

INNOVATIONS IN PUBLIC POLICY

Felicity Algate and Liz Richardson **Behavioural public policy** Beyond 'Nudge'

- Effective policies often require citizens to act differently, but behaviour change is classically hard to achieve. Behavioural public policy (BPP) uses insights about biases in people's decision-making and what makes people 'tick'. These insights shape policies that make it easier and more attractive for people 'do the right thing'.
- There now exists a body of high-quality evidence about the impacts of BPP, some initiatives producing significant savings alongside improved outcomes.
- The future potential of BPP will depend on it delivering on: longer-term challenges; stronger ethical frameworks; and greater control to citizens. A new generation of BPP work suggests this these goals are possible.

Beyond 'nudge'

Effective policies on challenges such as health inequalities often require citizens to act differently. But getting citizens to change what they do is hard. Behavioural public policy (BPP) uses insights about biases in people's decision-making and what makes people 'tick'. These insights shape policies that make it easier and more attractive for people to 'do the right thing' (Service, 2014; John et al. 2019). Earlier 'nudge' approaches had some intuitive 'quick fix' appeal, gaining a reputation as a cheap and possibly dirty tool (Benartzi et al. 2017). They faced negative scrutiny for focusing on individuals, small-scale results, neglect of structural factors (Chater and Loewenstein 2022), and perceptions that 'nudge' was unethical (HoL, 2011). The field has now moved on and matured; behavioural public policy (BPP) goes beyond nudge, using a wider repertoire of approaches.

Behavioural public policy in practice

Over the last 20 years, BPP has gained traction in policy in both the UK and internationally with growing evidence of its ability to generate both significant public savings and improved outcomes (OECD, 2017; John, 2018; Hallsworth and Kirkman, 2020). The Behavioural Insights Team set up in the Cabinet Office in 2010 is now a global consultancy. There are numerous government behavioural insights departments across UK government and regulators, for example in the **Cabinet Office, Ofcom's Behavioural Insights Hub,** and the **Competition and Markets Authority. UK local councils have been enthusiastic adopters of behavioural insights.** Between 2018 and 2024, the number of BPP bodies grew worldwide from 201 to 631 and increased on all continents (Naru, 2024).

Behavioural public policy is perhaps traditionally associated with nudges/small changes, for example re-writing letters that services send to clients that require a response, or sending text messages to remind patients of medical appointments. These small changes are sometimes called a tactical application of behavioural insights - changing existing processes to improve outcomes. There is wide-scale evidence about the impact of these changes. One meta-analysis of real world projects found an average 1.4 percentage point change in behaviours (an 8.0% increase) looking at different behaviours across 126 randomised controlled trials, covering 23 million individuals (DellaVigna and Linos, 2022). One project, which revised the wording of letters reminding recipients to submit their tax returns, accelerated tax revenue by more than £9 million in the 23 days after the letters were sent (Hallsworth et al, 2017).

Behavioural approaches have also been used to design substantive public policy changes. From 2012, UK employer pensions became opt-out (meaning that employees had to tell their employer if they did not want to sign up to the pension scheme) rather than the traditional opt-in. Between 2011 and 2019 there was a ten-fold increase in total membership of defined contribution schemes (Mirza-Davies and Cunningham, 2025). In 2021, employees across the UK **saved £114.6 billion into their pensions;** a real terms increase of £32.9 billion compared to 2012.

The introduction of the UK soft drink levy (also known as the 'sugar tax') in 2016 is another example of behavioural public policy at a strategic level. The tax was <u>designed to encourage manufacturers to</u> <u>reformulate their drinks so they would be below the</u> <u>threshold for the tax.</u> Since it was introduced, the sugar tax is estimated to have prevented 5,000 cases of obesity in year six girls (Rogers et al., 2023).

Future directions for behavioural public policy

The future potential of BPP will depend on it delivering on: longer-term challenges; stronger ethical frameworks (Hallsworth. and Kirkman, 2020); and greater control to citizens (Richardson and John, 2021). As with the sugar tax, what have been termed 'S-frame' interventions are structural changes that then shape people's behaviours (Chater and Loewenstein 2022), taking BPP beyond interventions at the level of the individual citizen. New ethics frameworks specify explicit trade-offs for transparency and citizen autonomy (Hallsworth and Kirkman 2020). 'Nudge plus' approaches (Banerjee and John 2024) advocate for greater integration of human agency in BPP (Banerjee et al. 2024).

The emphasis in BPP on robust empirical evidence shows where some interventions have not worked (Kettle et al. 2017). The international spread of behavioural insights shows transferability beyond WEIRD contexts (Western, Educated, Industrialised, Rich and Democratic) (Henrich, et al., 2010). Through an evidence-informed and ethical approach, BPP could continue to mature as a vital part of the policymaking repertoire.

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