

# Behavioural Economics and Change in Social Behaviour

## Dear Social Service Practitioners,

We often hear of several topics being mentioned within the social service sector. These include topics such as volunteerism, how to better help individuals and families change their behaviour to improve their circumstances, raising public awareness on social issues and having communities take responsibility to improve their environment. As mentioned in an earlier letter (No. 11 /2016 – Behavioural Economics and Social Work), Behavioural Economics is an area of work that studies how psychology broadens the scope of traditional economic theory. It offers insights in addressing some common issues mentioned above such as how we can nudge communities to participate and take responsibility using low-cost and simple interventions. Behavioural economics is after all often about how incentives, communication and education, belief management and other measures can be applied to bring about behavioural changes. In this letter, we explore how insights from behavioural economics can add on to our current intervention methods to nudge improvements in those we seek to help.

### Drivers of Behavioural Change

In their article “The Behavioural Change Matrix: A Tool for Evidence-Based Policy Making”,<sup>1</sup> Gerhard, Alain, Moritz and FehrAdvice & Partners AG propose that there are two deciding drivers of behavioural change: awareness and willingness to contribute (to societal or organisational goals).



1. Awareness is the knowledge or understanding of a subject or situation. In situations where awareness is lacking, education and knowledge sharing become useful interventions to increase the likelihood of people taking steps to change. Certain behaviours can be controlled through messages that are communicated to them. For example, smokers can be educated on how smoking has a negative impact on others, and in particular their children.

2. Willingness to contribute to societal or organisational goals is the readiness and desire of the individual or community to take certain actions to contribute to change. Awareness alone is not enough to motivate people to act. For example, an awareness of the dangers of a sedentary lifestyle may not necessarily lead one to make lifestyle changes. In such cases, we must seek to understand the barriers to change and to draw on what we know about human behaviour to craft effective interventions and policies.

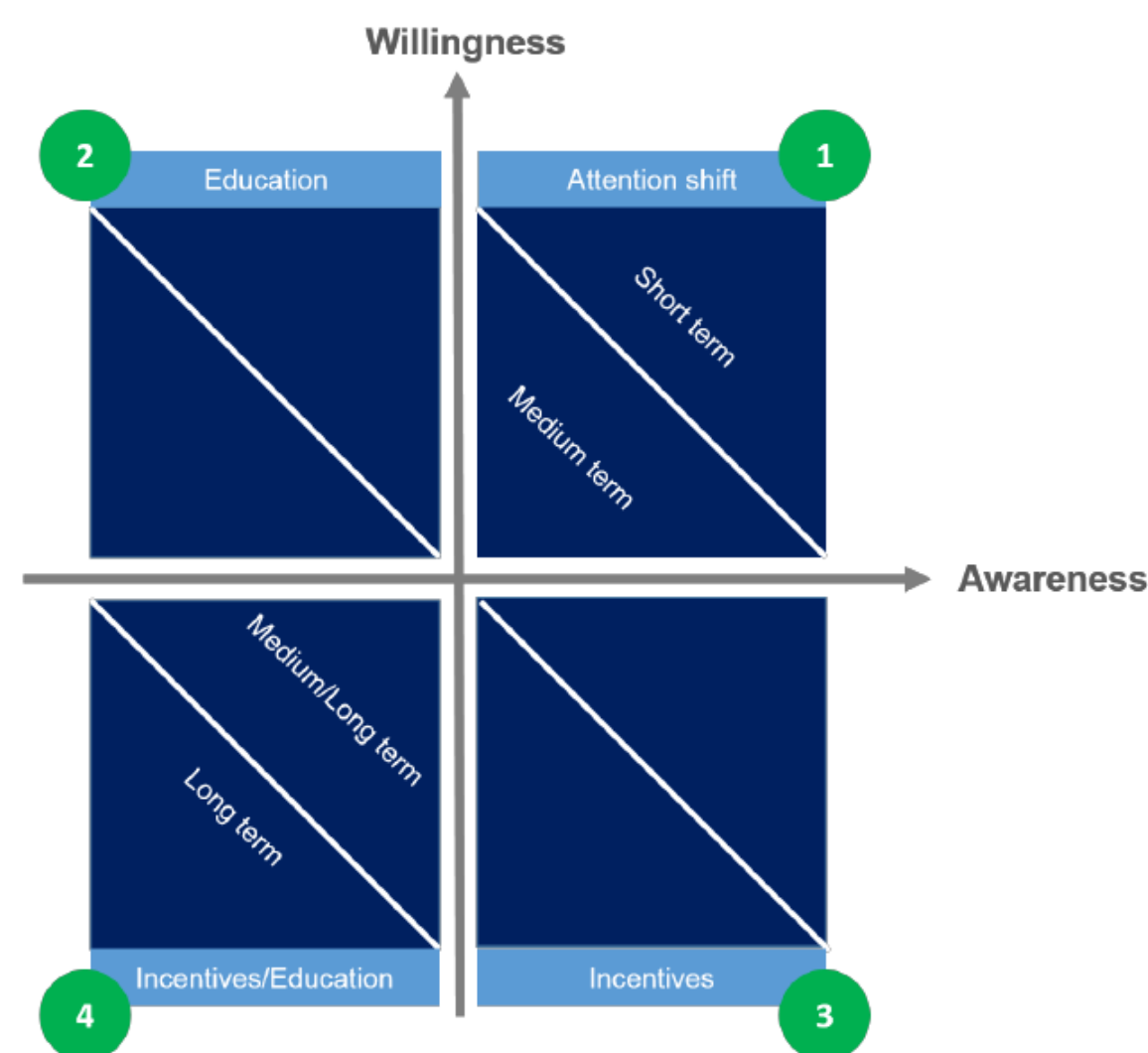


### Bringing about Behavioural Change

Several measures can be used to bring about behavioural changes by increasing awareness and willingness. FehrAdvice & Partners AG<sup>1</sup> developed a Behavioural Change Matrix that identifies interventions that are most effective in effecting behavioural changes. How applicable they are to individual cases is dependent on the issue at hand.

#### i. When both awareness and willingness are high

When willingness is high, a lack of norm-compliant behaviour is most likely due to a lack of awareness in certain circumstances. As such, what would be most helpful in such circumstances is to shift people's attention towards a certain direction when they are in the decision-making moment. An example of this is the Healthier Choice Symbols seen in some food courts that make it easier for consumers to choose healthier food when deciding what to eat. What happens here is that we want to push people in a certain direction when they are in the decision-making moment by providing good information. Information provided in a timely manner moves people to display the correct behaviours i.e. willing to act responsibly.



*Behavioural Change Matrix by FehrAdvice*

## ii. When willingness is high but awareness is low

Oftentimes, behavioural change does not take place not because of an unwillingness to change but because of a low awareness of the negative consequences. A typical example of this is in the area of second-hand smoking. In such instances, we can improve communication and education to increase awareness. However, the results or change in behaviour may take some time to take effect.

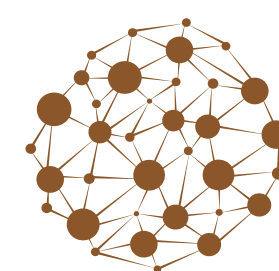
## iii. When awareness is high but willingness is low

In such situations, examples of interventions include using incentives to encourage positive behaviour or imposing sanctions to bring about compliance. Examples prevalent in Singapore include the rewards given for Steps Challenge that incentivise people to be more active in their daily lives.

## iv. When both awareness and willingness are low

As interventions in such situations require increasing both awareness and willingness, the desired behavioural changes are only achievable in the longer term. It involves intervening to educate and then creating incentive to change or increasing the sanctions to deter further non-compliance.

Many measures can be used to change people's behaviour: monetary incentives, fines, legal punishment and educational measures. While all of these measures can be effective, their relative effectiveness depends on specific contexts, social norms, and the individual characteristics of the targeted population.



## Factors Influencing Human Behaviour

As mentioned in my previous letter, behavioural economics informs us of several cognitive biases that influence human behaviour, namely:

- (a) Messenger: We are heavily influenced by who communicates information to us.
- (b) Incentives: Our responses to incentives are shaped by predictable mental shortcuts.
- (c) Norms: We are strongly influenced by what others do.
- (d) Defaults: We "go with the flow" of pre-set options.
- (e) Salience: Our attention is drawn to what is novel and seems relevant to us.
- (f) Priming: Our acts are often influenced by sub-conscious cues such as sights and smells.
- (g) Affect: Our emotional associations can powerfully shape our actions.
- (h) Commitments: We seek to be consistent with our public promises, and reciprocate acts.
- (i) Ego: We act in ways that make us feel better about ourselves.

Source: The Institute for Government and the Cabinet Office (UK) (Dolan, Hallsworth, Halpern, King, & Vlaev, 2009)<sup>2</sup>

These cognitive biases influence people's awareness of a situation or problem and their willingness to change. With these biases in mind, the Behavioural Insights Team has crafted an EAST (Easy, Attractive, Social and Timely)<sup>3</sup> framework that lists four principles to take note of when crafting policies.

## 1. Easy

People tend to do something if it is easy to do. Some possibilities to make policies "easy" are to make something the "default option" (e.g. use an opt-out instead of opt-in system for a newsletter subscription), get rid of unnecessary clutter or steps that bring inconvenience to the service user (e.g. make a link directly to an application form instead of a website that links to the application form) and to give clear and specific messaging (e.g. give clients specific step-by-step actions to take or not to take when working out of debt instead of general principles).

## 2. Attractive

People are usually drawn to things that grab their attention or that appeal to them. It is important to understand the target audience and what they are attracted to in designing services and policies to maximise results. Examples of making options attractive include using specific colours to indicate nutritional value of foods, sending personalised messages and using a popular messenger to communicate information. It is also useful to make salient or obvious the costs and benefits of a particular action.

## 3. Social

Human beings are social beings and our decisions are strongly affected by social norms, what others do and how they think of us. We are more likely to do something if we know that others are doing it. Therefore, it helps to magnify positive social norms as opposed to negative social norms. An example of this in Singapore's context can be seen in road tax renewal reminders that seek to incentivise timely renewals by stating that the majority of Singaporeans renew their road tax on time. Using commitment devices are also helpful to encourage people to follow through their desired actions.

## 4. Timely

People respond differently to similar prompts depending on the timing of its delivery. For example, placing reminders to save the environment on the paper towel dispenser in the toilet is more effective in encouraging people to use less paper as opposed to similar reminders placed elsewhere. Furthermore, human beings also place higher weights on costs and benefits that are experienced immediately as opposed to those experienced at a later date. It is important for service providers and policy makers to know how the responses of their target audience differs according to the timing of delivery and to select the right timing for intervention in order to maximise impact.

## What can social service draw from behavioural science to improve delivery?

Recognising that human decisions are strongly influenced by context, including the way in which choices are presented to us, we can design interfaces in service delivery to shape responses. It is worth reflecting if we can tweak and re-organise or re-draw the design of a particular service, programme or workflow to nudge, extract or shape behaviour. Sometimes, the re-visiting of a service and programme design may also require us to challenge our own belief system, biases and assumptions.

I would challenge ourselves to consider how much we are prepared to relearn, revisit and redesign to accommodate new behaviours. After all, as we learn from behavioural science, behaviour is subject to cognitive biases, emotions, and social influences. Those of us who are social workers and social service practitioners can appreciate that decisions, be it by clients, organisations or communities, result from a less deliberative, linear, and controlled process than we would like to believe.

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## References:

- (1) Fehr, G., Kamm, A., and Jager, M. (2017). The Behavioural Change Matrix: A Tool for Evidence-Based Policy Making/Behavioural Science in Practice. In A. Samson (Ed.), *The Behavioral Economics Guide 2017* (with an introduction by Cass Sunstein)(pp. 47-53). Retrieved from <http://www.behavioraleconomics.com>.
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- (3) The Behavioural Insights Team (2014). *EAST: Four simple ways to apply behavioural insights*. Retrieved from [www.behaviouralinsights.co.uk/publications/east-four-simple-ways-to-apply-behavioural-insights/](http://www.behaviouralinsights.co.uk/publications/east-four-simple-ways-to-apply-behavioural-insights/)