

## Behavioural Public Policy for Sustainability

MPhil Paper Guide 2022 (Lent)

*(final version, Jan 17<sup>th</sup>, 2022)*

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Fridays 13-15 resp. 14-16

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### Course Description

Policy tools and approaches to help reach the Sustainable Development Goals (SDGs) span a wide range, from hard to soft policies. This course focuses on **Behavioural Public Policy** as a recent policy approach increasingly employed by governments and supranational organizations complementing their classical instruments. We will investigate how evidence-based behavioural insights and tools (“nudges”) and BPP-specific policy processes (“nudging”) can (and already do) supplement the existing policy toolbox for sustainable development. We will have a few high-level guest speakers from academia and the science-policy interface for short inputs and in-class debate (in a hybrid model).

We begin by examining the theoretical and conceptual basics of behavioural economics and behavioural public policy. These theoretical foundations are then applied to selected sustainable development goals, focusing on specific contemporary examples. The examples studied range from adopting electric vehicles to COVID vaccine hesitancy and switching to a planetary diet and renewable energy. Next, we examine practical strategies and approaches, successes, and limits of behavioural insights-based policies. In the final part, we explore debates around the ethics and good governance of nudging and future developments of the field.

The course will consist of 7 seminars of 2 hours in length. This includes introducing key concepts (by me), a short (10 min) presentation prepared by a volunteer student, and/or a short input by a leading expert in the respective topic, followed by an in-class debate. The class will be fully **online**.

The readings are divided into core and further reading. Moreover, I suggest some popular science books that may serve as accessible introductory readings. **Students will have read all of the *core readings* before each seminar.** The books and reports are available in the library or online. The “further reading” is an offer for students conducting presentations or writing essays on specific topics. Moreover, we will offer one or two **optional in-person drop-in sessions** where you can ask questions about the material covered.

Volunteers will present in class and will receive feedback on their presentations. Presentations will not be formally assessed. Formal assessment will be in the form of a **3000 words essay** submitted at the end of term. Students can choose 1 out of 6 questions.

### Contributing experts

- Prof. Jan M. Bauer, Copenhagen Business School, BeaCon project (DK)
- Mary MacLennan, UN Innovation Network, UN New York (US)
- Faisal Naru, Rockefeller Foundation, formerly OECD Behavioural Team (UK)
- Prof Cass R. Sunstein, Harvard University and Harvard Law School (US)

## Suggested introductory reading

The icon and *must-read* of Behavioural Public Policy (BPP), the second "final" edition:

- Thaler, Richard & Cass R. Sunstein (2021, orig. 2008). *Nudge: Improving decisions about health, wealth, and happiness. The final edition.* Penguin Books. (published August 2021)

An edutaining book on the origins of Behavioural Economics by one of its founders (and Nobel Laureate):

- Thaler, Richard H. (2015). *Misbehaving: The making of behavioral economics.* New York: Norton.

Popular science books that helped to make the field accessible (and famous):

- Cialdini, Robert (2007). *Influence: The psychology of persuasion.* New York: Harper Collins. (a social psychology classic on persuasion and social norms)
- Frank, Robert H. (2020). *Under the influence: Putting peer pressure to work.* Princeton: Princeton University Press. (on the power of social norms as nudge)
- Kahneman, Daniel (2011). *Thinking fast and slow.* Penguin Books. (on dual-process theories of decision making and behaving, by yet another Nobel Laureate)
- Sunstein, Cass R. (2013). *Simpler: The future of government.* New York: Simon & Schuster. (on simplicity as nudge by the other "father of nudge" and Holberg Prize Winner)
- Sunstein, Cass R. (2018). *The Cost-Benefit Revolution.* Cambridge, MA: MIT Press. (a practitioner's view on CBA as policy evaluation)

The tale about how the first governmental nudge unit (in the UK) began:

- Halpern, David (2015). *Inside the nudge unit. How small changes can make a big difference.* London: WH Allen.

A founding classic of Behavioural Economics (and Policy):

- Tversky, Amos & Daniel Kahneman (1974). Judgment under uncertainty: Heuristics and biases. Reprinted in: Sunstein, Cass R. & Reisch, Lucia A. (Eds.) (2018). *The economics of nudge.* 4 Volumes. Routledge, Vol. I(1), 15-31.

(This four-volume collection brings together the seminal writings that constitute the essence of Behavioural Economics and BPP; for reference only).

## Session (1) Behavioural Public Policy: Foundations and Concepts 21<sup>st</sup> January, 13-15

**Concepts:** libertarian paternalism; choice architecture; behavioural insights; dual-process theories; biases and heuristics; nudges, shoves, budges and snudges; "sludge" (audits)

### Core reading:

- Sunstein, Cass R. (2014). Nudging: A very short guide. *Journal of Consumer Policy*, 37, 583-588.
- Thaler, Richard H., Sunstein, Cass R. & John P. Balz (2013). Choice architecture. In: Shafir, Eldar (Ed.). *The behavioral foundations of public policy.* Princeton: Princeton University Press, Chapter 25 (pp. 428-439).
- Van Bavel, René (2020). Behavioural insights for EU policymaking. In: Vladimír Šucha & Marta Sienkiewicz (Eds.). *Science for policy handbook.* Elsevier for European Commission, Joint Research Centre (JRC), Chapter 17 (pp. 197-205).

### Further reading:

- Carlsson, Frederik, Gravert, Christina, Johansson-Stenman, Olof & Verena Kurz (2021).

The use of green nudges as an environmental policy instrument. *Review of Environmental Economics and Policy*, <https://www.journals.uchicago.edu/doi/abs/10.1086/715524>

- Oliver, Adam (2017). *The origins of behavioural public policy*. Cambridge University Press, Chapters 7 and 8 (pp. 128-145).
- Sunstein, Cass R. (2020). *Behavioural science and public policy*. Cambridge Core. Cambridge University Press.
- Sunstein, Cass R. & Richard H. Thaler (2003). Libertarian paternalism is not an oxymoron. *The University of Chicago Law Review*, 70(4), 1159-1202.

## Session (2) Sustainable Development: The Science and Practice of Behavioural Change

28<sup>th</sup> January, 13-15

**Concepts:** Sustainable Development Goals; behavioural science; behaviour change models; behaviour change interventions; impact

**Expert:** Mary MacLennan on *Behavioural Science for Sustainable Development at the United Nations*.

Mary is the Senior Advisor on Behavioural Science in the UN Executive Office of the Secretary-General, and Lead of the UN Behavioural Science Group in the UN Innovation Network, New York. In these roles she expands efforts and supports behavioural science application across UN Entities. As a behavioural scientist, she works with academic institutions, international organisations and governments to apply behavioural science to tackle real-world challenges (incl. behavioural science teams and as an expert advisor to the OECD and UN Women).

### Core reading:

- United Nations (2021). *Behavioural Science Report 2021*. New York. [https://www.uninnovation.network/assets/BeSci/UN\\_Behavioural\\_Science\\_Report\\_2021.pdf](https://www.uninnovation.network/assets/BeSci/UN_Behavioural_Science_Report_2021.pdf)
- Weber, Elke U. (2013). Doing the right thing willingly: Using the insights of behavioral decision research for better environmental decisions. In: Shafir, Eldar (Ed.) (2013). *The behavioral foundations of public policy*. Princeton: Princeton University Press, Chapter 22 (pp. 380-397).
- Williamson, K., Bujold, P. M., & Thulin, E. (2020). *Behavior Change Interventions in Practice: A synthesis of criteria, approaches, case studies & indicators*. Rare Center for Behavior & the Environment and the Scientific and Technical Advisory Panel to the Global Environment Facility. [https://stapgef.org/sites/default/files/2020-02/Final\\_Rare%20Behavior%20Change%20Interventions%20in%20Practice.pdf?null=](https://stapgef.org/sites/default/files/2020-02/Final_Rare%20Behavior%20Change%20Interventions%20in%20Practice.pdf?null=)

### Further reading:

- Geiger, Sonja, Fischer, Daniel & Ulf Schrader (2018). Measuring what matters in sustainable consumption: An integrative framework for the selection of relevant behaviors. *Sustainable Development*, 26, 18-33. (proposing an integrative framework of sustainable consumption impact measurement, the three-dimensional cube)
- Sachs, Jeffrey et al. (2020). *The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020*. Cambridge: Cambridge University Press (pp. 1-56) <https://sdgindex.org/reports/sustainable-development-report-2020/>
- United Nations (2021). *Secretary-General's Guidance on Behavioural Science*. New York <https://www.un.org/en/content/behaviouralscience/assets/pdf/UN%20Secretary-General's%20Guidance%20on%20Behavioural%20Science.pdf>

## Session (3) Case study: The Power of the Plate

4<sup>th</sup> February, 14-16 (will be recorded)

**Concepts:** ecological footprint; behavioural food policy; planetary diet; food waste reduction; UN Food Systems Summit

### Core reading:

- Bauer, Jan & Lucia A. Reisch (2019). Behavioural insights and (un)healthy dietary choices: A review of current evidence. *Journal of Consumer Policy*, 42, 3-45.
- EAT-Lancet Commission (2019). *Food Planet Health: Healthy Diets from Sustainable Food Systems*. Summary Report. [https://eatforum.org/content/uploads/2019/07/EAT-Lancet Commission Summary Report.pdf](https://eatforum.org/content/uploads/2019/07/EAT-Lancet_Commission_Summary_Report.pdf)
- Osman, Magda, Schwartz, Pauline & Saul Wodak (2021). Sustainable consumption: What works best, carbon taxes, subsidies, and/or nudges? *Basic and Applied Social Psychology*. doi.org/10.1080/01973533.2021.1889553

### Further reading:

- Cadario, Romain & Pierre Chandon (2020). Which healthy eating nudges work best? A meta-analysis of field experiments. *Marketing Science*, 39(3), 465–486. <https://doi.org/10.1287/mksc.2018.1128>
- Poore, Joseph & Thomas Nemecek (2018). Reducing food's environmental impacts through producers and consumers. *Science*, 360(6392), 987–992.
- Reisch, Lucia A. (2021). Shaping healthy and sustainable food systems with behavioural food policy. *European Review of Agricultural Economics*, 10.1093/erae/jbab024
- Reisch, Lucia A., Cass R. Sunstein, Mark A. Andor, Friederike C. Doebbe, Neal R. Haddaway & Johanna Meier (2020). Mitigating climate change via food consumption and food waste: A systematic map of behavioural interventions. *Journal of Cleaner Production*. 123717. doi: 10.1016/j.jclepro.2020.123717
- Willett, Walter et al. (2019). Food in the Anthropocene: the EAT–Lancet Commission on healthy diets from sustainable food systems. *The Lancet*, 393, 447–492 [http://dx.doi.org/10.1016/S0140-6736\(18\)31788-4](http://dx.doi.org/10.1016/S0140-6736(18)31788-4) (the scientific paper to the above EAT report)

## Session (4) Evaluation of BPP: Cost-effectiveness and Acceptability

11<sup>th</sup> February, 13-15

**Concepts:** evidence-based policy; policy cycle; policy evaluation; cost-benefit analysis; nudges that fail; acceptability; scalability; unintended side-effects

**Expert:** Prof. Jan M. Bauer (CBS, Denmark) on *Approaches to evaluating the benefits of BPP interventions*.

Jan is an economist and consumer researcher, Associate Professor at the Consumer and Behavioural Insights Group, Copenhagen Business School. One of his research foci is on measuring the impact of behavioral interventions to induce change towards more sustainable lifestyles.

### Core reading:

- Reisch, Lucia A. & Cass R. Sunstein (2016). Do Europeans like nudges? *Judgement and Decision Making*, 11(4), 310-325.

- Ruggeri, Kai (2019). *Behavioral insights for public policy: Concept and cases*. New York: Routledge, Chapters 2, 3, 12.
- Sunstein, Cass R. (2017). Nudges that fail. *Behavioural Public Policy*, 1 (1), 4-25.

#### Further reading:

- Bernartzi, Shlomo et al. (2017). Should governments invest more in nudging? *Psychological Science*, 28(8), 1-15. doi:[10.1177/0956797617702501](https://doi.org/10.1177/0956797617702501)
- Hummel, Dennis & Alexander Maedche (2019). How effective is nudging? A quantitative review on the effect sizes and limits of empirical nudging studies. *Journal of Behavioral and Experimental Economics*, 80, 47-58.
- Kristal, Ariella & Ashley V. Williams (2020). What we can learn from five natural experiments that failed to shift commuter behavior. *Nature Human Behaviour*, 4, 169–176. <https://doi.org/10.1038/s41562-019-0795-z>

### Session (5) Guest Lecture: Cass Sunstein: “Nudges, Biases and Noise” Wednesday, 16<sup>th</sup> February, 17:30-19:00

Cass R. Sunstein is the Robert Walmsley University Professor at Harvard and serves as founder and director of the Program on Behavioral Economics and Public Policy at Harvard Law School. He is among the most cited and most-read legal scholars worldwide. Together with economist Richard Thaler, he co-authored the seminal book “Nudge: Improving Decisions about Health, Wealth, and Happiness” (2008, 2nd edition 2021), which drew attention from academia (Nobel Prize in Economics 2017 for Thaler), global institutions, the corporate world, and governments worldwide. In 2018, Prof. Sunstein was awarded the prestigious Holberg Prize (the “Nobel” for the humanities) acknowledging his outstanding contributions to research in various fields, including behavioral public policy. From 2009 to 2012, he was the Administrator of the White House Office of Information and Regulatory Affairs (President Obama). From February 2021 to the present, he has served in the Biden Administration at the Department of Homeland Security, helping to lead the Department’s approach to regulatory issues in diverse fields, including immigration, and co-leading the Department’s climate policy.

#### Optional Drop-in Session I.

18<sup>th</sup> February, 13-15

Goal: Time for questions, feedback, and advice.

### Session (6) Limits and Pitfalls: Ethics and Good Governance of BPP 25<sup>th</sup> February, 13-15

**Concepts:** autonomy, paternalism, manipulation, legitimacy, ethics, good governance; participatory co-creation; Nudge Plus

#### Core reading:

- Schmidt, Andreas T. (2017). The power to nudge. *American Political Science Review*, 111(2), 404-417.
- Sunstein, Cass R. (2018). Misconceptions about nudges. *Journal of Behavioral Economics for Policy*, 2(1), 61-67.
- Sunstein, Cass R. & Lucia A. Reisch (2019). *Trusting nudges: A Bill of Rights for Nudging*. Routledge, Chapter 9. (an empirically-based suggestion on a set of rules for good governance)

**Further reading:**

- John, Peter (2018). *How far to nudge? Assessing behavioural public policy*. Cheltenham: Edward Elgar. (for a plea to make BPP a participative process)
- Kemmerer, Alexandra, Möllers, Christoph, Steinbeis, Maximilian & Gerhard Wagner (Eds.) (2016). *Choice architecture in democracies: Exploring the legitimacy of nudging*. Baden-Baden: Nomos, particularly Chapter 2, "The dark side of nudging" (for a fundamental critique of libertarian paternalism,).
- Sunstein, Cass R. (2014). *Why nudge? The politics of libertarian paternalism*. New Haven: Yale University Press. (on the ethics of nudging)
- Sunstein, Cass R. (2015). The ethics of nudging. *Yale Journal on Regulation*, 32(2), 413-450.

**Session (7) The Future of BI: Scope, Scale, and Institutionalization****4<sup>th</sup> March, 14-16 (will be recorded)****Concepts:** the institutionalization of BPP; nudge units; BASIC toolbox; nudging in organizations**Expert:** Faisal Naru (Rockefeller Philanthropy Advisors, PIC) on *Building better Behavioural Teams*.

Faisal Naru is the Executive Director of the Policy Innovation Centre (PIC) at the Nigerian Economic Summit Group with Rockefeller Philanthropy Advisors. The PIC is Africa's first national level "behavioural unit" and is also supported by the Bill and Melinda Gates Foundation. He serves on a number of International Committees and advises a number of governments and public bodies. Prior to setting up the PIC, Faisal was at the OECD where he founded the OECD work on Behavioural Insights including the landmark publication "Behavioural Insights in Public Policy" as well as being responsible for a number of OECD publications and guidelines. At the OECD Faisal Naru was most recently the Head of Strategic Management and Coordination or "Chief of Staff" for the OECD's Executive Director where he created a new capacity mainstreaming behavioural science into management and organisational behaviour.

**Core reading:**

- Baggio, Marianna, Ciriolo, Emanuele, Marandola, Ginevra & René van Bavel (2021). The evolution of behaviourally informed policy-making in the EU. *Journal of European Public Policy*, 28(5), 658-676, DOI: 10.1080/13501763.2021.1912145.
- Loewenstein, George & Nick Chater (2017). Putting nudges in perspective. *Behavioural Public Policy*, 1(1), 26-53.
- Thaler, Richard H. (2016). Behavioral economics: past, present, and future. *American Economic Review*, 106(7), 1577-1600.

**Further reading:**

- Jones, Rhys, Pykett, Jessica & Mark Whitehead (2013). The rise of the psychological state in the UK. In: *Changing behaviours: On the rise of the psychological state*. Cheltenham: Edward Elgar. Chapter 2 (pp. 23-52).
- Leong, Ching & Michael Howlett (2021/2020?). Theorizing the behavioral state: Resolving the theory-practice paradox of policy sciences. *Public Policy and Administration*, doi:10.1177/0952076720977588.
- OECD (2019). Tools and Ethics for Applied Behavioural Insights: The BASIC Toolkit, OECD Publishing, Paris, <https://doi.org/10.1787/9ea76a8f-en>. (shorter: The Basic brochure: BASIC-Toolkit-web.pdf (oecd.org))

**Optional Drop-in Session II. Time and place to be discussed with students.**