

Behavioural Insights and New Approaches to Policy Design

Programme



WORKSHOP

23 January 2014, Paris

CC9, OECD Conference Center

BEHAVIOURAL INSIGHTS AND NEW APPROACHES TO POLICY DESIGN

09.15-09.40



Mari Kiviniemi
OECD Deputy
Secretary-General



Rolf Alter
Director, Public Govern-
ance and Territorial
Development, OECD

OPENING REMARKS

Welcoming remarks to all participants to the workshop and the OECD

A welcome coffee will be served at 08.45 outside the room.

09.40-10.00



David Halpern
Behavioural Insights
Team, UK

INTRODUCTION TO BEHAVIOURAL INSIGHTS AND NEW POLICY TOOLS

This session will explain the importance of the workshop for practical implementers and policy makers. It will set out the current international trends on this topic and develop the rationale for new approaches for policy design and regulatory delivery.

10.00-11.15

Session 1



Brigitte Madrian
Professor, Harvard
Kennedy School



Pablo Marquez
Executive Director,
Colombia
Communications
Regulator



Françoise Waintrop
Secrétaire Général de
la Modernisation de l'Ac-
tion Publique, France



**Jonathan Leigh
Pemberton**, Centre
for Tax Policy and
Administration, OECD

REGULATING IN THE MODERN ECONOMY – NEW TOOLS FOR POLICY OUTCOMES

This session will address the search of governments for what works and why. It will place behavioural approaches in the context of new policy and delivery tools and discuss their advantages and disadvantages. This session will investigate the current evidence of benefits and the costs of the methods inside and outside of governments.



• **Moderator:** David Halpern
Behavioural Insights Team, UK



• **Discussant:** Katie Martin, Managing
Director, ideas42

11.15 - 11.30

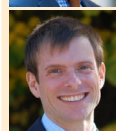
COFFEE BREAK

11.30 - 12.45

Session 2



**Olli-Pekka
Heinonen**
State Secretary to Prime
Minister, Finland



Stefan Hunt
Financial Conduct
Authority, UK



Pete Lunn
The Economic and
Social Research Institute
(PRICE Lab), Ireland



Edwin Lau
Reform of the Public
Sector Division, OECD

MAINSTREAMING “NEW” THINKING INTO INSTITUTIONS

This session will investigate the institutional arrangements of governments and regulators, such as through “behavioural economics units” and initiatives in governments and regulatory agencies. It will examine the political economy of introducing such an initiative and then also discuss the key ingredients for spreading a new way of thinking about old problems.



• **Moderator:** Owain Service,
Managing Director, Behavioural Insights Team,
UK



• **Discussant:** Odette van de Riet,
Ministry of Infrastructure and Environment,
Netherlands

12.45 - 14.00

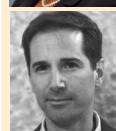
LUNCH BREAK

14.00 - 15.15

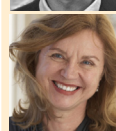
Session 3



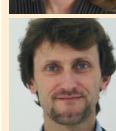
Clarena Tolson
Revenue Commissioner,
Mayor Office, City of
Philadelphia



Yuval Laster
Director, Environmental
Policy Division, Ministry
of Environmental
Protection, Israel



Elke Weber
Professor, Columbia
Business School



Franco Sassi
Health Division, OECD

MACRO AND MICRO IMPACTS OF APPLYING BEHAVIOURAL ECONOMICS?

This session will discuss the possible scope and advantages of behavioural insights in regulatory design and delivery, as well as the potential untapped benefits of applying behavioural methods to macro-level public policy issues. It will discuss whether behavioural approaches can inform broader government strategies or if they are more appropriate for testing specific interventions for better outcomes.



• **Moderator:** Dr. Pelle Hansen,
Founder of inudgeyou, Chairman of Danish
Nudge Network and Co-founder of The European
Nudge Network, Denmark



• **Discussant:** Jean-Luc Schneider,
Deputy Director, Policy Studies Branch, Economics
Department, OECD

15.15 - 16.30

Session 4



Xavier Troussard
Head of Unit «Foresight and Behavioural Insights», European Commission



Lee McCauley
Treasury, New Zealand



Maya Shankar
White House Social and Behavioural Sciences Team (via video conference)



David V. Yokum
White House Social and Behavioural Sciences Team (via video conference)



Pete Avery
Consumer Policy Unit, Digital Economy Division, OECD

WAYS AND METHODS FOR SUPPORTING BEHAVIOURAL INSIGHTS AND OTHER NEW APPROACHES TO ECONOMIC CHALLENGES?

This session will discuss what support is required for “behavioural insights and new approaches practitioners” to successfully deliver better policies and better outcomes. This may include a discussion on the existing resources, networks and organisations and how they can assist practitioners. It will also include a discussion on the potential role of international bodies such as the OECD to support governments and regulators.



• **Moderator:** Luiz De Mello, Deputy Director, Public Governance and Territorial Development, OECD



• **Discussant:** Varun Gauri, Co-Director, World Development Report 2015, World Bank

16.30 - 17.15

Session 5



Cass Sunstein
Professor, Harvard Law School (Via video conference)



Katie Martin
Managing Director, ideas42

THE STORY SO FAR OF BEHAVIOURAL APPROACHES AND NUDGING

Professor Cass Sunstein will discuss the progress to date and lessons learnt from implementing behavioural approaches internationally. This includes revisiting the premise behind applying “nudges” for governments (better regulation) and for citizens and business (time and money).

- **Questions:** Katie Martin
- Followed by **Q&A** from audience.

17.15 - 17.30

COFFEE BREAK

17.30 - 18.15

Session 7



Richard Thaler
Professor, Chicago Booth School of Business (Via video conference)



Faisal Naru
Regulatory Policy Division, OECD

FROM NUDGING TO THE NEXT FRONTIERS...

Professor Richard Thaler will share his views on the future for applying behavioural insights and the potential of behavioural approaches to influence public and economic policy as well as the challenges in realising this potential.

- **Questions:** Faisal Naru
- Followed by **Q&A** from audience.

18.15 - 18.30

Closing



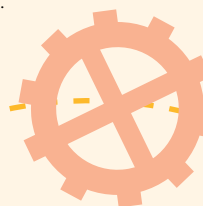
David Halpern
Behavioural Insights Team, UK



Luiz de Mello
Deputy Director, Public Governance and Territorial Development, OECD

FINAL WORDS

Final thoughts and comments will be provided on the discussions and outcomes of the meetings and any potential next steps.



MORE INFORMATION ON BEHAVIOURAL INSIGHTS

Behavioural economics is the study of economic decision making and activity. Why do people make certain actions and how do they act in certain situations? This can range from the selection of product brands, to big decisions such as understanding why some people have health insurance, pensions and make health decisions.

Understanding this behaviour can help governments and regulators design policies in such a way that citizens make better decisions and actions for themselves.

In the past five years, behavioural economics has been rapidly propelled from the margins of economic policy analysis towards the policy mainstream. Its increased application is helping countries across the world to regulate better based on actual, and not assumed, behaviour.

REGULATORY POLICY

The use of behavioural economics by governments and regulators is a growing trend globally, most notably in the United Kingdom and United States but more recently in Australia, Canada, Columbia, Denmark, Germany, Israel, Netherlands, New Zealand, Norway, Singapore, South Africa, Turkey and the European Union.

CONTACT

- For more information please contact **Faisal Naru**, Senior Economic Advisor, OECD (faisal.naru@oecd.org) or **Filippo Cavassini**, Policy Research and Advice, OECD (filippo.cavassini@oecd.org).

WEBSITES

- <http://www.oecd.org/naec>
- <http://www.oecd.org/gov/regulatory-policy/behavioural-economics.htm>

WHO'S WHO?



ALTER ROLF



- Rolf Alter* is Director for Public Governance and Territorial Development of the Organisation for Economic Co-operation and Development (OECD) in Paris. He leads a team of 150 staff to support governments in improving their public sector performance for the well-being of citizens and the competitiveness of their economies. Key areas include institutional reform, innovation, transparency and integrity in the public sector, results-oriented budgeting, regulatory reform, and the economics of regions and cities. Mr. Alter holds a doctorate degree from the University of Goettingen, Germany.

AVERY PETER



- Peter Avery* is Principal Administrator in the OECD's Directorate for Science, Technology and Industry, where he heads the Consumer Policy Unit. The Unit is responsible for carrying out research on a broad range of consumer issues, and for overseeing the development of consumer policy guidelines in areas such as e-commerce, product safety, consumer education, cross-border fraud and dispute resolution. Recent projects have included the development of a Consumer Policy Toolkit, which examines how behavioural economics could be used to improve the development and implementation of consumer policies.

DE MELLO LUIZ



- Luiz de Mello* is Deputy Director of the Public Governance and Territorial Development Directorate at the OECD. Previously, he served as Deputy Chief of Staff of the OECD Secretary-General. He started his career at the OECD in the Economics Department, where he was the Head of Desk responsible for bilateral surveillance activities with Brazil, Chile and Indonesia before becoming the Economic Counsellor to the Chief Economist. Mr. de Mello holds a PhD in Economics from the University of Kent, United Kingdom, where he started his career as a lecturer.

GAURI VARUN



- Varun Gauri* is Senior Economist with the Development Research Group of the World Bank and Co-Director of the World Development Report 2015: Mind, Society, and Behavior. His current research examines why public agencies comply with human rights court rulings and why individuals support public goods. He has BA from the University of Chicago and a PhD from Princeton University, and has held positions as Visiting Lecturer in Public and International Affairs at Princeton University and Visiting Professor in the Department of Economics at ILADES in Santiago, Chile.



HALPERN DAVID



- David Halpern* is the Chief Executive of the Behavioural Insights Team and Board Director. David was also appointed as the What Works National Advisor in July 2013. He supports the What Works Network and leads efforts to improve the use of evidence across government. Before entering government, David held tenure at Cambridge and posts at Oxford and Harvard. He has written several books and papers on areas relating to behavioural insights and wellbeing, including Social Capital (2005), the Hidden Wealth of Nations (2010), and co-author of the MINDSPACE report.

HANSEN PELLE GULDBORG



- Pelle Guldberg Hansen* is behavioral scientist, at Roskilde University. He is also the Director of ISSP – The Initiative of Science, Society & Policy at Roskilde University and University of Southern Denmark; a member of the Prevention Council of the Danish Diabetes Assoc; Chairman of the Danish Nudging Network; founder of TEN – The European Nudge Network, and Director of iNudgeYou – an experiment in guerilla research. Hansen was awarded the Ph.D. degree from Roskilde University in game theoretical modeling of social conventions and norms in 2010.

HEINONEN OLLI-PEKKA



- Olli-Pekka Heinonen* acts currently as a State Secretary at the Prime Minister's Office and is responsible for organising and leading the Prime Minister's Office. Before joining the Prime Minister's Office in March 2012, Mr Heinonen worked for 10 years as a Director in the Finnish Broadcasting Company. Mr Heinonen has also been Minister of Transport and Communications (1999-2002) and Minister of Education (1994-1999). Mr Heinonen has also been a Member of the Parliament of Finland (1995-2002). Mr Heinonen has had a number of positions of trust serving the society in a wide scale.

HUNT STEFAN



- Stefan Hunt* runs the Retail and Behavioural Economics Team at the Financial Conduct Authority. The team advises on the application of behavioural insights and conducts economic research to support the policy, competition and supervisory functions. Stefan has co-authored several FCA publications, including a practical framework for applying behavioural insights and the results of several randomised trials carried out in collaboration with regulated firms. He recently conducted analysis to set a price cap on payday loans, combining behavioural insights with data science and econometrics.

WHO'S WHO?



KIVINIEMI MARI



- *Mari Kiviniemi* took up her duties as OECD Deputy Secretary-General on 25 August 2014. Her role consists of sharing her extensive experience to help increase the impact and relevance of OECD work and to contribute to the public policy challenges of promoting inclusive growth, jobs, equality and trust. Ms. Kiviniemi was Finland's Prime Minister from 2010-2011, the second woman in the history of the country. An economist by training, she studied political science at the University of Helsinki and holds a Master's degree in Social Sciences.

LASTER YUVAL



- *Yuval Laster* heads the environmental policy division at the Israeli Ministry of Environment, where he is responsible and actively promotes national and ministerial strategic & yearly planning, the creation of environmental outlooks and the formulation of various sustainable consumption and production policy tools. Since joining the Ministry in 2011 Yuval initiated and lead a number of national endeavors, in several fields, including the development of Israel's «well-being and sustainability indicators» and the use of behavioral economics in the public sector.

LAU EDWIN



- *Edwin Lau* is Head of the Reform of the Public Sector Division in the OECD Public Governance and Territorial Development Directorate. His division helps countries improve the responsiveness of their governments and their relations with citizens and business through work on public sector innovation, e-government, open data, human resources management, and risk management. sector, and reform of fiscal institutions. Edwin holds a Master's degree from the Harvard Kennedy School of Government and a diplôme d'études approfondies from Science Po in Paris.

LUNN PETE



- *Pete Lunn* is an economist, author and former BBC journalist who joined the ESRI in 2006. Originally trained as a neuroscientist, his primary research interest is economic decision-making. He has a Ph.D. in Neuroscience and an M.Sc. in Economics, both from the University of London. Pete's most recent Working Papers centre on the implications for public policy of what is now known about how people make economic decisions. Pete is the author of a book on behavioural economics for general readers, entitled "Basic Instincts: Human Nature and the New Economics", published by Marshall Cavendish.



MÁRQUEZ ESCOBAR PABLO CARLOS



- *Carlos Pablo Márquez Escobar* is the Executive Director, of the Commission for Communications Regulation of Colombia. Among other positions, he was advisor to the Ministry of Interior and Justice and the Superintendence of Industry and Commerce. He is a lawyer and bachelor of Philosophy at the Pontificia Universidad Javeriana (Colombia), with a Master's degree in Economics, Master's degree in Legal Sciences from Harvard University and a PhD in Competition Law from the University of Oxford.

MARTIN KATIE



- *Katie Martin* is a Managing Director at ideas42, a non-profit consulting firm that applies insights from behavioural science to real world problems. Since joining the team in July 2013, Katie has played a key role in developing the organization's extensive portfolio of work in higher education and has also led projects in the criminal justice, consumer finance and sustainability sectors. Prior to this, Katie spent eight years working in different parts of the UK Government. Katie has a Masters in Public Administration from the Harvard Kennedy School of Government, and a First Class BA from the University of Sussex.

MCCAULEY LEE



- *Lee McCauley* is senior advisor in the New Zealand Treasury with a degree in German and Russian and a postgraduate qualification in Financial Management. Prior to joining the Treasury, Lee was the Director of International Relations in the NZ Ministry of Defence and a Deputy Director in the UK Ministry of Defence. While his background is primarily in finance and international security policy issues, over the past 18 months an increasing proportion of his time has been taken helping develop the use of applied behavioural insights in New Zealand working with other agencies including tax, health and social development.

NARU FAISAL



- *Faisal Naru* is Senior Economic Advisor of the Regulatory Policy Division, OECD, leading work on behavioural economics, RIA and Ex-post evaluation for the OECD Regulatory Policy Committee. He is also responsible for the OECD Network of Economic Regulators which is defining a "world class regulator". Mr. Naru is a former member of the UK Cabinet Office and worked in the Better Regulation Executive. Before joining the OECD, Mr. Faisal Naru was the Chief Regulatory Advisor with the Government of Viet Nam on economic and regulatory reforms. He graduated with BA and MA from Oxford.

WHO'S WHO?



PEMBERTON JONATHAN LEIGH



- *Jonathan Leigh Pemberton* leads the tax administration unit at the OECD. He is also Deputy Head of the International Cooperation & Tax Administration Division. He started his career as a Tax Inspector in 1982 and quickly moved to deal with large corporates. Immediately prior to joining the OECD he led work to modernise the taxation of Foreign Profits in the UK, overseeing major changes to the way dividends and branches are taxed and paving the way for reform of the UK's controlled foreign company rules. He graduated from INSEAD and holds a BA in Philosophy from the University of Bristol.

SASSI FRANCO



- *Franco Sassi* is a senior health economist at the Organisation for Economic Co-operation and Development (OECD). He is responsible for the OECD Economics of Prevention programme, aimed at supporting public policies to tackle major chronic diseases and associated risk factors, such as poor nutrition, physical inactivity, obesity, harmful alcohol use and tobacco smoking. He was previously a senior lecturer in health policy at the London School of Economics and Political Science (LSE), and held an adjunct professor position at the Université de Montréal.

SHANKAR MAYA



- *Maya Shankar* serves as Senior Advisor for the Social and Behavioral Sciences at the Office of Science and Technology Policy. As part of a broader Administration effort to promote evidence-based policy, she leads OSTP's Social and Behavioral Sciences Initiative and has spearheaded the creation of the White House Social and Behavioral Sciences Team -- a group of behavioral science and evaluation experts, which helps Federal agencies design public policies that work better, cost less and better serve citizens. In 2013, Maya completed a Post-Doctoral Fellowship in cognitive neuroscience at Stanford University.

SCHNEIDER JEAN-LUC



- *Jean-Luc Schneider* is Deputy Director, Policy Studies Branch, at the Economics Department of the OECD. Mr. Schneider was educated in mathematics and economics in Paris and London. Before joining the OECD in 2007, he held various positions in France, in the Forecasting Directorate, the French statistical institute, and the Treasury, where he dealt with structural policies, public finance, and macroeconomic policy. Mr. Schneider also spent several years at the IMF, where he worked on various countries in the Fiscal Affairs Department.



SUNSTEIN CASS



- *Cass Sunstein* is currently the Robert Walmsley University Professor at Harvard. From 2009 to 2012, he was Administrator of the White House Office of Information and Regulatory Affairs. He is the founder and director of the Program on Behavioral Economics and Public Policy at Harvard Law School. Mr. Sunstein has testified before congressional committees on many subjects, and he has been involved in constitution-making and law reform activities in a number of nations. Mr. Sunstein is author of many articles and books, including recently *Why Nudge?* (2014).

SERVICE OWAIN



- *Owain Service* is the Managing Director of the Behavioural Insights Team and Board Director. Owain was previously a Deputy Director of the Prime Minister's Strategy Unit, where he led programmes of work on public service reform, education, energy and developed the UK's first National Security Risk Assessment as part of the Strategic Defence and Security Review. Owain holds degrees from Cambridge and the London School of Economics and has written widely on public policy strategy and behavioural insights, having co-authored most of the team's papers.

THALER RICHARD



- *Richard Thaler* is the Charles Walgreen Distinguished Service Professor of Economics and Behavioral Science at the University of Chicago's Graduate School of Business, where he is director of the Center for Decision Research. He is also a Research Associate at the National Bureau of Economic Research where he co-directs the behavioral economics project. Professor Thaler's research lies in the gap between psychology and economics. He is considered a pioneer in the fields of behavioral economics and finance, and has specialized in the study of saving and investment decision making.

TOLSON CLARENA I. W.



- *Clarena I. W. Tolson*, Revenue Commissioner and Chief Collection Officer of the City of Philadelphia, is a graduate of the University of Pennsylvania's Wharton School of Business. In less than two years as Revenue Commissioner, Ms. Tolson has implemented several new innovative strategies that have driven collections, reaching all-time highs in several areas. By pursuing the revocation of commercial licenses of businesses that fail to pay their taxes and placing income producing property in receivership, the Department has collected over \$100 million in delinquent real estate and \$910 million in School District taxes.

WHO'S WHO?



TROUSSARD XAVIER



- *Xavier Troussard* is Head of the newly created «Foresight and behavioural insights» Unit at the Joint Research Centre of the European Commission. His main mission is to support policy making at EU level with insights from anticipation disciplines (horizon scanning, foresight) and behavioural sciences and to bring design approaches and methods through the establishment of a policy innovation laboratory. Xavier Troussard graduated in Law and General Administration from the University of Rennes (France) and from the College of Europe in European Studies (Bruges, Belgium).

VAN DE RIET ODETTE



- *Odette van de Riet* is leader of BIT lenM, the Behavioral Insight Team of the Netherlands Ministry of Infrastructure and the Environment. This network of behavioral experts includes a core team, supported by a host of scientists, practice experts, and tacit knowledge experts. BIT lenM was established in order to enhance the effectiveness of lenM policy through the integration of behavioral insights in policy. Odette van de Riet was asked to get this innovative service off the ground. She holds a Master's degree in policy sciences and civil engineering and a PhD in policy analysis in multi-actor settings.

WAINDROP FRANÇOISE



- *Françoise Waindrop* is Head of mission «citizen needs listening and innovation methods», Françoise is working for French Prime Minister Services at the «Secrétariat Général à la Modernisation de l'Action Publique (SGMAP)». She participates in designing strategy to simplify and improve the use of public services by French citizens, taking into account agent's constraints. Given that objective she closely works with several French Ministries. In order to share her experiences with French and European administrations Françoise had published several articles related to public services improvement.

WEBER ELKE



- *Elke U. Weber* is the Jerome A. Chazen Professor of International Business, Professor of Management and Psychology, and Earth Institute Professor at Columbia University. She is an expert on judgment and decision-making under uncertainty, specifically in financial and environmental contexts. At Columbia, she founded and co-directs the Center for Decision Sciences (CDS), which generates and facilitates interdisciplinary decision research relevant to the needs of real world decision makers, and the Center for Research on Environmental Decisions (CRED), which investigates ways of facilitating human adaptation to climate change.

YOKUM DAVID



- *David Yokum* is a behavioral scientist and Fellow on the White House Social & Behavioral Sciences Team (SBST). David finished his Ph.D. in Psychology, with dual specialization in Cognition & Neural Systems and Psychology, Policy, & Law, at the University of Arizona, a law degree from the James E. Rogers College of Law, and a Master's in Bioethics from the University of South Florida. His primary research focuses on the cognitive foundations of judgment and decision-making and, in particular, how that knowledge might be used in applied contexts, such as law, medicine, or public policy, to improve outcomes.



ABOUT THE OECD INITIATIVE NEW APPROACHES TO ECONOMIC CHALLENGES (NAEC)

This workshop is organised in the context of the OECD initiative on "New Approaches to Economic Challenges" (NAEC), an organisation-wide reflection process on the causes of the crisis and the lessons for policy. It was launched at the 2012 OECD Ministerial Council Meeting (MCM) with the objective to catalyse a process of continuous improvement of the organisation's analytical frameworks and advice.

- www.oecd.org/naec - For more information, please contact naec@oecd.org -

ABOUT THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

BEHAVIOURAL INSIGHTS



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