



Behavioral Insights for Policy Design

Prof. Guilherme Lichand

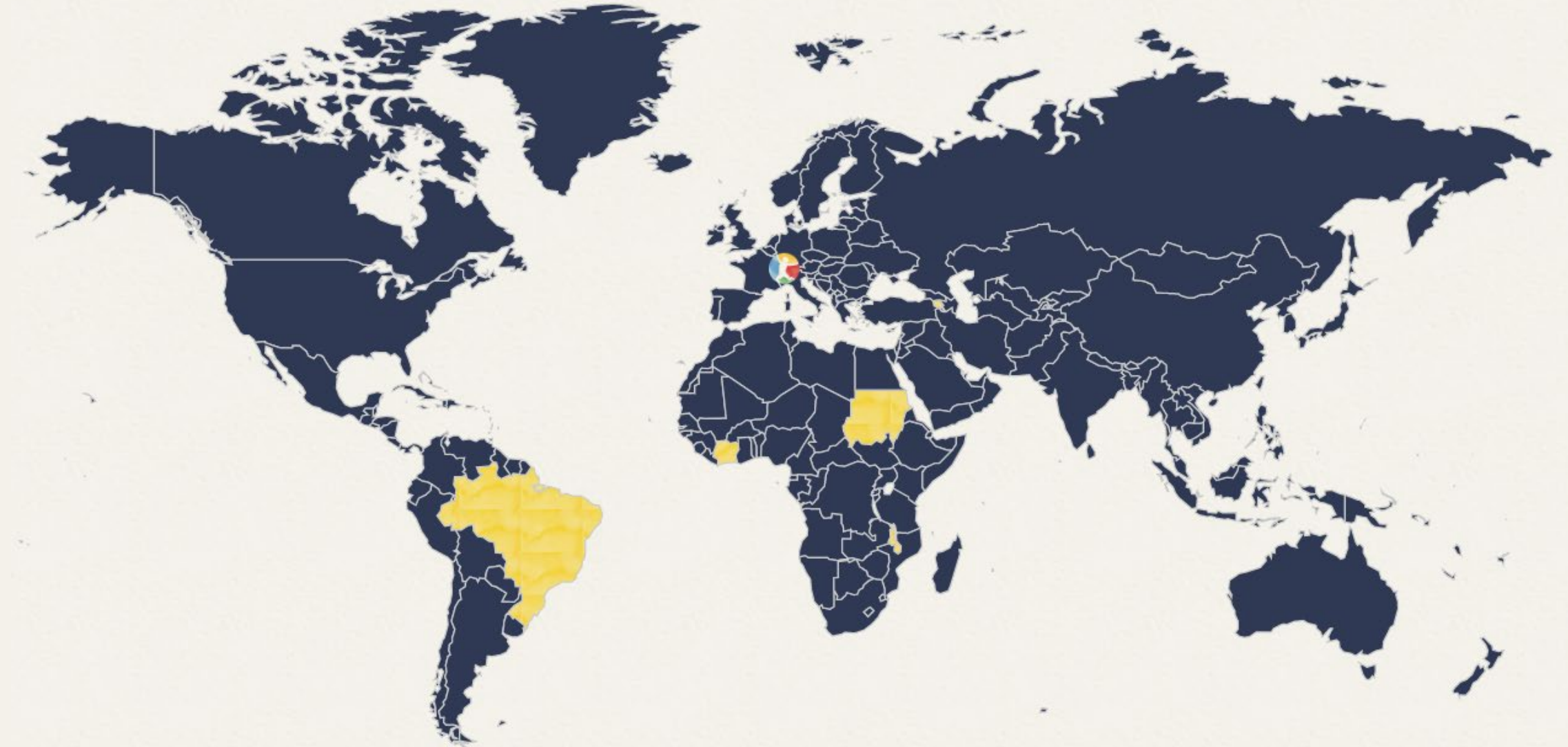
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INOVAÇÃO NA PRÁTICA

**INSIGHTS
COMPORTAMENTAIS
PARA O
DIAGNÓSTICO
E DESENHO DE
POLÍTICAS
PÚBLICAS**

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LEARNING GOALS:

At the end of the seminar, students should be familiar with methodologies to:

- 1. Identify promising behavioral mechanisms behind a complex social problem;**
- 2. Test the most relevant mechanisms with the audience of policies targeted at that problem; and**
- 3. Identify opportunities to augment policy tools with such behavioral insights.**

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WHY IS IT A SOCIAL PROBLEM?

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- Social inequalities**

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- Regulation**
- Information**

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**Ideal
citizen**

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**Real
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REAL CITIZEN:

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- Unable to perfectly process information about costs and benefits**
- Subject to internal conflicts between reason and affect and influenced by social pressure**
- Not always able to follow through on past plans**

PROBLEM: Driving under the influence

POLICY TOOLS:

- Pricing**
- Regulation**
- Information**

**Ineffective for mitigating
negative externalities
&
Unwarranted consequences
for social inequalities**

**IN
PRACTICE**

CASE STUDY

“A local librarian was worried. Everyday, around 1pm, dozens of children would come in and flood its reading rooms. It was impossible to keep them quiet. Children only started leaving around 5pm. Based on what she was able to gather, the library was being used as daycare by parents who had to work in the afternoon with nowhere else to leave their children safe.”

– Moore, 2002 p. 35 [with adaptations]

CASE STUDY

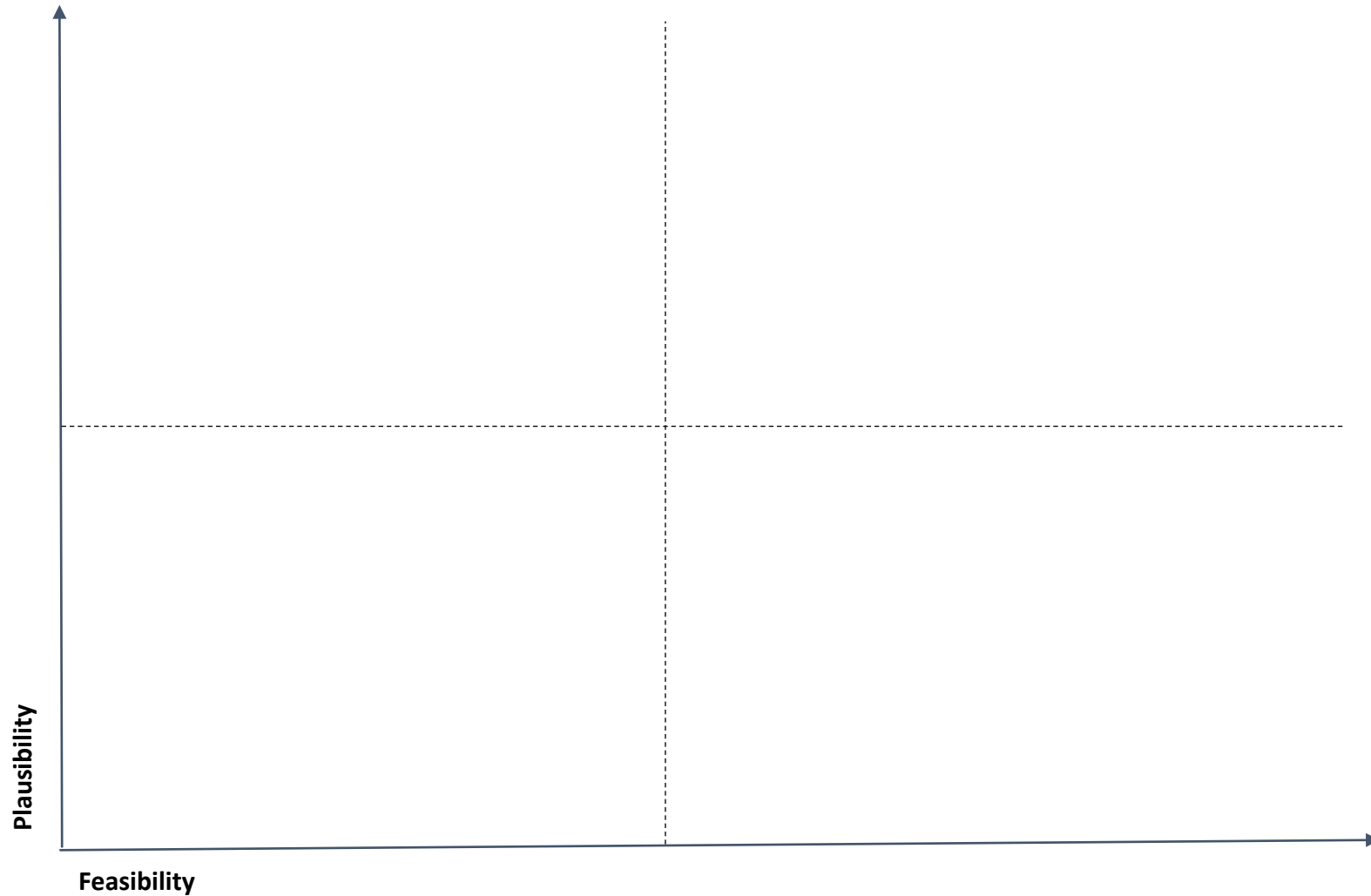
“A local librarian was worried. Everyday, around 2pm, dozens of children would flood its reading rooms. It was impossible to keep them quiet. Children only started leaving around 5pm. Based on what she was able to see, the library was being used as daycare by parents who had to work in the afternoon with nowhere else to leave their children safe.”

What are potential structural and behavioral mechanisms behind that problem?

What policies might or might not work to address it?

– Moore, 2002 p. 35 [with adaptations]

BEHAVIORAL MECHANISMS



Intrinsic motivation Do values, identity, culture or religion discourage the desirable action?	Social expectations Do expectations about group behaviors or conformity pressure discourage the the desirable action - even when that action cannot be observed by others?	Social pressure Do social image concerns discourage the the desirable action - when that action can be observed by others?
Impulsivity Does impulsive behavior the gets in the way of the desirable action - regardless of previous plans?	Procrastination Does excessive optimism about future plans discourage the the desirable action in the present?	Self-limiting beliefs Do self-limiting beliefs about one's ability to achieve positive outcomes discourage the desirable the desirable action?
Cognitive biases Do perceptual errors lead to undesirable actions?	Cognitive load Is the quality of decision-making compromised due to external conditions that compete for one's executive functions, leading to undesirable actions?	Learning-through-noticing Does ignoring (some of) available information in recurring decisions lead to undesirable actions?