

Book Review: The Behavioral Foundations of Public Policy

by Blog Admin

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*This collection examines the policy relevance of behavioural science to our social and political lives, to issues ranging from health, environment, and nutrition, to dispute resolution, implicit racism, and false convictions. The book aims to illuminate the relationship between behavioural findings and economic analyses, and calls attention to what policymakers might learn from this vast body of groundbreaking work. Those in government, non-profits, and the private sector interested in empirically supported ways to motivate people to act in their own best interest will find a rich source of examples and exposure to underlying theory in **The Behavioral Foundations of Public Policy**, writes **Jennifer Miller**.*



The Behavioral Foundations of Public Policy. Edited by Eldar Shafir. Princeton University Press. November 2012.

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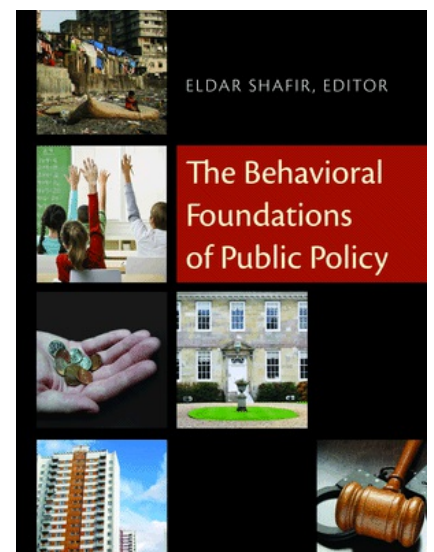
The UK government has [recently announced](#) its intention to find a private partner for its Behavioral Insights Team, colloquially known as the “nudge unit”. Since the publication of their influential 2009 book *Nudge*, both Richard H. Thaler, advisor to the Behavioral Insights Team, and Cass R. Sunstein, until recently the Director of the Office of Information and Regulatory Affairs in the Obama administration, have been given a chance to apply their ideas about human behaviour to public policy.

[Eldar Shafir](#), the William Stewart Tod Professor of Psychology and Public Affairs in the Department of Psychology and the Woodrow Wilson School of Public and International Affairs at Princeton University, has compiled a comprehensive review of applied behavioural science – more commonly known as behavioural economics – in *The Behavioral Foundations of Public Policy*.

The Wilson school has been teaching “psychology for policy” for at least 15 years. In this book, Shafir has brought together an example-driven collection of essays that examine the many ways human behaviour depends on context and subconscious interpretation so that this behavioural perspective can inform policy design.

With 30 chapters by over 50 contributors, an introduction by the editor, and a preface by Daniel Kahneman, the book is well equipped to provide a definitive treatment of the work that is emerging at the intersection of psychology, economics, and public policy. Contributors come primarily from the field of psychology, with business and law also well represented. Almost all contributors are working in the US and, although the book’s subject is commonly referred to as “behavioral economics,” only one contributor appears to reside in an economics department.

The book begins with applications in specific contexts, from employment to criminal justice to retirement savings, the environment, health, voting, and more. As Shafir describes it, each chapter aims to show “how research in the behavioral sciences might influence our understanding and the conduct of good policy in a particular domain” (p. 3). Considering that the behavioural scientist’s keen concern for the order in which choices are presented was one of the major themes of the book, I found its structure somewhat counterintuitive. The book seemed to work backwards from specific topics and cases to a few more general themes.



For example, my attention was drawn early on to the “Choice Architecture” chapter by leading figures in this field: Thaler, Sunstein, and John P. Balz. This chapter, which provides an overview of the main ideas in Thaler and Sunstein’s highly influential and popular book, is the 25th chapter. This chapter provides a brief introduction to the concepts of incentives, mappings, defaults, feedback, expected human error, and choice structure that inform recent attempts to apply behavioural science in public policy settings. Although the chapter offers little new to those already familiar with *Nudge*, it provides a useful summary for anyone new to their work.

Chapter 17, “Psychological Levers of Behavior Change,” by Dale T. Miller and Deborah A. Prentice, explains and illustrates with examples the principles of Lewinian psychology behind many of these recent innovations in applied behavioural science. Lewinian psychology emphasizes the limitations of both the economic approach of offering incentives and the typical psychological approach of changing attitudes. It may be more effective to realize that people already have the right attitudes and motivations, but instead need a form of license to take actions that will benefit them and are consistent with their existing beliefs.

Miller and Prentice cite the example of the U.S. National Highway Traffic Safety Administration’s [“Friends Don’t Let Friends Drive Drunk” campaign](#) in partnership with the Ad Council, which not only motivates people to speak up by creating discomfort around the idea of betraying friendship but licenses friends to speak up by removing a perceived “psychological tax” on intervention.

The book concludes with four chapters of commentary from various disciplinary perspectives: philosophy, medicine, policy, and economics. For example, William J. Congdon unifies several of the book’s economic themes in Chapter 27 “Psychology and Economic Policy”. Congdon challenges behavioural scientists to move beyond applying their insights to solve existing problems to using those same insights to reframe the problems themselves. He observes the potential for behavioural insights to inform public finance at the diagnosis, judgement and prescription stages, giving rise to new approaches in the areas of addressing market failures, redistribution, and fiscal policy.

I would recommend this book to anyone looking for a comprehensive perspective on the potential and limitations of the behavioural insights popularized by *Nudge* and similar works. It is not a light and popular treatment of the topic, but neither is it a dense academic treatment aimed at specialists. Those in government, non-profits, and the private sector interested in empirically supported ways to motivate people to act in their own best interest will find a rich source of examples and exposure to underlying theory in *The Behavioral Foundations of Public Policy*.

Jennifer Miller is an Assistant Teaching Professor at the University of Southern California’s Sol Price School of Public Policy. She received her doctorate in public policy from the University of North Carolina at Chapel Hill. Her research interests focus on the scientific workforce. She has also written about collaboration among universities, industry, and government in university research centres. Before pursuing her doctorate, she worked for IBM in human resources. [Read more reviews by Jennifer.](#)