

Researchers Leah Stern

Paying Taxes in the UK: Nudges and Operations Research

The UK has a really interesting initiative called the Behavioral Insights Team, colloquially known as the Nudge unit (after the popular book by Cass Sunstein and Richard Thaler). They published some neat results recently, which are eloquently described by <u>Tim Harford</u> in a <u>recent blog post</u>. The unit has been focusing on the kinds of operational questions - like getting people to pay taxes or get a driver's license - that are often uninteresting to researchers and academics, but are critical for governments and other implementers. We at IPA do a lot of the academic research, the sort of research that advances our knowledge about social sciences and/or human behavior, but we are also tackling the operational questions, like using text message reminders to encourage people to save.

It's great to see the UK government investing in what appears to be high-quality research grounded in behavioral economics. As Tim notes, "I am surprised – pleasantly surprised – because these experiments risk failure and take time, neither of which are qualities calculated to endear them to politicians." He's right, but these are the sorts of questions that governments are uniquely positioned to answer, and invested in answering. We're working with the government of Ghana, for example, to scale up and improve a program to bring teacher assistants into classrooms to help kids with their schoolwork. Along the way, we're looking at these sorts of operational questions, to help make the program as effective and affordable as possible.

To find out more about the work of the Nudge unit, check out <u>Tim's post</u> and <u>the findings</u> <u>published by the Behavioral Insights Team</u>. Or <u>find out more about nudges</u> from the work of Sunstein and Thaler.

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