

The Politics of Nudging Internationally, There Are Many Varieties of Behavioral Public Policy

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For more than ten years, we have been witnessing the global rise of behavioral public policy. In 2017, based on a survey in 23 countries, the Organization for Economic Cooperation and Development (OECD) concluded that it is more now than just a fad. Earlier, the European Union, the World Bank, and the United Nations already documented their efforts to apply behavioral insights in policy fields as diverse as developmental, energy, consumer, gender equality, migration, or anti-corruption policy. One might join the OECD and speak of a paradigm shift, or one might continue to regard the rapidly growing adoption of behavioral public policies as exhibiting the typical features of fads. Paradigm shift or fad: we do not know, because theory-based, systematically comparative studies examining the extent of the globalization of behavioral public policy, the conditions facilitating its emergence, and its consequences do not exist.

In the WZB-based project “Studying the Changing Orders of Political Expertise” (SCOPE), we developed approaches for performing such a systematic analysis. To add depth, we also used network data collected in the “Global Networks of Behavioral Expertise” project, funded by the University of Singapore and hosted by Humboldt University Berlin and the Lee Kuan Yew School of Public Policy. Many of our insights were gleaned from interviews with practitioners during a Villa Vigoni Conference in spring 2017 specifically organized for this purpose.

At its core, behavioral public policy encompasses all those political instruments and forms of coordination that address individual or collective behavior based on insights from behavioral economics, psychology, behavioral and neuroscience.

There is a wide spectrum of instruments in behavioral public policy. “Nudges,” for example, are aimed at automatic, spontaneous elements of the cognitive system, drawing on scientific findings about mental biases. The resulting nudges are designed to trigger changes in behavior without using coercion or strong incentives. Other measures are meant to simplify political and administrative communication. The spectrum also includes risk education methods for decision-making in uncertain situations (“boosts”) or norms of social behavior (“social norms marketing”). Finally, there is governmental regulation of commercially motivated behavioral interventions (“budges”).

The rise of behavioral public policy is closely linked to the Behavioral Insights Team (BIT), the ministerial strategy unit specifically created to develop and apply nudges, dubbed “Britain’s Ministry of Nudges” by the *New York Times*. Originally set up as an eight-person team within the Cabinet Office, the BIT has become a model for similar institutions worldwide, expanding rapidly after its foundation in 2010 and currently employing some 120 staff at its London headquarters and overseas offices.

Yet the earliest example of a strategy unit devoted to behavioral public policy is found in Singapore. At the Home Team (HT), a cluster of police, internal security, and prison agencies reporting to the Minister of Home Affairs, the Home Team Behavioral Sciences Center (HTBSC) was established as early as 2006. Along with

Summary: Over the past decade, public policies that are informed by behavioral insights have spread across the world. While we can distinguish a limited variety across Anglo-Saxon, Scandinavian, Continental and Latin-American countries, behavioral public policy has also reached the European and transnational level. We argue that the global rise of behavioral public policy can only be understood by taking into account boundary-crossing expert networks gaining political and scientific authority.

the Behavioral Insights and Design Unit at the Ministry of Manpower and other teams of behavioral public policy experts in the Singaporean government, the HTBSC was among the BIT's first international partners.

The fact that behavioral public policy also finds fertile ground in the context of autocratic regimes has been largely ignored by research, even though this case is particularly suitable for studying the conditions facilitating the emergence of such policies, the cultural and ideological factors that come into play, as well as the implications in terms of democratic theory.

This brief overview suggests the varieties of behavioral public policy, which do not follow a uniform pattern and show substantial international differences. In a first internationally comparative analysis, four behavioral public policy clusters, or country families, may be identified:

The governments of Anglo-Saxon countries, especially the United States, Great Britain, New Zealand, and Australia, early on began institutionalizing behavioral public policy in a systematic manner, creating action units at the ministerial level. *Nudge* co-author and legal scholar Cass Sunstein, during his term as Administrator of the US Office for Information and Regulatory Affairs (OIRA) between 2009 and 2012, pushed for the implementation of the concept. Executive Order 13707, issued by Barack Obama in September 2015, directs all executive departments and agencies of the US government to review all policies and programs with regard to the applicability of behavioral science insights and to implement suitable behavioral interventions. In the United States, a main field of behavioral public policy is a wide spectrum of policies addressing consumer protection (such as the regulation of credit cards as mandated by the 2009 Credit CARD Act), health, retirement, taxes, education, and administrative policy. These are also the main areas pursued by the Behavioral Insights Unit of the New South Wales Department of Premier and Cabinet (NSW BIU), the Productivity Commission, and the Behavioral Economics Team of the Australian Government (BETA), as well as the Ministry of Finance of New Zealand. All of these organizations collaborate closely with BIT UK or BIT Australia.

In the Scandinavian countries, especially Norway and Denmark, it is mostly cross-sector networks that develop and test behavioral public policies. The Danish Nudging Network (DNN), an alliance of civil society representatives, policy-makers and administrators, business leaders, and behavioral scientists, was founded in 2010 at Roskilde University and the University of Southern Denmark. It has strong ties, including personnel ones, with iNudgeyou, the "Danish Nudge Unit"; furthermore, it collaborates with MindLab, a policy laboratory co-funded by several Danish ministries and the city of Odense. In a similar fashion, Norway's GreetNudge, founded in 2011, brings together scientists, business leaders, and civil society representatives in behavioral public policy projects to test interventions aimed at promoting waste reduction, healthy lifestyles, or food safety. Moreover, the Scandinavian approaches are characterized by their special emphasis on interventions related to environmental, energy and health-related issues.

Countries in continental Europe, including Germany, Italy, Austria, or the Netherlands, tend to adapt behavioral public policies mainly at the level of individual ministries or departments. In Germany, behavioral science insights have mainly been used by the Federal Environmental Agency (UBA), the Institute for Employment Research (IAB) in cooperation with the IZA Institute of Labor Economics, and the Federal Ministry of Justice and Consumer Protection with its advisory body, the Advisory Council for Consumer Affairs (SVRV), when developing or evaluating policy measures. The controversial concept of a proposed "Deutschlandrente"—a supplemental government pension fund—draws on insights from behavioral economics. In the Chancellor's Office, the project group "Effective Governance" (*Wirksames Regieren*) was set up in 2015 to pursue cross-departmental approaches. That group, however, has hardly been visible in public so far—presumably owing to the politicized media responses following its creation—and does not think of its own role as similar to that of the Anglo-Saxon nudging strategy units. In Italy, behavioral public policy interventions



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are tested in a decentralized fashion much like the German approach. In addition, behavioral science insights have informed recent efforts to simplify administrative processes, leading to the *Agenda per la Semplificazione 2015–2017* and the creation of the corresponding *Ministro per la Semplificazione e la Pubblica Amministrazione*. In the Netherlands, the Scientific Council for Government Policy (WRR), beginning in 2009, has increasingly pointed out the importance of behavioral science insights, which are used primarily to inform departmental policies, as in Germany and Italy. The Dutch Ministry of Infrastructure and the Environment has been particularly active in developing behavioral public policies; the same may be said about the Tax and Customs Administration (*Belastingdienst*), which is part of the Ministry of Finance. The Ministry of Economic Affairs serves as a joint hub coordinating the behavioral public policy efforts pursued by individual ministries.

A fourth country cluster includes the countries of Latin America, which have increasingly adopted behavioral public policies. The emphasis here is on behavioral interventions in tax and social policy, now implemented in Costa Rica and Guatemala in close cooperation with BIT and the World Bank. Mexico, with its Conditional Cash Transfer Program (CCT) “Prospera,” established in 1997, is a particularly prominent and influential case for testing policies designed to change people’s behavior. In cooperation with Mexico’s Presidential Office, the civil society organization *Qué Funciona para el Desarrollo* (QFD), and UNICEF Mexico, BIT is currently testing an interactive text messaging system designed to encourage pregnant women and mothers to go to the clinic for pre- and post-natal examinations. Since 2015, “Prospera Digital” has now been tested at more than 300 clinics. Other planned interventions include behavioral policies to fight corruption in cooperation with public authorities in Argentina, Mexico, and Columbia.

There are additional countries in which expert teams in behavioral public policy based on the BIT model are already in place or about to be created. Examples include India’s think tank NITI Aayog in cooperation with the Bill & Melinda Gates Foundation, the Qatar Behavioral Insights Unit (QBIU) of the Qatari government, Japan’s Ministry of the Environment, or, most recently, NudgeLebanon.

The behavioral public policy wave has long reached organizations at the transnational level as well. In 2015, the World Bank’s “Mind, Behavior and Development (eMBeD)” team presented its “Mind, Society and Behavior” development report—the first to systematically connect the foundations, fields of application, and development opportunities of behavioral public policy on a global scale. The United Nations established the UN Behavioral Initiative (UNBI) and are currently testing behavioral interventions to address poverty, gender equality, the environment, and migration as part of the Agenda 2030 process. The OECD recently presented a report as well, presenting interventions addressing energy efficiency and environment, mobility, water management, and food safety, thereby focusing on the “nexus” between these policy fields first discussed at the 2011 World Economic Forum in Davos. Nongovernmental organizations working at the transnational level, such as the Bill & Melinda Gates Foundation, ideas42, or the Abdul Latif Jameel Poverty Action Lab (J-PAL), also experiment with behavioral interventions cutting across the established policy fields.

As recent studies have shown, the European Commission has been busy in this field for at least a decade, developing behavioral interventions in an increasingly wide spectrum of policy areas ranging from health policy strategies to fight obesity to the introduction of CO2 labels for cars and measures to combat addiction to online games. In 2014, the Commission founded the Foresight and Behavioral Insights Unit (FBIU), which is charged with developing, coordinating, and implementing behavioral public policies throughout Europe.

In summary, the inter- and transnationalization of behavioral public policy is driven by multi-actor networks transgressing national borders, regulatory levels, and policy fields, enabling experts and political actors from diverse contexts to engage in mutual exchanges. Doubtlessly, behavioral public policy is also an expression of the zeitgeist. But its rise can only be understood by taking into



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account such boundary-crossing networks of experts successfully gaining political and scientific importance and authority.

An in-depth analysis of the questions and arguments raised here requires at least three lines of research that go beyond earlier, somewhat agitated debates about nudging. First, we should analyze the global networks of behavioral public policy to gain more precise knowledge of the key actors and their evolution over time. Second, with regard to the varieties of behavioral public policy outlined here, we should identify the diverse factors at the national and regional level—some running counter to, some reinforcing each other—that facilitate the adoption and translation of certain instruments into local policies. That would also enable us to make statements about the conditions particularly conducive to a rapid proliferation of behavioral public policies and those obstructing their adoption. Third, the next step would be a more detailed analysis of the unknown secondary effects of behavioral public policies. At this point, we know very little about their long-term consequences, their compatibility with other policy instruments, and the circumstances under which behavioral public policies simply fail to achieve the desired outcome. Although nudges have been heavily tested in controlled situations, it is still unclear how they work under the increasingly complex, multi-layered conditions of political regulation.

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