Why do policies not deliver their desired outcomes? Why are regulatory outcomes sub-optimal? Why did a programme not work?

There can be many reasons why, but central to fixing them is having a more realistic understanding of how people actually behave.

Often there are many assumptions and biases in policy and decision-making processes that impede achieving the desired outcomes.
1 HUMAN BEHAVIOUR CAN BE A MYSTERY

BEHAVIOURAL INSIGHTS IS NOT A TREND

ALL OVER THE WORLD, BI EXPERTS ARE APPLYING BEHAVIOURAL INSIGHTS TO DIFFERENT POLICY DOMAINS

2 HOW BEHAVIOURAL INSIGHT HAVE BEEN APPLIED TO PUBLIC POLICY: THE 6 PIECES OF GUIDANCE

- Be strategic and systematic
- Need good reliable data
- Validate through replication
- Apply to segments of society for special or targeted intervention
- Evaluate
- Publish results - good and bad

3 NEXT FRONTIER: APPLYING BI TO DESIGNING, EVALUATING POLICIES & ORGANISATIONAL BEHAVIOUR

BEHAVIOUR INSIGHTS FOR BETTER POLICIES, AND BETTER LIVES

www.policyinnovationcentre.org
Across the world there are now over 400 behavioural units or initiatives in public policy which has grown over the last decade. Many countries across the world have been using behavioural insights to deliver better policies at the federal and state level.
What is Behavioural Insights?

Behavioural insights encourage people to make better choices for themselves and society
– Local Government Association, United Kingdom

Behavioural Insights (BI) is a discipline based on economics, psychology, and sociology. It believes that people are susceptible to influences from their immediate environment (context effects), emotions, short-sightedness and other forms of irrationality. It studies people’s cognitive biases, how they make choices and behave in real life situations
– DO Hoang Van Khanh and Sharon THAM, Singapore Civil Service College – Evidence-based policy making toolkit

Behavioural Insights: An inductive approach to policy making that combines insights from psychology, cognitive science, and social science with empirically-tested results to discover how humans actually make choices
– OECD

Policy for Homo Sapiens, Not Homo Economicus: Leveraging the Behavioural Economics of “Nudge”
– Chapter 2 – India Economic Survey 2019-20
What is the Policy Innovation Centre (PIC)?

The PIC is a dedicated not-for-profit centre in NESG that helps policy makers and program implementers improve outcomes for the people of Nigeria.

The PIC seeks to implement innovative policy tools, including behavioural insights, to improve policies and programmes in Nigeria. It is the first national-level unit of its kind in Africa and applies lessons from the behavioural and social sciences, including testing interventions, to find evidence to inform better policies and decision-making. The PIC is an initiative within the NESG that is sponsored by Rockefeller Philanthropy Advisors, with the support of the Bill and Melinda Gates Foundation.
How can the PIC help?

The PIC helps public, private and international actors in Nigeria through a variety of ways.

- Understand and diagnose the situation
- Implementation of solutions
- Strategy, programme, regulatory and policy design
- Evaluation
There are a number of policy areas where the PIC approach will be applied including:

- Financial Inclusion
- Health
- Human Capital
- Social Policy
- Accountability and Transparency
INTERIM PIC PROJECTS 2017 – 2019
IMPROVING DIGITAL LOAN REPAYMENT BEHAVIORS OF SMALL BUSINESSES

BEHAVIORAL THEMES
Loss aversion, progress tracking, social norms, complacency bias

SECTOR: Financial Inclusion and Technology (Mobile Money)
PROJECT TYPE: Field Experiment
SAMPLE SIZE: 102,841 Participants
GOALS

The Government Enterprise and Empowerment Program (GEEP) is an SME micro credit programme that involves extending interest-free loans to traders, artisans and farmers in an attempt to boost their businesses.

INTERVENTION

The PIC leveraged ‘social comparisons’ by communicating repayment performance relative to other beneficiaries, based on a color scale (Yellow, Orange, Red and Black for very poor relative repayment performance).

RESULTS

PIC found that all groups, apart from those blacklisted, have a positive impact, but the orange group worked markedly better than the others because orange communicates:

(a) trending towards a dangerous path and
(b) the capacity to recover.

We believe the best way to scale this would be by broadening the categories for orange, so that a larger set of the population is exposed to the intervention and encouraged to take action towards the repayment of digital loans.
IMPROVING SAVINGS BEHAVIOR AMONGST CASH TRANSFER BENEFICIARIES

BEHAVIORAL THEMES
Loss aversion, progress tracking, social norms, complacency bias

SECTOR: Salience, Progress tracking loss aversion, progress tracking
PROJECT TYPE: Field Experiment
SAMPLE SIZE: 2173 Participants

NIGERIA
The Policy Innovation Centre (PIC) was engaged to improve the overall efficacy of the programme in terms of its delivery and effect in uplifting the social welfare of beneficiaries.

Design and Results
Over the past year, we have examined the behavioral barriers to financial health for low-income people among 6 of the 20 benefiting states of Nigeria and designed solutions that facilitate livelihood savings (when beneficiaries exit from the programme after 3 years), short-term savings and access to credit. These solutions include: savings growth champions, social signaling, group precommitment device.

Outcomes
» We found that saving consistency using group accountability had a negative impact on individual savings.
» We found that small social signals, even if only to signal intent, had a strong impact on overall savings levels among other group members.
» Lastly, the group pre-commitment device intervention was hard to fully unpack given there were two likely levers: social signals and pre-commitment. Beyond the additive impact of social signalling, it is likely that the pre-commitment feature had a significant impact on individuals’ willingness to save over the duration of the intervention.
BEHAVIORAL THEMES
Salience, progress tracking

SECTOR: Social aid, investment
PROJECT TYPE: Field Experiment
SAMPLE SIZE: 163 schools
The National Home Grown School Feeding Programme (NHGSFP) was established in 2015 by the Federal Government of Nigeria to address rising concerns regarding the low rate of primary school enrollment and attendance.

To support this expansion and ensure optimal efficacy in terms of the program’s delivery, Busara, the Nigerian Economic Summit Group (NESG) and Accenture Nigeria were commissioned by the Gates Foundation and the NSIO to set up a Policy Innovation Unit (PIU) - an initiative designed to support the NSIO programs by infusing behavioral science support and providing ongoing testing and refinement to their programmes.

**Intervention**
Aprons were awarded to the cooks as a uniform and were encoded with the guidelines for the program to provide a salient reminder to teachers and students on the standards they could hold the cooks to.

**Results**
- The informational apron improved teachers’ understanding of some aspects of the programme.
- However, the informational apron had no impact on cook behavior.
IMPROVING ENTREPRENEURIAL PLANNING & SAVINGS BEHAVIOR OF N-POWER BENEFICIARIES

BEHAVIORAL THEMES
Loss aversion, aspirations, urgency, social norms

SECTOR: Salience, Progress tracking loss aversion, progress tracking
PROJECT TYPE: Field Experiment
SAMPLE SIZE: 1,397 Participants
PIC sent weekly email updates to the volunteers that started businesses, attributing their success to the different tools provided by the N-Power programme.

**Results**
The exposure of the treatment group to a reference point had a slight effect on the beneficiaries’ perception of their entrepreneurial self-efficacy. The treatment group reported, on the average, awareness of the skills necessary to start a business.
IMPROVING THE UPTAKE OF KWIKCASH DIGITAL CREDIT

BEHAVIORAL THEMES
Salience, Progress tracking
Urgency, loss aversion & progress tracking

SECTOR: Social aid, investment
PROJECT TYPE: Field Experiment
SAMPLE SIZE: 63608 participants
Design and Results
Three different types of message framings were sent once to 57256 unsuccessful GEEP loan applicants in November 2017, inviting them to apply for a smaller, KwikCash loan with a 2-week repayment period.

These message framings- urgency, exclusivity and loss framing were designed based on behavioral biases found during the qualitative exercise. Most of these biases were centred around demotivation of unsuccessful GEEP loan applicants.

We believe that the results from this study were:

» Time-bound urgency can be useful for engaging people in offers they didn't think would expire.

» Loss framing is less useful for a risky new obligation, and better for a new opportunity / exploring product with limited risk.