



Regional Induction Meeting

Integration of Behavioural Insights in Public Policy

Behavioural Insights in Public Policy

1. Background

Integrating behavioural science into public policy represents a transformative approach that draws from psychology, cognitive science, and social science, supported by empirically tested outcomes. This method seeks to uncover the decision-making processes of individuals through experimentation and testing, challenging traditional notions of rational behaviour in both individuals and businesses. It provides policymakers with invaluable insights into the genuine behaviours shaping economic and social outcomes.

Behavioural insights (BI) have thus emerged as an innovative approach in public policy, connecting behavioural economics with psychology to understand better and influence decision-making processes. At its core, behavioural insights recognize that cognitive biases and social factors often influence human behavior, allowing policymakers to design interventions and policies that align with real human behaviour, ultimately leading to more effective outcomes.

The integration of behavioural insights disrupts the traditional notion of rational economic behaviour and recognizes the presence of consistent departures from rationality in human thought processes. This concept is apparent when examining two distinct approaches to understanding human behaviour: the Normative Model, which assumes idealized rationality, and the Descriptive Model, which considers the complexities of real-world decision-making.

The Normative Model of Human Behaviour

The Normative Model of human behaviour is based on the idea that individuals carefully assess all accessible information to reach optimal judgments and decisions. According to this perspective, any decision-making mistakes are viewed as occasional deviations from this idealized rational process. The model implies that people make choices after thoroughly and systematically considering all factors, following a logical sequence that guides their actions in line with well-reasoned decisions.

Figure 1: The Normative Model Thought Process

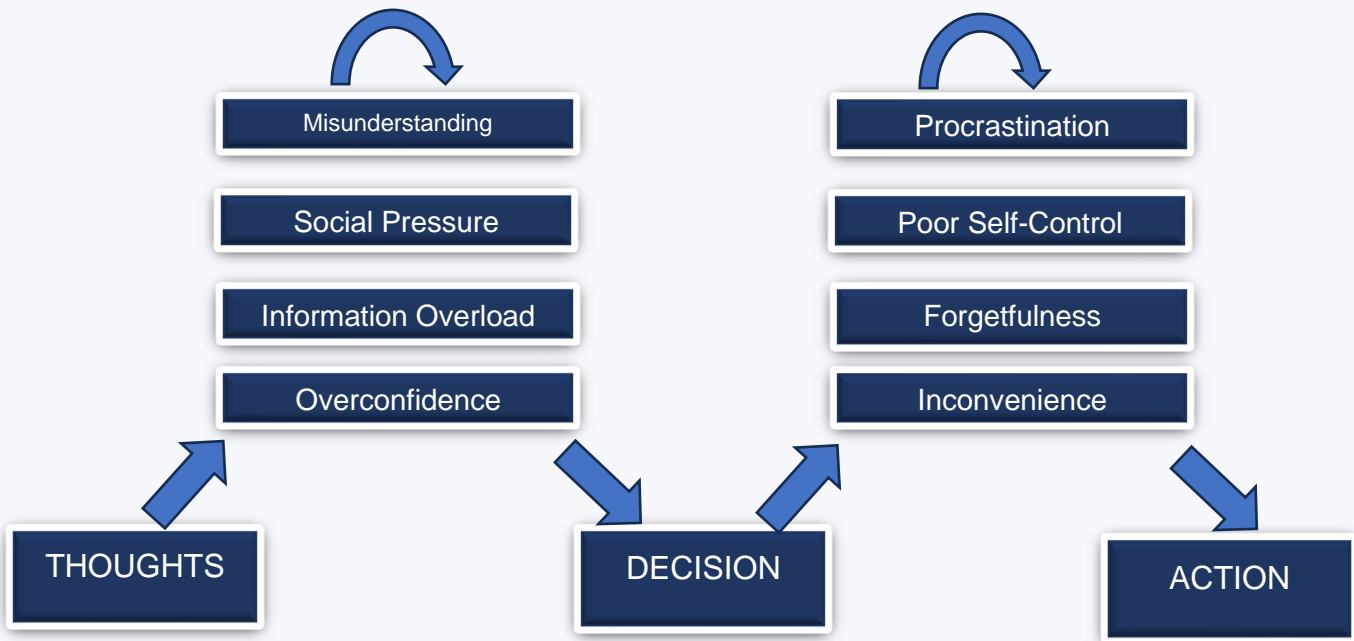


Source: ESCWA Behavioural Insights and Strategic Planning Handbook

The Descriptive Model of Human Behaviour

The Descriptive Model of human behaviour holds that individuals often employ mental shortcuts when making judgments and decisions, which can result in systematic and foreseeable errors in some instances. Furthermore, this model suggests that individuals may not always translate their decisions into actions.

Figure 2: The Descriptive Model Thought Process



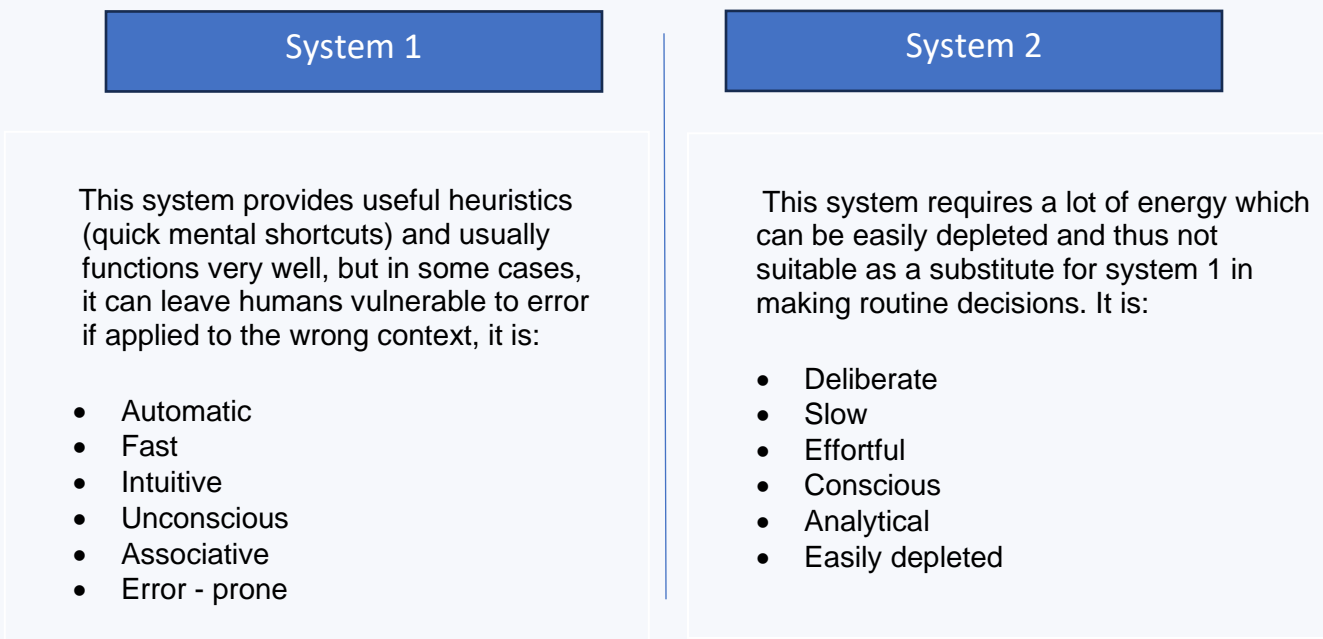
Source: ESCWA Behavioural Insights and Strategic Planning Handbook

Descriptive and normative models of human behaviour can be illustrated in three, sometimes overlapping, categories of human action/states of mind: how we form beliefs, preferences, and decisions.

- In traditional economics, belief formation is depicted as a rational process, grounded in meticulous analysis of available information. In contrast, behavioral economics recognizes that human decision-making isn't always rational; it acknowledges the influence of cognitive biases, heuristics, emotions, and social factors on decisions.
- Regarding preference formation, traditional economics assumes that preferences remain consistent over time, implying that individuals hold the same preferences for future outcomes regardless of when those outcomes occur. It also assumes that people act in a rationally self-interested manner. In contrast, behavioral economics suggests that preferences can be time-inconsistent, changing over time, and that individuals care about fairness, reciprocity, and the well-being of others.
- When it comes to decision-making, traditional economics assumes that people possess computational skills that allow them to consistently and accurately calculate and pursue optimal courses of action. In contrast, behavioral economics contends that decision-making can be influenced by factors such as limited attention, how choices are framed, emotional states, and varying levels of self-control. These factors can lead individuals to deviate from purely rational decision-making processes.

One noted descriptive model of human behaviour has been described by Nobel Laureate Daniel Kahneman and involves two distinct systems of thinking: System 1 and System 2. These systems, known as the dual process theory, operate in parallel and contribute to human behaviour. System 1 is characterized by fast and intuitive decision-making, while System 2 follows a slower and more deliberate process. In the realm of policymaking, there is often an implicit assumption that individuals predominantly rely on System 2 thinking (figure 4). However, in reality, System 1 thinking frequently plays a significant role. Recognizing the interplay between these cognitive processes is crucial for crafting effective policies.

Figure 3: The Dual Process Theory



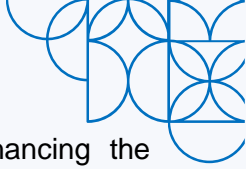
Source: ESCWA Behavioural Insights and Strategic Planning Handbook

I. Application of Behavioural Insights in the policy life cycle

Considerations for Implementation in the Public Sector

The application of BI across the policy cycle serves as a valuable approach for enhancing policymaking within the public sector. During both the design and implementation phases, governments can turn to BI as a cost-efficient method for conducting extensive testing of various policy responses on a smaller scale. This enables the identification of the most effective course of action while minimizing the risk of allocating significant resources to a policy solution that may need revision later. Furthermore, BI serves as a diagnostic tool, providing insights from a user's perspective on what is effective and what is not. It can also be employed to enhance the efficiency of policymaking tools, such as improving stakeholder engagement processes by reducing biases and gaining a more accurate understanding of citizens' true preferences. Lastly, BI can contribute to the transformation of organizational behaviour within government entities.

While there is no single comprehensive theory to explain human behaviour, the application of behavioural sciences in policymaking relies on empirical observations and inductive reasoning. This approach involves continually deriving insights from real-world behaviour and understanding that what proves effective in one



context may not universally apply, characterizing behavioural sciences and significantly enhancing the policymaking process.

Current Situation

The adoption of behavioural insights to improve the effectiveness of public policies has gained momentum on a global scale. Across the world, there are 328 behavioural insights units within the government or working with the government to integrate these insights into public policy, underscoring the widespread incorporation of this approach.¹

The application of behavioural insights has found relevance across a spectrum of policy areas, ranging from healthcare and education to finance and environmental conservation. For instance, in healthcare, they have played a pivotal role in promoting healthier lifestyles and improving medication adherence. In education, they have contributed to enhancing student engagement and academic achievements.

However, it is essential to acknowledge that, despite the growing adoption of behavioural insights in public policies, their full potential is often realized relatively late in the policymaking process. These insights predominantly find application in the latter stages of policy development, such as refining and enhancing the implementation and compliance of rules and regulations. In this context, behavioural insights are now serving as a valuable tool for optimizing the effectiveness of policies, ensuring that they align with the real-world behaviours and needs of the target population, for example the Behavioral Insights Team (BIT) in the United Kingdom employed behavioral insights to tackle public policy challenges and facilitate swift accomplishments amidst the country's austerity measures stemming from the 2008 financial crisis. BIT notably achieved substantial success in enhancing the government's efficiency and generating substantial savings, amounting to approximately 22 times its initial operational costs within the initial two years. While this is undoubtedly a positive step, there is still substantial untapped potential in integrating behavioural insights earlier in the policymaking cycle to shape the very foundations of policy design.

According to ESCWA's behavioral insights and strategic planning handbook, it is evident that the Arab region has shown a strong commitment to the integration of behavioral insights into the policymaking process. This commitment is reflected in the establishment of various behavioral insights units across several Arab countries. For instance, Nudge Lebanon was founded in 2017, and Kuwait followed in 2018, both dedicated to applying behavioral insights to improve public policy outcomes. The creation of these units suggests a recognition of the potential benefits that behavioral insights can bring in terms of crafting more effective and efficient policies. Furthermore, a significant milestone in the adoption of behavioral insights in the Arab region occurred in 2016 with the establishment of the first-ever nudge unit in the region, originally known as the Qatar Behavioral Insights Unit (QBIU), now referred to as B4Development. This pioneering initiative, based in Doha, marked a pivotal moment in the region's efforts to leverage behavioral science for policy enhancement.

The trend of establishing nudge units in different Arab countries, such as Lebanon, Kuwait, the United Arab Emirates, Saudi Arabia, Oman, and Egypt, continues to grow. This underscores a collective belief among these countries in the capacity of behavioral insights to tackle policy issues, enhance government efficiency, and elevate the quality of their policymaking. Nevertheless, it's important to note that there is substantial potential for further development in the field of behavioral insights in the Arab region.

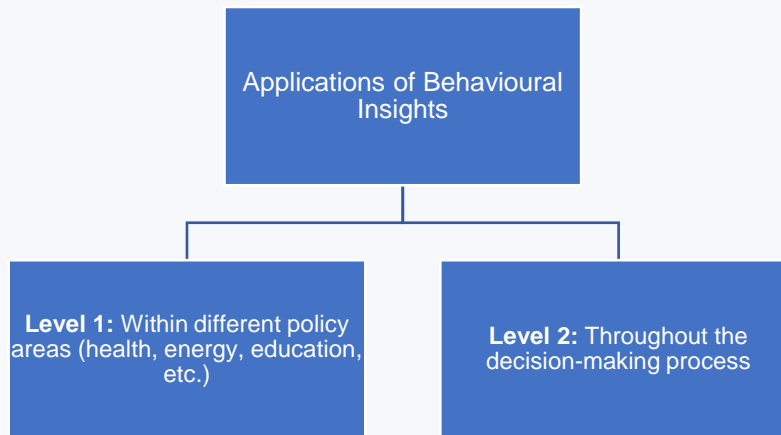
Applying Behavioural Insights Throughout the Policymaking Process

Policymakers embark on the policy life cycle process with the central goal of designing policies that improve the overall quality of life for the public. These policymakers craft strategies hoping to guide society toward specific objectives or desired outcomes. Policymakers can effectively achieve the key objectives outlined in their

¹ <https://oecd-opsi.org/bi-units/>

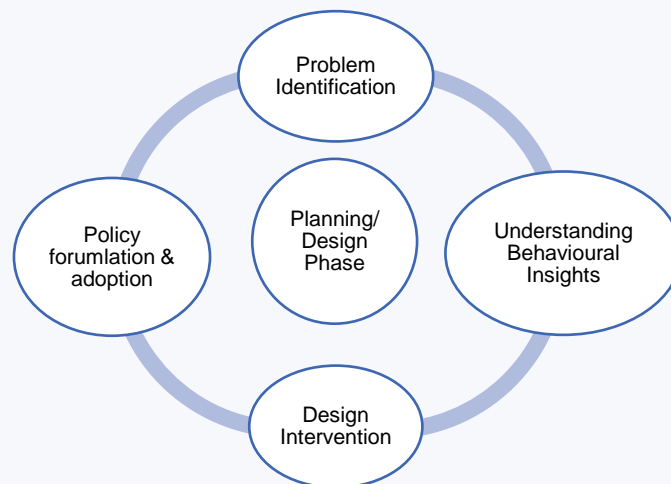
countries' national transformation plans by applying behavioural interventions in the right places across the policy life cycle.

Figure 4: Applications of BI in policymaking



While different policy cycles may exhibit slight variations in their individual steps, they all inherently share the same fundamental stages. For this background paper, ESCWA has divided the policy life cycle into 2 phases: (1) the Planning and Design phase and (2) the Implementation phase. Within these phases, we will also explore how behavioural insights are seamlessly integrated.

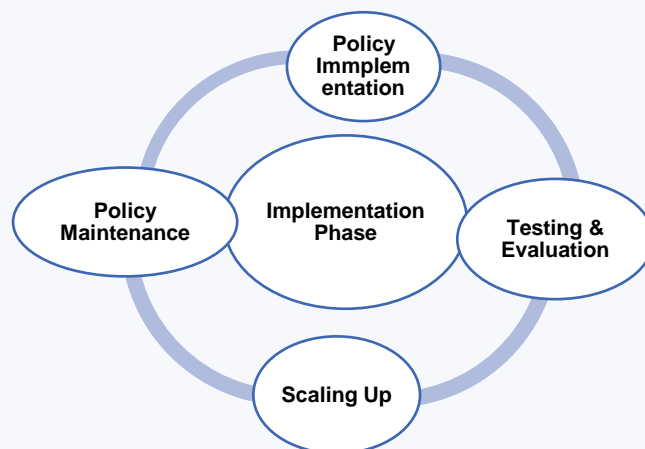
Figure 5: Planning/Design Phase



Source: ESCWA research

1. **Problem Identification:** During this phase, policymakers identify a specific issue or challenge requiring intervention. They define the problem, outline the target population, and establish objectives.
2. **Understanding Behaviour:** After problem identification, policymakers have the opportunity to incorporate behavioural factors contributing to the issue. This includes analyzing behavioural drivers, outlining cognitive biases, utilizing methods like experiments, surveys, and behavioural studies.
3. **Intervention Design:** Leveraging insights from behavioural science, policymakers can create interventions aimed at guiding individuals toward desired results.
4. **Policy Formulation:** Following the intervention's design, policymakers formulate the policy for adoption, setting the stage for its subsequent implementation.

Figure 6: Implementation Phase



Source: ESCWA research

1. **Policy Implementation:** The policy is initially implemented on a small scale to assess its feasibility and effectiveness.
2. **Test and Evaluate:** Before widespread implementation, a sample of the policy is tested and evaluated to gauge its impact and refine its design.
3. **Scaling Up:** Once the effectiveness is confirmed, the policy is scaled up to a larger population, and behavioural interventions are applied as appropriate, i.e. when there is a need to guide individuals toward desired results.
4. **Policy Maintenance:** With the intervention enforced at a large scale, ongoing efforts are made to ensure its maintenance and learn from feedback to make necessary adjustments, including those related to behavioral interventions.

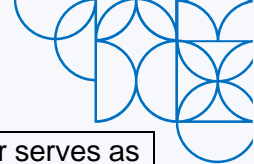
During the planning and design phase of policy development, behavioural insights help identify and understand issues or problems. As policies are put into action, these insights can indeed be integrated into policy tools. In the final stage of implementation, they directly encourage desired behaviours through nudges, which are defined as policy initiatives that aim to influence behaviour by making small changes to the decision-making environment.

Methods Applied to Study Behavioural Insights

After looking at how behavioural insights can be applied to policymaking, it is important to check how to study behavioural insights from a research perspective and what are the methods used to create and test behavioural insights. A broad number of methodological approaches can be used to study behaviour. The following table outlines a description of Randomized Controlled Trials (RCTs), experiments, qualitative research, and surveys.² It is suggested that the method we choose depends on the specific question we want to answer. If we have a clear question, it's easier to pick the right method and conduct a successful study.

Method	Description
Randomized controlled trials (RCTs)	RCTs or field trials are often used to prove the effectiveness of interventions in real-world situations. They involve randomly assigning individuals to different groups, one of which receives an intervention

² Elsevier, Science for Policy Handbook, 2020. Chapter 17 - Behavioural Insights for EU Policymaking. <https://www.sciencedirect.com/science/article/pii/B9780128225967000176>



	(e.g., a behavioural nudge), while the other serves as a control.
Experiments	Experiments in behavioural insights involve comparing groups exposed to interventions with control groups to understand the causal factors behind behaviour. They aim to uncover underlying psychological mechanisms. These experiments often use small, carefully selected samples and can be replicated to assess generalizability.
Qualitative Research Methods	While experiments aim to test hypotheses objectively and generalize findings, qualitative methods generate hypotheses and offer a nuanced understanding of why people behave as they do. They uncover the meaning individuals associate with their actions, shedding light on motivations behind behaviour. Qualitative findings complement experimental methods by providing richer descriptions of behaviour and guiding intervention selection.
Surveys	Surveys involve gathering data from a sizable group of individuals using organized questionnaires. It is a widely employed research technique in behavioural insights and serves as a valuable tool for obtaining insights into people's attitudes, convictions, and actions, contributing significantly to the comprehension of diverse facets of human behaviour.

Behavioural Tools for Effective policy making

With the increasing traction of behavioural science insights as effective means that enhance traditional policymaking, it is essential for governments to establish the necessary infrastructure and utilize conventional policy instruments alongside appropriate behavioural tools. Some possible behavioural tools that lie within the policy making process are displayed in the figure below.³

I. ³Strategy &, Triggering change in the GCC through behavioural insights, An innovative approach to effective policymaking.

II. <https://www.strategyand.pwc.com/m1/en/ideation-center/ic-research/2018/triggering-change.html>



Figure 7: Examples of Behavioural Interventions

Framing Communication Messages	<ul style="list-style-type: none">Using communication campaigns in connection with profound cultural and psychological understanding to facilitate the intended transformation effectively.
Promoting Discursive consciousness	<ul style="list-style-type: none">Developing Academic Interventions (Enhanced Curricula, Training Workshops, Field Excursions) and Dedicated Media Content Sections to educate the public on desired behaviours.
Leveraging Role Models	<ul style="list-style-type: none">Utilizing Brands, Public Figures, or Fictional Characters as advocates to promote desired behaviours and attract a wider audience.
Setting Default options, simplifying decisions	<ul style="list-style-type: none">Making a desired outcome the default choice, such as automatically enrolling individuals in a green electricity consumption plan, boosts participation rates.
Incentivizing individuals through gamification	<ul style="list-style-type: none">Offering individuals the chance to earn achievements when they engage in a desired behaviour, whether through setting personal goals or participating in social media competitions, can be a powerful motivator.
Using Heuristics	<ul style="list-style-type: none">Developing mental "shortcuts" such as songs or visual cues can expedite the decision-making process, as seen in the case of the easily remembered "5-a-day" recommendation for consuming the appropriate quantity of fruits and vegetables.

Source: Strategy&

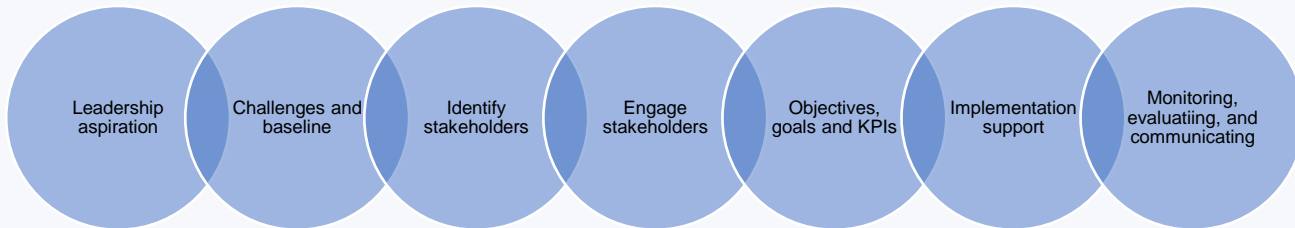
Directions for Behavioural Insights in Policymaking

Policymakers should ultimately strive for the seamless integration of behavioural insights into the policymaking process, making them a standard element in policy analysis. Looking ahead to the role of behavioural insights in the policymaking process, addressing skepticism and maintaining support will be crucial. Skeptics should be reassured that behavioural insights are intended to complement traditional policy tools rather than replace them, while proponents must recognize that behavioural approaches may not be suitable for all situations. Additionally, policymakers should engage in introspection, acknowledging their susceptibility to biases and heuristics during the policymaking process.

II. ESCWA's use of behavioural insights in national planning

As behavioural insights can boost strategic planning, resulting in a more efficient and impactful planning process, ESCWA has developed guidelines for the integration of these insights in planning. For this purpose, ESCWA, in collaboration with Nudge Lebanon, has produced the Behavioural Insights and Strategic Planning Handbook, which serves as a guide to stakeholders involved in national planning for applying and integrating behavioural insights in diagnosing, prioritizing and addressing policy problems in national planning. The Handbook divides the strategic planning process into 7 different steps, identifying for each step the pitfalls, behavioural biases, and corresponding interventions for countering these biases.

Figure 8: The seven steps of the strategic planning process



Applying behavioural insights in national planning is an example of its application in the early stages of the policy cycle. By doing so, the multi-year national, sectoral and ministerial plans that are produced will be behaviourally informed, leading to a compounded positive social impact at the national level since these plans will impact a chain of activities, which affects the average citizen as well as the progress of the country across sectors.

As mentioned above, heuristics are cognitive shortcuts that facilitate decision-making. They are especially applied when faced with uncertainty. These shortcuts involve replacing a complex question with a simpler one, potentially yielding inaccurate responses. Undoubtedly, heuristics can speed up our problem-solving and decision-making, however, they may lead to inaccuracies, creating a systematic pattern of deviation from what is deemed correct based on formal logic. This pattern of deviation is commonly referred to as bias. These biases generally lead to suboptimal results and judgment errors.

Box 1: Examples of Biases in Strategic Planning

1. **Present bias:** The tendency to give stronger weight to payoffs that are closer to the present time when considering trade-offs between two future moments.
2. **Status quo bias:** The tendency to maintain the status quo rather than deviating from it, regardless of the objective qualities of alternative options.
3. **Availability bias:** The tendency to judge the likelihood of events or importance of events in the world by the ease with which examples come to mind. This bias gives undue weight to information that is easily available.
4. **Confirmation bias:** The tendency to overweight evidence consistent with a favoured belief, and to underweight evidence against a favoured belief or a failure to search impartially for evidence.
5. **Groupthink:** The tendency to self-censor and conform to the group majority view/opinion, regardless of its merits and demerits.
6. **Overconfidence:** When confidence in expressed judgment outweighs objective accuracy of the judgment.
7. **Optimism bias:** The tendency to overestimate the likelihood of positive events and underestimate the likelihood of negative events. If expectations are better than reality, the bias is optimistic.
8. **Illusion of control:** The tendency of people to perceive more control than they actually do and misjudge the causal connection between actions they have taken and a specific outcome that they are motivated to achieve.
9. **Sunk cost fallacy:** The tendency to pay attention to historical costs (money, effort or time) that are not recoverable when considering future courses of action.
10. **Ostrich Effect:** The tendency to avoid acquiring information that may be discomfoting or negative, even though this information may improve the quality of decision-making.

Source: *Behavioural Insights and Strategic Planning Handbook*

The biases that arise in the decision-making process may be counteracted through nudging, which entails encouraging individuals to act in a certain manner, without impacting their freedom of choice.

Strategic planning stage	Behavioural science theory	Pitfalls	Biases	Tools
Leadership aspiration	When leaders decide which areas to focus on, several biases can affect their analyses leading them to focus on issues which may not be the most important.	<ul style="list-style-type: none"> Inadequate prioritization of SDGs High prioritization of issues reported by the media 	<ul style="list-style-type: none"> Present bias Status quo bias Availability bias 	<ul style="list-style-type: none"> Behaviourally informed communication Active choice Exposure to biases Using anchoring techniques
Challenges and baseline	In trying to create a strategic plan to address challenges, conclusions could be hampered by inaccurate assumptions about relevant populations and a lack of a focus on the behavioural dimensions of challenges.	<ul style="list-style-type: none"> The lack of a clear distinction between structural and behavioural barriers Failure to draw timely lessons from previous experiences Prevalence of personal biases 	<ul style="list-style-type: none"> Contextual misapprehension creating a gap between planning and practice 	<ul style="list-style-type: none"> Acknowledging behavioural barriers and bottlenecks to a challenge Engaging relevant populations for challenge extraction
Identify stakeholders	Stakeholders are crucial to the success of the strategic planning process and should represent a diverse range of people from society and within government, all of whom should be effectively engaged throughout the planning process.	<ul style="list-style-type: none"> Overreliance on existing stakeholders Absence of mechanisms for leveraging citizen feedback Pervasive use of traditional forms of communication to engage stakeholders 	<ul style="list-style-type: none"> Availability bias Status quo bias 	<ul style="list-style-type: none"> Creating participatory forums that leverage the power of online platforms, referral systems, public hearings and public budgeting
Engage Stakeholders	Groupthink has the power to narrow perspectives, lead to conformity and weaken decision outcomes. Plans will then suffer from a lack of dissenting and diverse viewpoints. To address this, citizens' deliberative forums can be used.	<ul style="list-style-type: none"> Inconsistent attendance by participants Inadequate participant preparation Failure to leverage insights from all participants in a meeting 	<ul style="list-style-type: none"> Groupthink Confirmation bias 	<ul style="list-style-type: none"> Think Groups Reminders and prompts Commitment devices
Objectives, goals, and KPIs	Two common pitfalls are encountered: 1. Confirmation bias can lead stakeholders to only seek out evidence and people which confirm their pre-	<ul style="list-style-type: none"> Excessive optimism about what can be achieved in a set amount of time and within a specific budget 	<ul style="list-style-type: none"> Ostrich effect Optimism bias Overconfidence 	SMART goal setting with behaviourally informed tools: <ul style="list-style-type: none"> Laddered questions COM-B model Pre-mortem Reference forecasting

	existing ideologies and hypotheses. 2. Planning fallacy is one of the most known pitfalls in strategic planning – leading us to be overconfident and overly-optimistic while ignoring potential risks and underestimating time, cost and outcomes for plans.	<ul style="list-style-type: none"> • Broadly defined goals that are not specific, measurable, relevant, or time-bound 		<ul style="list-style-type: none"> • Red teaming • Double-blind reviewing • Proximal and distal goals • KPI trajectories
Implementation support	The level of compliance with strategic plans at the implementing agency level could be influenced by the misalignment of interests, high immediate costs of action and corruption.	<ul style="list-style-type: none"> • Weak compliance of governmental agencies with the strategic plan • Weak implementation of strategies and plans • Corruption in procurement and recruitment processes 	<ul style="list-style-type: none"> • Interest bias • Present bias 	<ul style="list-style-type: none"> • Ministerial goal setting • Behaviourally informed strategy for communicating the plan • Moral reminders and civil society oversight • Experimentation in policymaking
Monitoring, evaluating, communicating	Monitoring the progress of implementation efforts and reacting to feedback can be affected by procrastination, ineptitude or lack of willpower. Combining both top-down and bottom-up accountability mechanisms can ease monitoring and inspire compliance.	<ul style="list-style-type: none"> • Inadequate reporting on implementation • Late reporting • Failure to identify risks associated with implementation 	<ul style="list-style-type: none"> • Illusion of control • Overconfidence bias • Sunk cost fallacy 	<ul style="list-style-type: none"> • Behaviourally informed dashboard • Citizen engagement • Routines and reminders • Group implementation intentions

Based on the Behavioural Insights and Strategic Planning Handbook, ESCWA has produced a Behavioural Insights and Strategic Planning Course⁴, which introduces the application of behavioural insights in strategic planning and aims to enhance integrated national development planning in the Arab region. It introduces participants to the field of behavioural science and the structure of the strategic planning process; presents the pitfalls that occur during the strategic planning process; and provides participants with relevant behavioural solutions to overcome those pitfalls.

III. Institutional preparedness for introducing and applying behavioural insights.

In an era marked by growing complexity and a deeper understanding of human behaviour, governments worldwide are embracing a powerful tool to craft more effective and responsive public policies. To harness the full potential of behavioural insights, governments must not only recognize their value but also be institutionally prepared to integrate them into the policymaking process. This section explores the crucial concept of institutional preparedness and set ups for introducing and applying behavioural insights, examining why it matters and how it can be achieved. Through a thoughtful and systematic approach, governments can enhance

⁴ Available on [Behavioural insights and strategic planning | ESCWA Learn \(unescwa.org\)](https://www.unescwa.org/)
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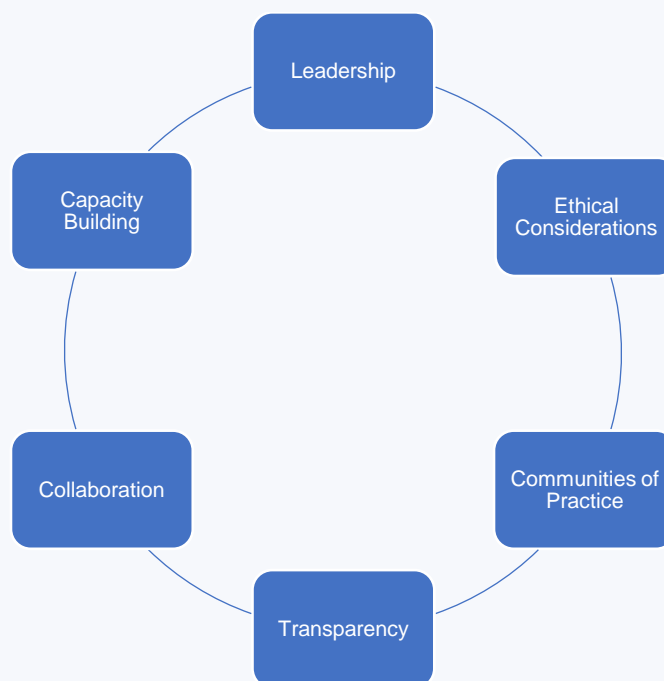
their policymaking capabilities, leading to policies that are more attuned to the needs and behaviours of the people they serve.

The establishment of a behavioural insights unit can be approached in two primary ways. The first approach involves creating the unit itself. This allows for a structured and systematic integration of behavioural insights into the policymaking process from the outset. The second approach involves initiating policy experiments before establishing the unit. This approach enables policymakers to witness the practical impact of behavioural insights in action before committing to the creation of a dedicated unit.

In terms of institutional setups, there are several different forms that a behavioural insights unit can take.

- One common form is a Governmental Nudge unit, which is typically situated within strategy units or similar government entities. These units play a crucial role in testing innovative policy interventions that leverage behavioural science. Additionally, they often operate as semi-governmental entities, like the Behavioural Insights Team, which is a well-known example of such an organization.
- Another form of a behavioural insights initiative is non-governmental organizations that focus on conducting behavioural experiments and policy research. These organizations aim to contribute valuable insights to the policymaking process through empirical research and experimentation.
- Academic-based initiatives represent another category, focusing primarily on academic research and the publication of findings related to behavioural science and its implications for policy. These initiatives contribute to the theoretical foundation of behavioural insights and may indirectly inform policymaking through their research.

Institutional preparedness for introducing and applying behavioural insights involves diverse setups, leadership, ethical considerations, transparency, communities of practice and collaboration and capacity building. By carefully considering these elements, governments and organizations can harness the power of behavioural insights to create policies that are more effective, responsive, and aligned with the needs and behaviours of the populations they serve.





A. Leadership

Leadership plays a crucial role in ensuring support and buy-in from stakeholders. When a senior government official champions the use of behavioural insights, they bring essential authority, credibility, and backing to the successful implementation of behavioural insights in policymaking. These political leaders have the power to influence the allocation of resources, as well as the prioritization of projects that involve behavioural insights. They can facilitate the integration of behavioural insights into established policymaking processes. Effective leaders ensure that the application of behavioural insights aligns with the government's agendas and priorities, and they can articulate how these insights contribute to broader policy objectives, such as improving public health, increasing tax compliance, or enhancing educational outcomes, among others.

For example, in the United States President Barack Obama was a champion of the national Nudge Unit and provided evident support.

B. Ethical Considerations

Ethical considerations are of utmost importance when applying behavioural insights in the realm of policymaking. These ethical aspects revolve around ensuring that policies and experiments uphold the rights, autonomy, and well-being of both individuals and society. In the context of experiments, it is crucial that individuals participating in them provide informed and voluntary consent. They should have a comprehensive understanding of the experiment's nature, its objectives, the potential risks, and benefits involved before they agree to participate.

The design of behavioural experiments should prioritize minimizing any possible harm to the participants. Researchers and policymakers must consider the potential psychological, emotional, and social impact of interventions and make efforts to mitigate any adverse effects. Furthermore, ethical principles dictate the protection of individuals' privacy and personal data. Any data collected during experiments should be handled securely and in strict compliance with relevant data protection laws and regulations. This ensures that individuals' personal information is treated with the utmost care and respect throughout the policymaking process.

C. Communities of Practice

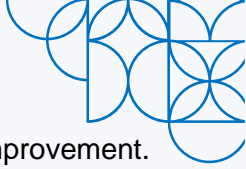
In the context of behavioural insights and public policy, establishing a Community of Practice (CoP) functions as a platform where experts, practitioners, researchers, and policymakers come together to engage, learn, and collaborate. The significance of a Community of Practice lies in its ability to facilitate the exchange of information, experiences, and expertise pertaining to behavioural science and its practical application in public policy. Moreover, a CoP plays a crucial role in keeping its members well-informed about these ongoing developments, ensuring that policies remain current and effective, with different perspectives and ideas combined to tackle complex policy challenges effectively.

D. Transparency

Transparency serves as a foundational principle that is essential for the effective and responsible utilization of behavioural insights in the realm of public policy. This principle is characterized by openness, clarity, and accountability throughout the entire lifecycle of policymaking, encompassing the development, implementation, and evaluation of policies that are informed by behavioural science. For policymakers and behavioural insights units, it is imperative to communicate their intentions, methodologies, and findings with clarity to various stakeholders.

This commitment to transparency should be evident through the regular publication of reports and information related to experiments and projects rooted in behavioural insights. Furthermore, it involves the willingness to





share both successful outcomes and failures, fostering an environment of learning and continuous improvement. This practice underscores a dedication to making decisions based on solid evidence. Transparency also extends to engaging the public in the policymaking process. This includes actively seeking public input, feedback, and, when necessary, obtaining consent. Such engagement helps establish trust and ensures that policies are in harmony with public values and preferences, thereby enhancing the legitimacy of the policymaking process.

E. Collaboration

Collaborations enable for the integration of professionals with varied skill sets because the subject of behavioural insights pulls from a variety of disciplines like as psychology, economics, data science, and public policy. This, in turn, encourages creative problem-solving and a comprehensive approach to policy formulation. Collaborative approaches entail pooling resources to promote behavioural intervention research, experimentation, and implementation. This pooling of resources becomes especially useful in maximizing the impact of limited funds and obtaining access to critical data. Collaborations with organizations that have large datasets or collaborations with academic institutions can provide useful information that can be used to build evidence-based policy. The exchange of knowledge and best practices is one of the most significant advantages of collaborative partnerships. Learning from the experiences of others can help policymakers embrace behavioural insights faster and lower the learning curve. Furthermore, collaborative efforts, particularly those with academic institutions, might lead to research collaborations.

Academic researchers can perform rigorous evaluations of policy interventions, providing critical insights into their efficacy and raising awareness among university students. Furthermore, pursuing cross-border cooperation improves knowledge sharing between practitioners and academics, facilitating global exchange of expertise in behavioural insights.

F. Capacity-Building


The Nudge Unit should play a critical role in building capacities and strengthen knowledge in the field of behavioural science by means of various programs. These programs encompass conducting courses, workshops, internships, fellowships, and organizing lectures. These programs can be targeted to various stakeholders, such as university students, staff and partner entities, and ministries and other governmental entities, with the objective of introducing them to various methodologies. These methodologies focus on problem definition, the design and testing of behavioural solutions, with particular emphasis on the I.D.I.A.S approach⁵.

IV. The role of data and digitalization in behavioural insights

The emergence of digitalization and the big data era enhance the necessity for data science to work closely with behavioural science to maximize the potential to nudge organization through behavioural insights. Behavioural scientists and policymakers now have access to a wealth of information about human behaviour. This data can be harnessed to better understand how individuals make decisions and choices. Digital platforms and tools also provide a means to conduct large-scale experiments, gather real-time behavioural data, and implement interventions with precision. When integrated effectively into behavioural insights, data and digitalization empower policymakers to design and implement more targeted, evidence-based interventions that have the potential to significantly impact public policy outcomes and improve the well-being of individuals and communities.

⁵ The I.D.I.A.S methodology includes five steps:

1. I.dentifying policy challenges
2. D.esigning the nudge and experiment blueprint
3. I.mplementing the nudge
4. A.nalyzing the results
5. S.caling up before proceeding with the next steps.



Big data serves various functions, one of which is identifying behavioural patterns that can reveal areas of potential poor performance. For instance, it can provide early warnings that a project is falling behind schedule, allowing for targeted interventions in areas requiring attention. Big data also enhances the design of behavioural interventions in two keyways. Firstly, it enables the use of "smart nudges," which are tailored to individuals or specific populations, as opposed to a one-size-fits-all approach. Smart nudges are adaptable based on the unique needs, strengths, motivations, and weaknesses of workers, units, or projects. Secondly, big data can serve as a valuable source of feedback when presented in a comprehensible manner to end users. This feedback benefits individual workers and informs organizational decision-makers.

Furthermore, big data can be a critical criterion when assessing the effectiveness of behavioural interventions. However, obtaining the necessary data can be challenging since many behaviours are not easily quantified, and organizations may lack the resources to track behavioural actions. Consequently, it's essential for researchers to explore methods to collect big data in a manner that is non-invasive and non-threatening, with the aid of digital metrics.

V. Concluding Remarks

- Relying on the assumption that human behavior is always rational when designing policies can result in suboptimal outcomes. It is more effective to adopt a nuanced understanding of behavior, informed by empirical evidence of how people truly behave.
- Behavioral insights can be integrated into every stage of the policy development cycle, starting from the design phase, such as problem definition, where they help uncover the root causes of relevant behaviors.
- Behavioral insights should serve as a natural and integral part of the decision-making process, rather than being seen as something separate to integrate. They offer a unique perspective by shedding light on decision-making processes within policymaking, enhancing empirically driven policymaking
- Obtaining specific and relevant behavioral insights often requires original empirical research. This process starts with a precisely defined research question, followed by the selection of an appropriate methodology, which may include randomized controlled trials (RCTs), experiments, qualitative research and surveys.
- The "Behavioural Insights and Strategic Planning Handbook," produced by ESCWA in collaboration with Nudge Lebanon provides essential insights and strategies for the application and integration of behavioral insights throughout the policymaking process, from diagnosing and prioritizing policy issues to their effective resolution. It therefore serves as a valuable guide for stakeholders engaged in national planning.
- In the context of national planning, policymakers should be aware of "Heuristics", which are cognitive shortcuts that play a significant role in decision-making, particularly in uncertain contexts. While they can expedite the decision-making process, they often introduce biases, leading to systematic deviations from logical correctness and errors in judgment. Understanding these biases is crucial in policymaking and behavioral insights to achieve more accurate and effective outcomes.
- To unlock the complete benefits of behavioral insights, governments should not only acknowledge their significance but also be organizationally ready to incorporate them into the policy development process.
- Establishing a behavioral insights unit within the government or relevant organization and securing leadership support is crucial for successful integration of behavioral insights into policymaking. Ethical considerations, transparency, communities of practice, and collaboration are essential elements for institutional preparedness.

- The combination of behavioral science and digitalization, particularly through big data, offers tremendous potential for policymakers to develop targeted and evidence-based interventions, monitor behavioral patterns, and enhance the effectiveness of behavioral interventions in the realm of public policy.

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