


Behavioural Insights and Development Planning in Practice



*Empowered lives.
Resilient nations.*

MEA 12MP Kick-Off Conference





**1. What are
Behavioural
Insights (BI)?**





...but first let's play a game

Bed	Doze
Rest	Nap
Awake	Slumber
Tired	Snore
Dream	Yawn
Wake	Drowsy
Snooze	Peace





Memory game

Take a moment to write down the words that you can remember





Memory game

Bed	Doze
Rest	Slumber
Awake	Snore
Tired	Nap
Dream	Peace
Wake	Yawn
Snooze	Drowsy

Snore
Wake
Dream
Sleep





What are Behavioural Insights (1)?

Rational



Vs.

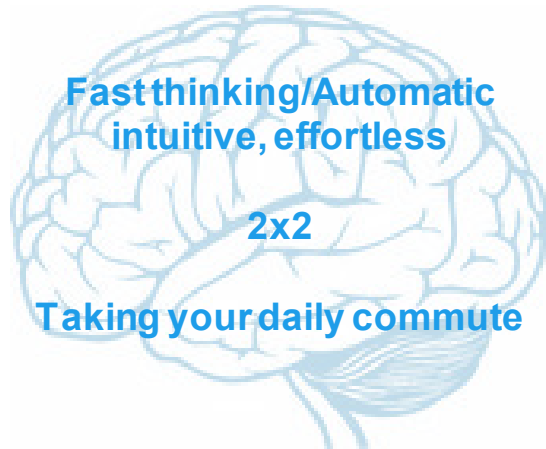
Irrational





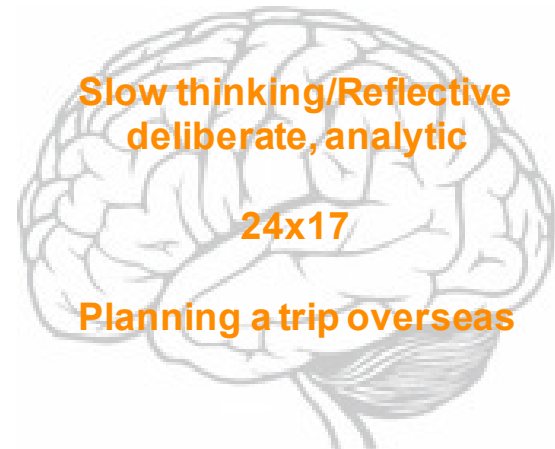
What are Behavioural Insights (1)?

System 1



Vs.

System 2





What are Behavioural Insights (1)?

A bat and ball cost a **RM22**

The bat costs **RM20** more than the ball

How much does the ball cost?

- A. RM1
- B. RM2
- C. RM4

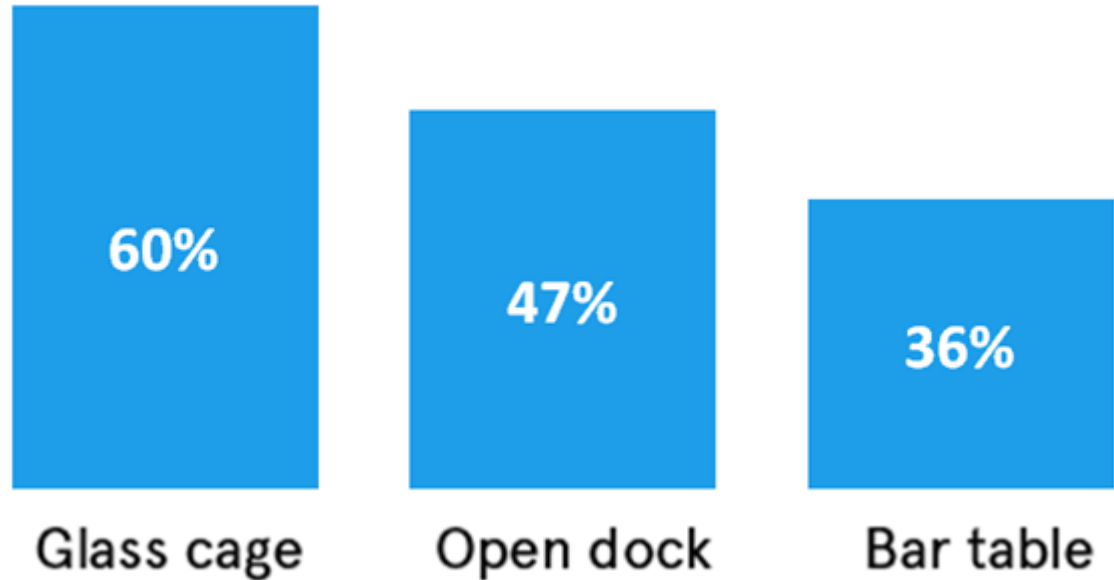




What are Behavioural Insights (2)?



% Found guilty in hypothetical case



Tait (2011) - Chicago-Kent Journal of International and Comparative Law



*“It turns out that the **environmental effects** on behaviour are a lot stronger than most people expect”*



Daniel Kahneman



What are Behavioural Insights (3)?



Rules



Incentives



Information





What about the design of the policy itself?

Comfort default	Life-extending default	No default
<p><i>Change if preferred:</i></p> <p><input checked="" type="checkbox"/> Comfort procedure</p> <p><input type="checkbox"/> Life extending Procedure</p>	<p><i>Change if preferred:</i></p> <p><input checked="" type="checkbox"/> Life extending procedure</p> <p><input type="checkbox"/> Comfort Procedure</p>	<p><i>Check which preferred:</i></p> <p><input type="checkbox"/> Comfort Procedure</p> <p><input type="checkbox"/> Life extending procedure</p>



What are behavioural insights?

Tested and shown to be effective

Behavioural insights are **empirical findings** about **human behaviour** that can be used to **make public policy more effective**

Not attitudes or beliefs

Applicable for improving policies and services





BIT was set up in the UK government in 2010...

“Our government will find intelligent ways to encourage, support and enable people to make better choices for themselves.”




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...we are now a global social purpose org.

- Capacity building in behavioural insights
- Governance
- Reducing violence
- Peace building
- Financial inclusion
- Environment
- Private sector development
- Community safety
- Employment
- Gender equality



2. How can BI be applied in practice?

BI to enhance existing approach: Formalising businesses in Mexico

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CREZCAMOS JUNTOS

¡Ser formal, conviene!





Mexico: Encouraging small firms to formalise

Intervention

- BIT sent pre-emptive SMS reminders to declare revenues
- Taxpayers were randomly allocated to one of four groups:

Control

[No Message]

Deterrence

[Guadalupe] You should submit your RIF tax declaration before the end of the month. Please declare now avoid being fined with \$1240 or more. Thanks SAT

Make it Easy

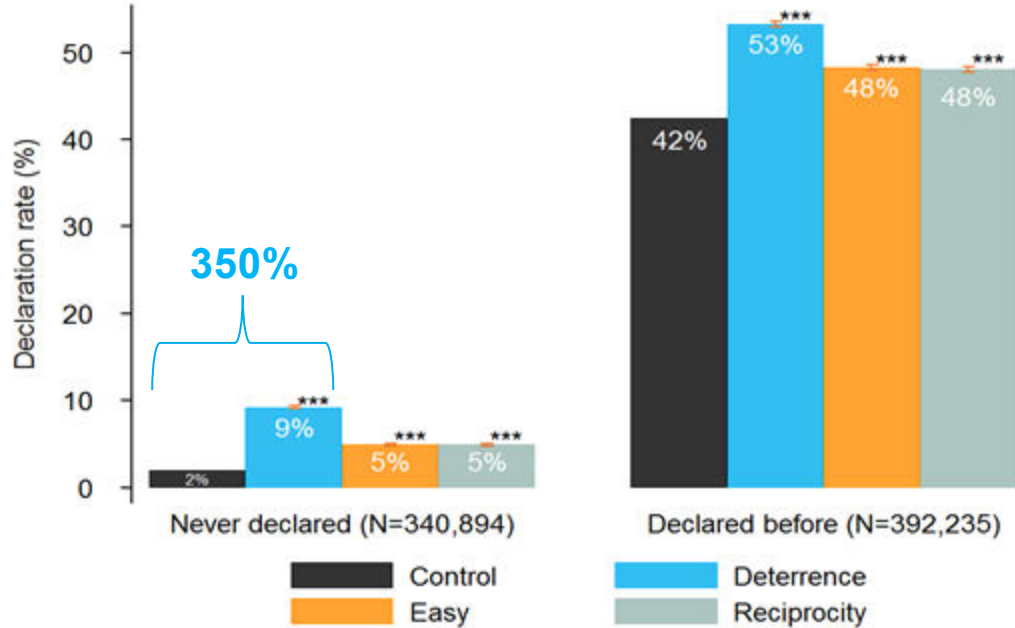
[Guadalupe] You should submit your RIF declaration before the end of the month. Please declare now at www.sat.gob.mx or call (55) 62722728 opt. 6. Thanks SAT

Reciprocity

[Guadalupe] You should submit your RIF tax declaration before the end of the month. Please declare now you have a reduction of [90/100]% on your payable tax. Thanks SAT



Main Results



Total N=733,129
Sample excludes taxpayers who just registered and could not have declared before

BI as part of a new approach: Tackling TB in Moldova





Video observed treatment (VOT)

Key steps:

1. Patient uses app to record video (5 steps)
2. Observers code observation and provide video feedback
3. If patient doesn't report, staff follow up with call or (eventually) visit

Behavioural levers:

1. Convenience (and reciprocity)
2. Reminders
3. Feedback/ sense of progress
4. Social incentives (same observer)

A. Introduce
yourself and the different medication you are taking.
E.g. Hi, I am [name] and my case number is [#]. I'm taking 2 orange, 4 white and 1 pink pill.

B. Describe
set of pills you are taking (name and dosage, size, shape and color)

C. Show
pills on your tongue and empty hands

D. Swallow
pills and show empty tongue up and down

Show the first pill and say the name and dosage/size, shape and color

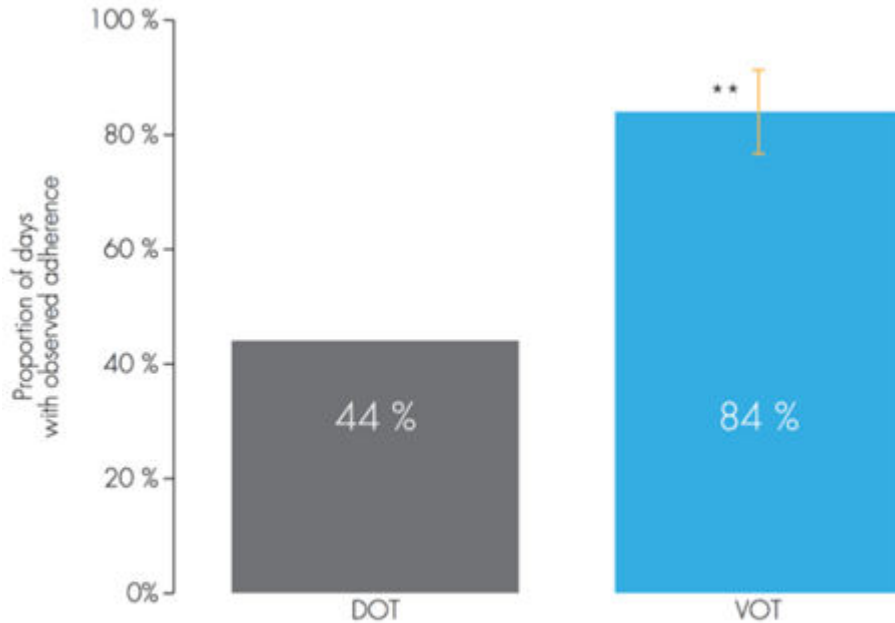
Additional Report (e.g. Side Effects from Medication)

Unusual Tiredness/ Loss of appetite	Fever/Chills/ Headache/ Dizziness	Skin Rash, Severe Itching	Numbness, Tingling in hands or feet	Pain/ Swelling in the face or joints	Eye Problems / blurring	Stomach Pain, Nausea/ Vomiting	Yellow Skin or Dark Urine	Trouble Breathing
↓	↓	↓	↓	↓	↓	↓	↓	↓

Stop Treatment, Seek Help






Main results



Sample size: 14,699 observations, 178 patients

** $p < 0.01$, * $p < 0.05$, + $p < 0.1$

<p>A. Introduce yourself and the different medication you are taking.</p>	<p>E.g. Hi, I am [name] and my case number is [#]. I'm taking 2 orange, 4 white and 1 pink pill.</p>
<p>B. Describe set of pills you are taking (name and dosage, size, shape and color)</p>	<p>C. Show pills on your tongue and empty hands</p>
	
<p>D. Swallow pills and show empty tongue up and down</p> 	

“

VOT is much better, I woke up in the morning and the first thing I would do was to use the tablet and take the pills”

BI experiments to inform policy: The UK obesity epidemic



THE
BEHAVIOURAL
INSIGHTS
TEAM



We investigated what works to combat obesity

Pop out 'stop signs'



This labelling intervention **reduced sales of high sugar drinks by 7.3%**



We investigated what works to combat obesity

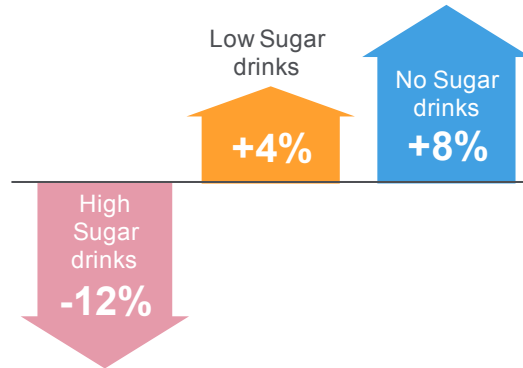
Pop out 'stop signs'



This labelling intervention **reduced sales of high sugar drinks by 7.3%**

Positioning out of sight

Relative impact on sales after position change





We investigated what works to combat obesity

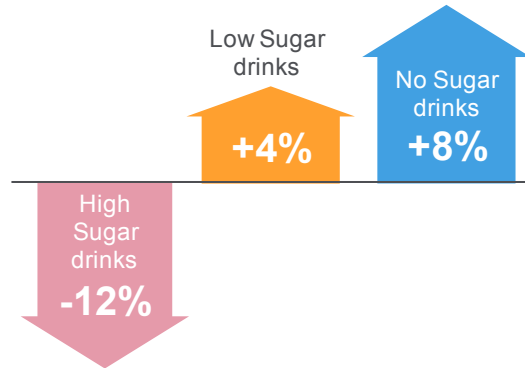
Pop out 'stop signs'



This labelling intervention **reduced sales of high sugar drinks by 7.3%**

Positioning out of sight

Relative impact on sales after position change



20% price increase

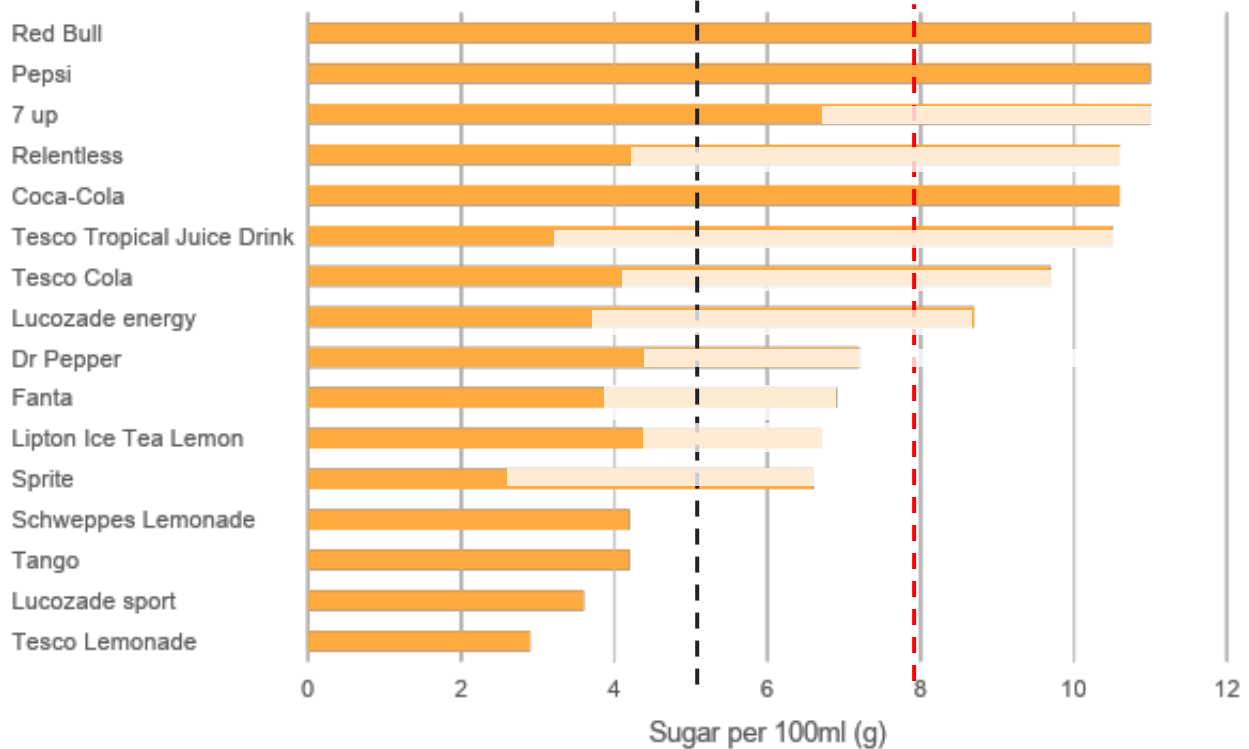
Proportion of high sugar drinks sold





These experiments helped inform the UK sugar tax

Reformulation due to sugar tax (2016-2018)

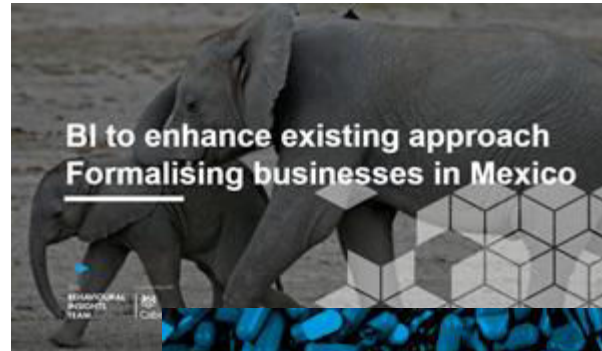


**11%
reduction in
sugar...**

*...before tax
even came
into effect*



Any questions so far?





**3. Where could BI
be used in
Malaysia?**

Increasing government revenues



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Indonesia: Encouraging timely tax returns



11.2m personal income taxpayers registered for online filing randomly allocated to receive no email, current approach or one of five newly designed emails:

1. **Simplified** – Less legal, less text, also social norm!
2. **National pride** – “build the nation”, showed budget
3. **Planning** – Nominate date and receive two reminders
4. **Guidance** – 1 + Links to FAQs and a checklist
5. **Planning + Guidance** – 4 + 5 but slightly shortened

Subject: Avoid problems in submitting the 2017 Annual Tax Return

Dear Mr/Ms Kizzy Gandy
TIN 77777777777777

It's time to submit your 2017 Annual Income Tax Return. We will send a reminder to help you. Choose a date prior to **March 16, 2018**.

YES; I will choose a suitable date to report the SPT before March 16, 2018 to make it easier. [Click here](#)
NO; I will not choose a date to report the SPT before March 16, even if this makes it more difficult for me. [Click here](#)


Good planning in preparing the SPT will make reporting easier. Nowadays, more Indonesians than ever are dutifully filing SPT.


Avoid problems when reporting tax return at the end of March:

- Rejections because of submitting SPT incompletely due to haste;
- Website slowdown for e-Filing;
- Long queues for manual submission;
- Imposition of fines if it passes the deadline of submission (31 March).

Start preparing your SPT report now.

Best regards,
Robert Pakpahan
Director General of Taxation

 Kementerian Keuangan Republik Indonesia
Direktorat Jenderal Pajak

 **1500200**
 **1500200**
www.pajak.go.id

[@DirjenPajak](#) [DirjenPajak](#) [DirjenPajak](#)

If you want to submit the annual tax return today, please [click here](#)
This email was sent automatically by the system, please do not reply

[Unsubscribe Please Click Here](#)

 **DIREKTORAT JENDERAL PAJAK**
KEMENTERIAN KEUANGAN REPUBLIK INDONESIA

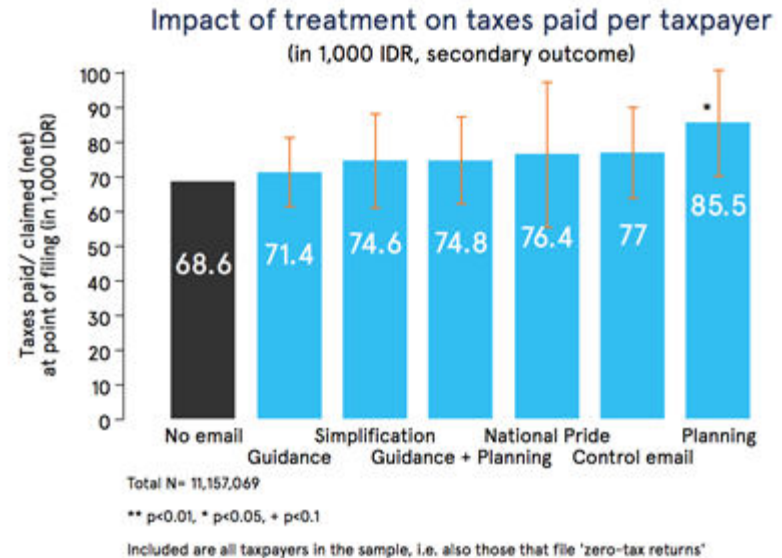
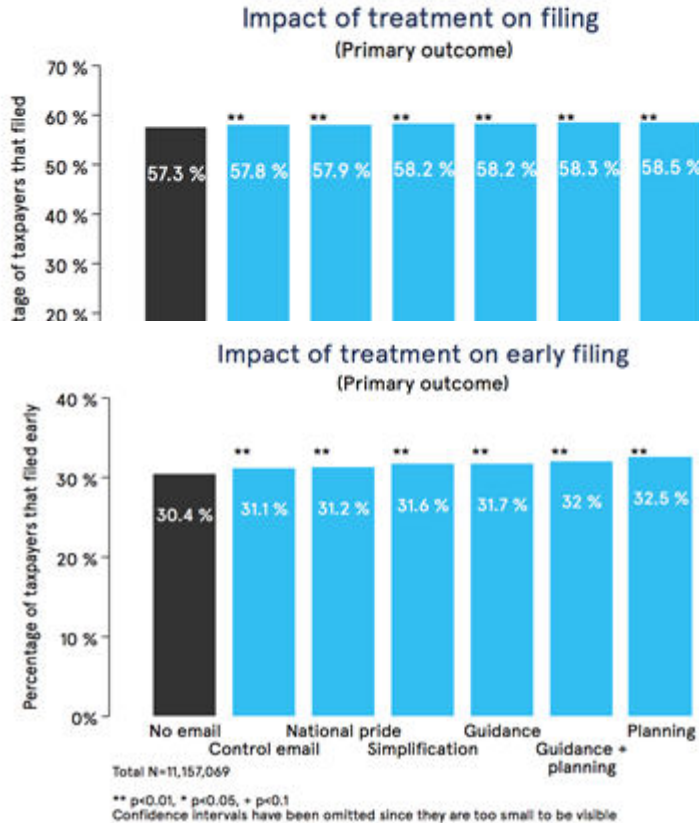
Selamat untuk membuat penyiapan SPT Saudara menjadi lebih mudah!
Saudara telah memilih untuk melaporkan SPT pada tanggal **24 FEBRUARI 2018**.
Kami akan mengirimkan pesan pengingat yang dapat membantu Saudara.

Tambahkan ke kalender?

Direktorat Jenderal Pajak@2018

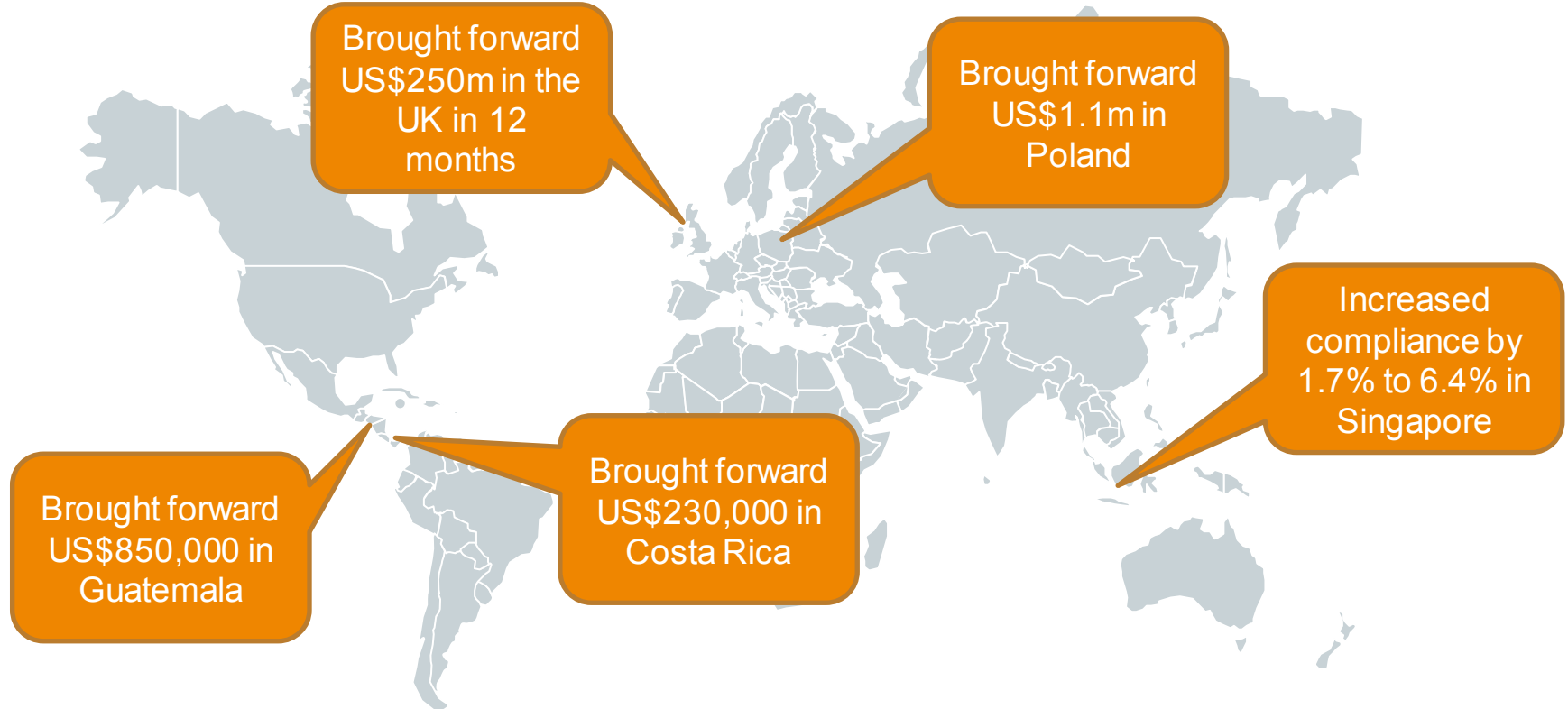
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Indonesia: Encouraging timely tax returns





We have introduced BI to tax regimes globally



Effective public service delivery



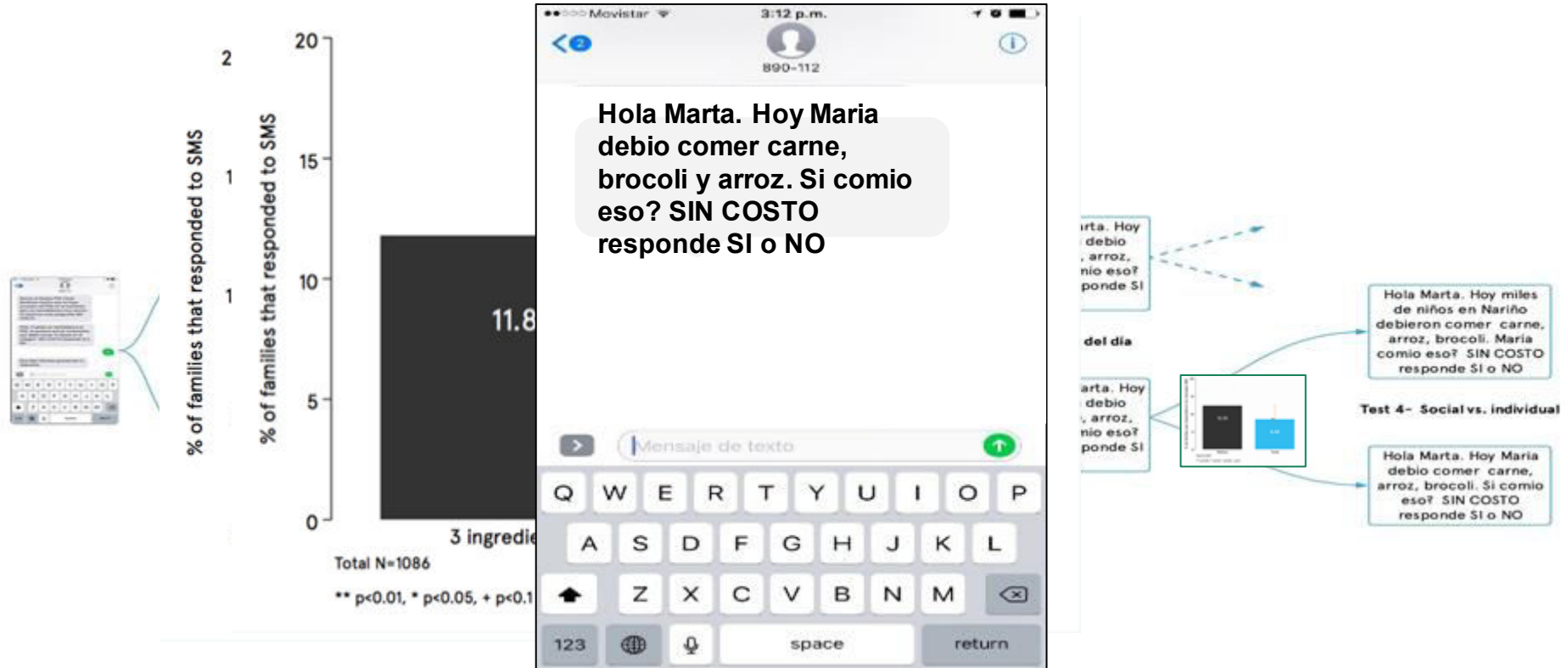


Corruption in schools

- **Country:** Colombia
- **Context:** School meal provision
- **Behaviour:** Reducing cheating
- **Outcome:** Quantity and quality of school meals
- **Sample:** 209 schools and 22,700 parents
- **Partners:**



Colombia: Enhancing the monitoring system



Colombia: Enhancing the monitoring system



SMS messages



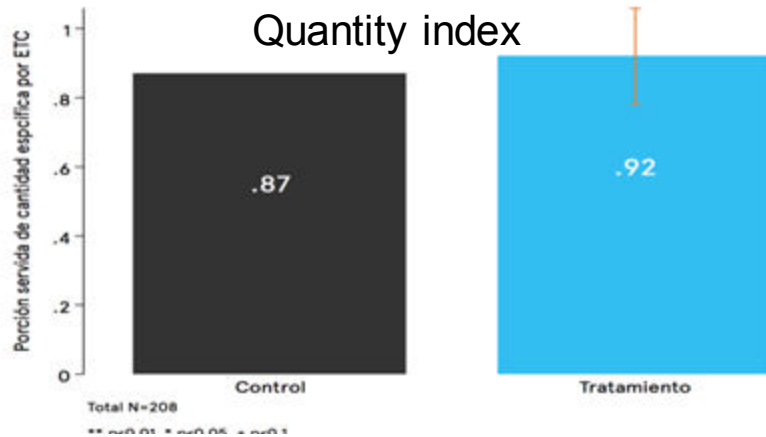
Workshops



Audits

Main results: We did not find an effect on quantity or quality...

...but we did find a significant increase in compliance



Economic Growth





Thank you

luke.ravenscroft@bi.team

