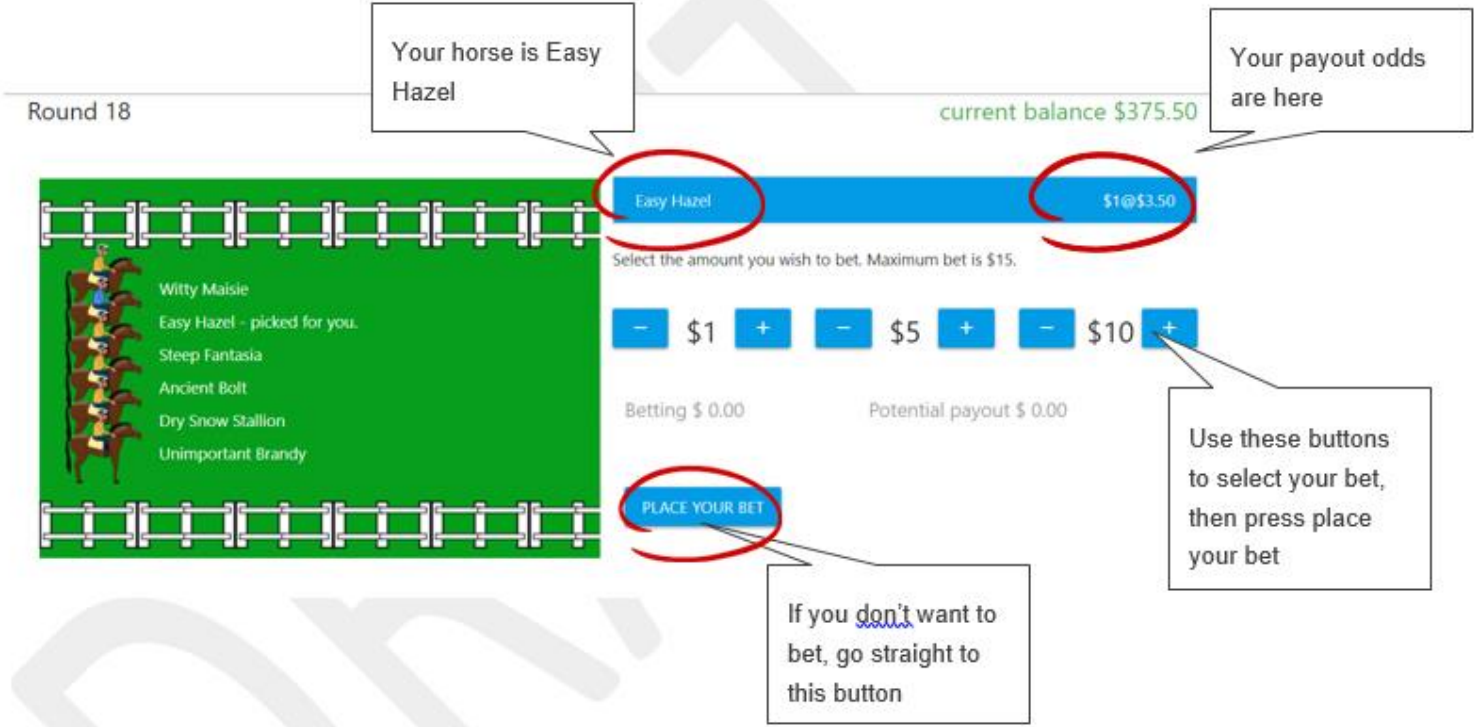
Following user research we developed 2 final prototypes

Activity statements may seem simple but designing them isn't!



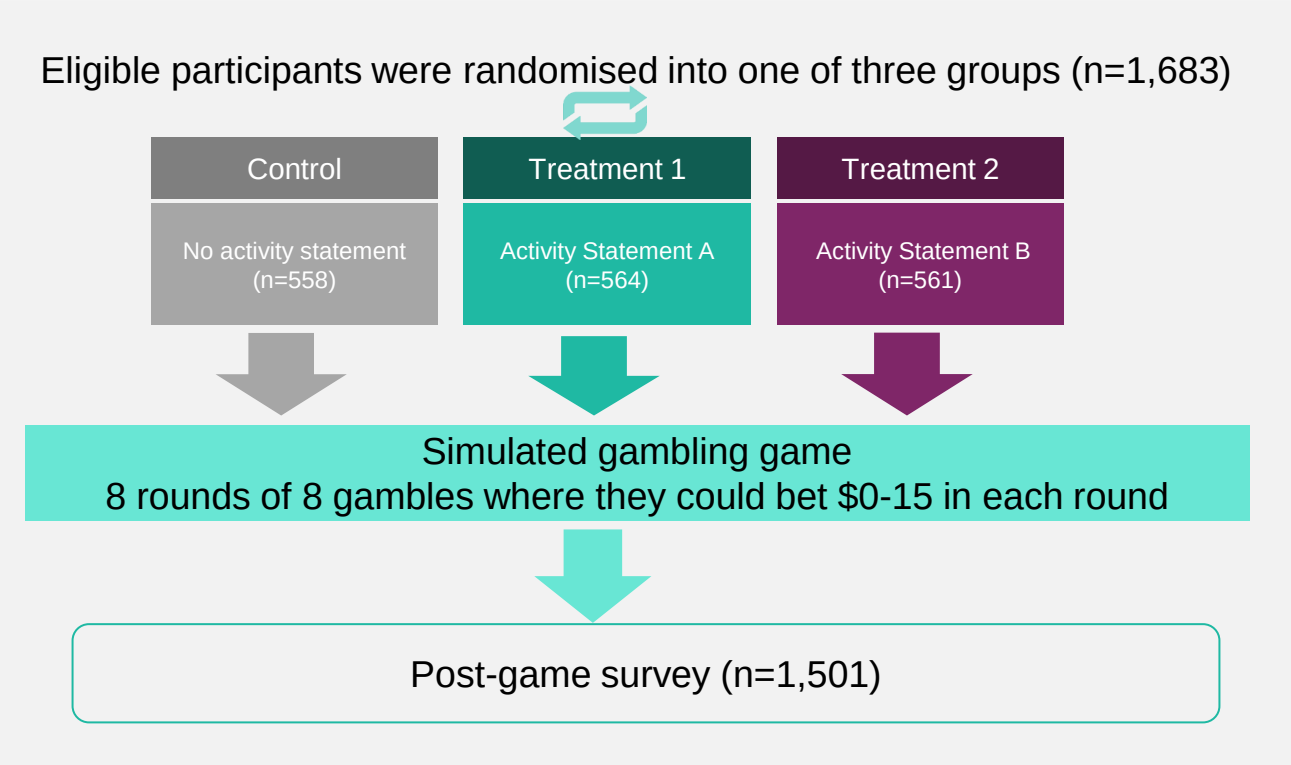


Trial: we designed our own online gambling site

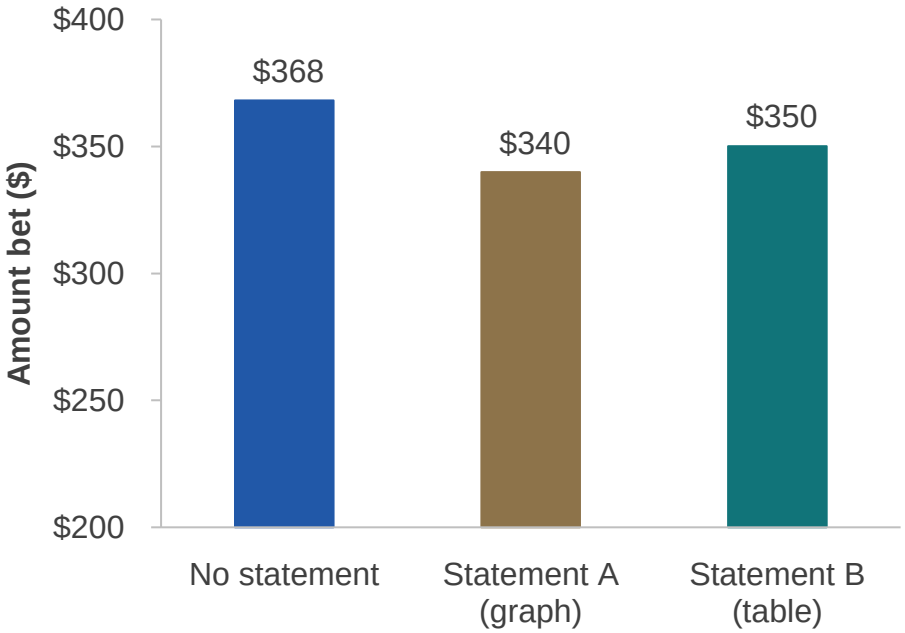


If you do not wish to bet you can select the "place your bet" button without selecting an amount.

We tested the activity statements with a framed-field experiment



Those who saw activity statements bet less than the control



Participants who saw activity statements during the game **bet $18-28 less** than the control group.

On balance, our evidence suggested Statement A (graph) was likely to be more effective.

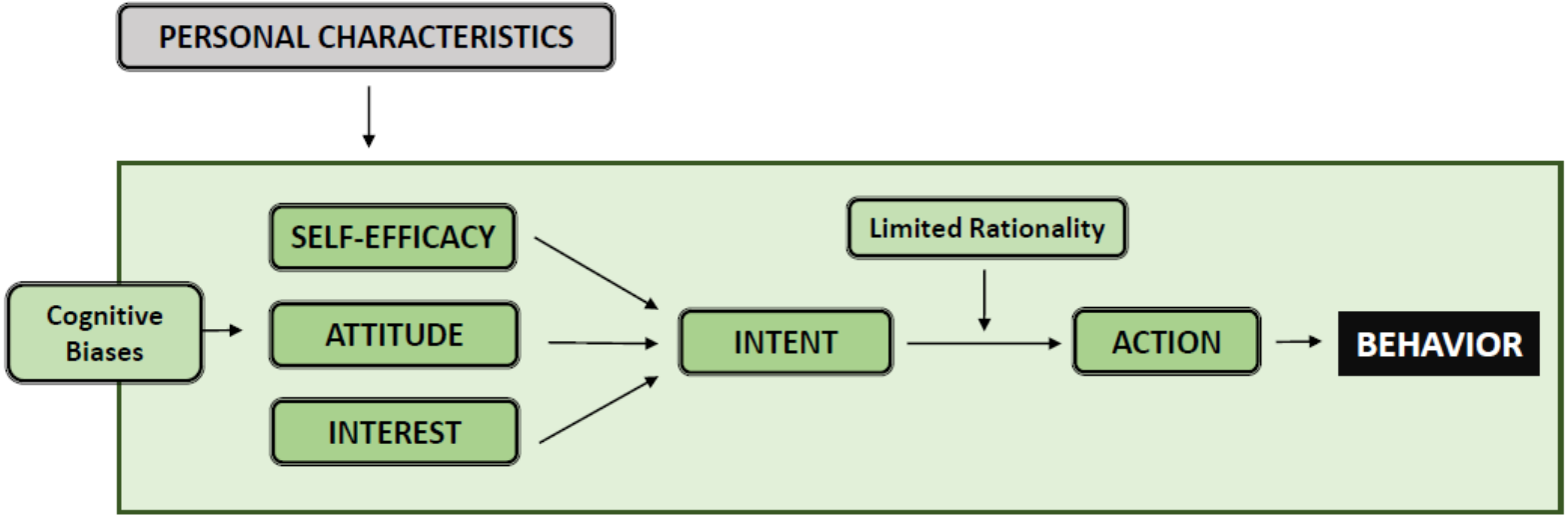
Some thoughts on ‘behavioural insights’?

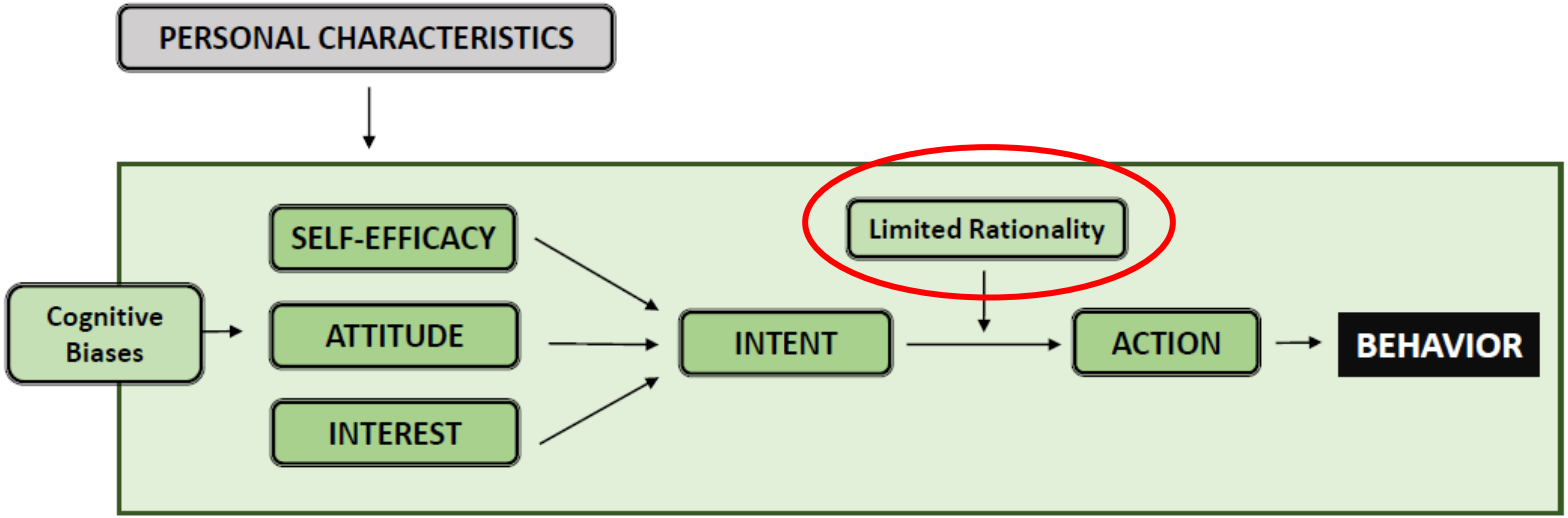
Traditional view of behavioural insights

- Draws mainly from behavioural economics, cognitive psychology, and social psychology.
- Main ‘insights’ related to:
  - limited rationality,
  - cognitive biases, and
  - the role of social norms and social identify
- But behavioural science has a lot more to say about behaviour and behaviour change. For example:
  - Health belief model
  - Diffusion of innovation mode

Petit, V. (2019). The Behavioural Drivers Model: A Conceptual Framework for Social and Behaviour Change Programming. UNICEF
https://www.unicef.org/mena/reports/behavioural-drivers-model

PSYCHOLOGY


PERSONAL CHARACTERISTICS
Cognitive Biases
SELF-EFFICACY
ATTITUDE
INTEREST
INTENT
Limited Rationality
ACTION
BEHAVIOR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ATTITUDE
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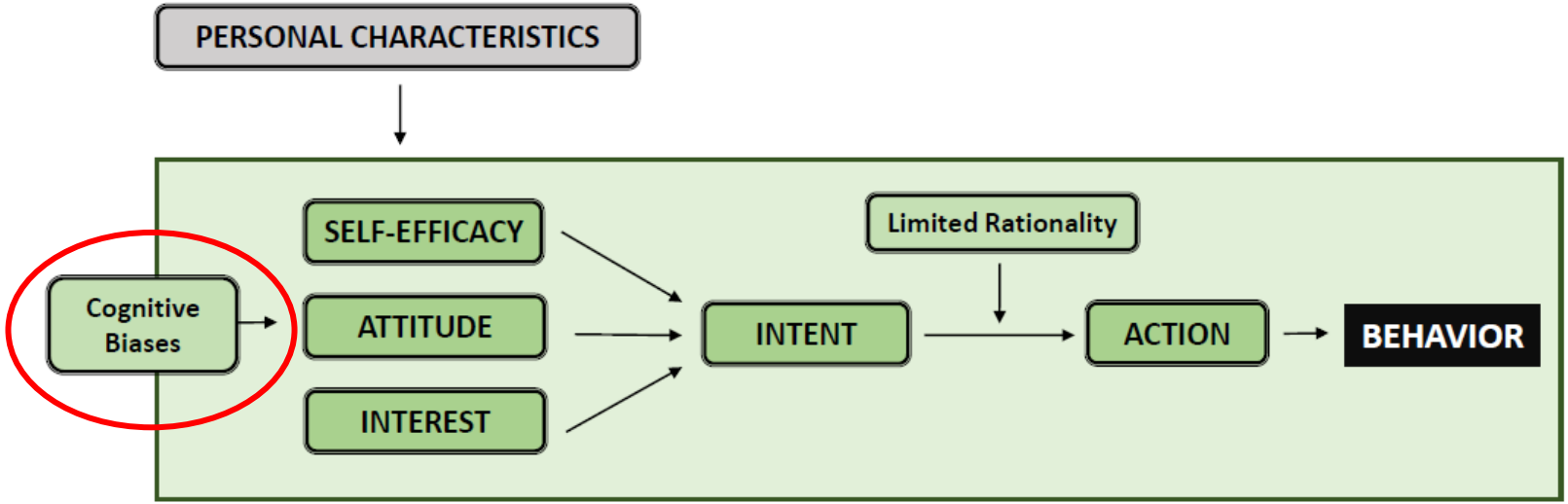
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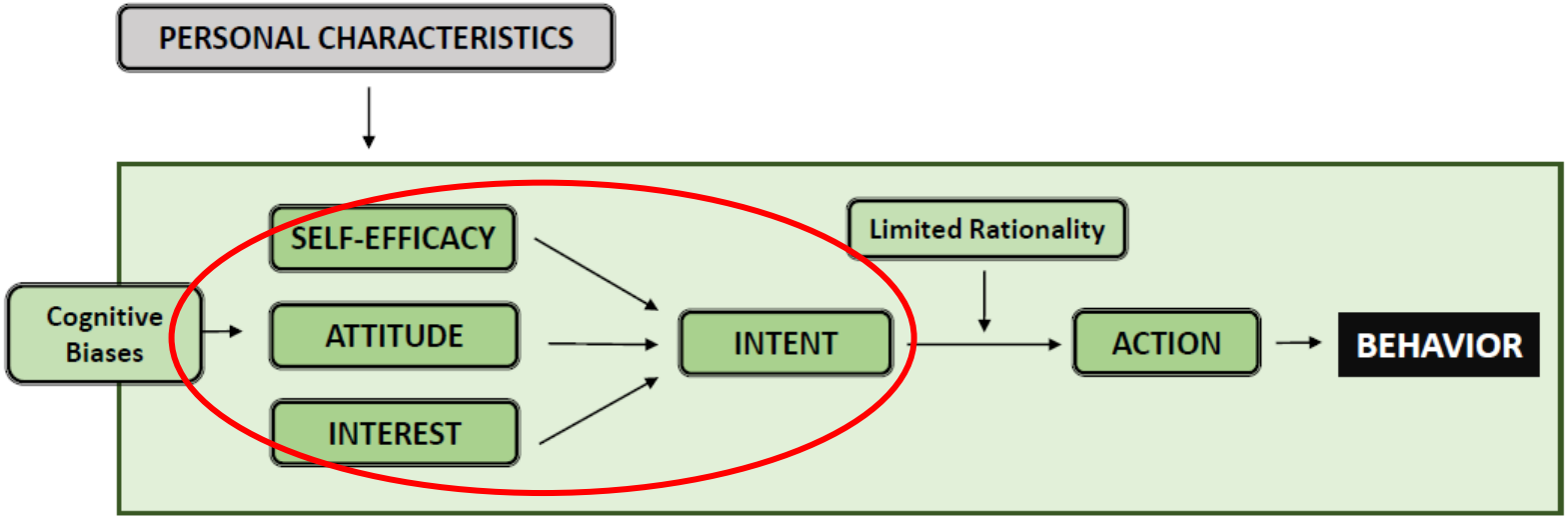
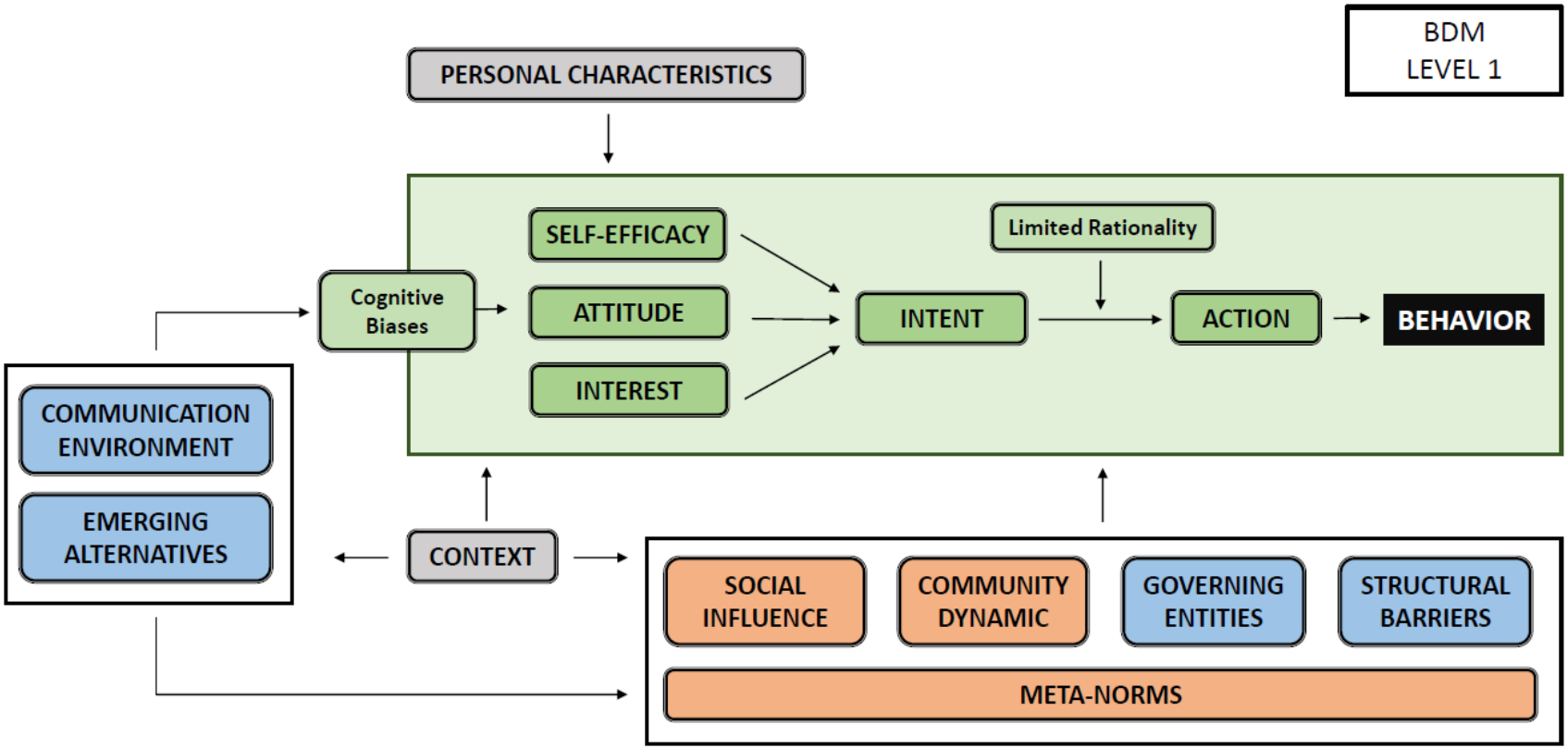

PERSONAL CHARACTERISTICS
SELF-EFFICACY
Limited Rationality
Cognitive Biases
ATTITUDE
INTENT
ACTION
BEHAVIOR
INTEREST

What drives a behavior?

PSYCHOLOGY

SOCIOLOGY

ENVIRONMENT


BDM
LEVEL 1
PERSONAL CHARACTERISTICS
SELF-EFFICACY
ATTITUDE
INTEREST
Limited Rationality
Cognitive Biases
INTENT
ACTION
BEHAVIOR
COMMUNICATION ENVIRONMENT
EMERGING ALTERNATIVES
CONTEXT
SOCIAL INFLUENCE
COMMUNITY DYNAMIC
GOVERNING ENTITIES
STRUCTURAL BARRIERS
META-NORMS

Where next for behavioural insights?

‘i-frame’ vs ‘s-frame’

- Many behavioural scientists propose and test interventions that seek to change individual behaviour (adopting an ‘i-frame’) rather than the system in which they operate (an ‘s-frame’).
- Examples:
  - Retirement savings
  - Emissions reduction
  - Plastic waste
  - …

Chater and Lowenstein (2022) ‘The i-frame and the s-frame: How focusing on individual-level solutions has led behavioral public policy astray’

‘Why the UK Govt’s food strategy is set up to fail’

- New food strategy for England emphasises ‘personal responsibility & choice’.
- Classic measures have role to play:
  - information (eg food labels)
  - training (eg healthy cooking)
  - exercise (eg goal-setting tools)
- But the context also matters. The ‘junk-food cycle’:
  - Markets respond to our choices-in-a-hurry.
  - Supermarkets are full of high-sugar, high-fat foods.
  - What we eat is influenced by how big the package size and position.

Prof David Halpern (2022) https://inews.co.uk/opinion/why-the-governments-food-strategy-is-set-up-to-fail-1683797

Consumer protection for financial services

- Disclosure has traditionally been assumed to help consumers to make ‘good’ financial decisions.
- In practice, often much less effective than expected
- Why?
  - Disclosure does not solve inherent complexity
  - Some firms deliberately make their products complex or confusing
  - Disclosure must compete for consumers’ attention

ASIC and AFM (2019) ‘Disclosure: Why it shouldn’t be the default’

A broader role for behavioural science in policy?

- Original conception of nudges as ‘choice preserving’
  - But many nudges involve regulation of businesses
  - Other nudges improve compliance with tax or regulations
- But behavioural science has something to say about when regulations are required, and what type of regulation may be appropriate

ASIC and AFM (2019) ‘Disclosure: Why it shouldn’t be the default’

Conclusions

Find out more: www.pmc.gov.au/beta

General enquiries: beta@pmc.gov.au

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