

Adam Oliver November 8th, 2024

A personal history of the development of behavioural public policy

Ahead of his inaugural LSE lecture, Adam Oliver describes how he became involved in the field of behavioural public policy, detailing how the intellectual architecture of the field came into existence and his hopes for how it might develop in the future.

# Getting lost in a field: a personal history in behavioural public policy



Department of Social Policy | 9 December 2024

Over the past 15 years, behavioural public policy (BPP) has become an established field of public policy, with its own dedicated journals, conferences and associations. In this article, I will reflect briefly on my own personal contribution to the development of this field.

As an undergraduate more than thirty years ago, Bob Sugden introduced me to some of the central behavioural economic concepts, which piqued my interest so much that when I took a graduate degree at the University of York I gravitated towards a course in experimental economics, taught by Bob's frequent collaborator, Graham Loomes.

After finishing my MSc, I won a Monbusho Fellowship at Keio University. Although the Fellowship was offered principally to undertake research in health policy, there was little monitoring, which afforded me the opportunity to try to get to grips with (to me) more interesting topics, such as rank-dependent utility theory (RDU).

That perhaps surprisingly proved useful when Graham Loomes later invited me to submit an application to study for a PhD at Newcastle University. My PhD comprised testing the axioms of rational choice theory over health outcomes, and to complete that particular circle, Bob served as

my external examiner. In January 2001, I joined the London School of Economics and I have been here ever since.

When I initially joined LSE, much of my work was focused upon health policy reform, but what really interested me the most over the decade up to 2010 was the testing of behavioural economic-related phenomena in the health domain. As such, I analysed the implications and undertook tests of the Allais and Ellsberg paradoxes, prospect theory and RDU, time preferences, the gestalt characteristics, and preference reversals (among others) all within the context of health.

However, my policy interests extended increasingly beyond health. Therefore, when it seemed like the whole world suddenly discovered the relevance of behavioural economics to policy design at the end of the noughties, I felt as though I was unusually well positioned to contribute to the development of this new field of public policy.

## The birth of behavioural public policy

The explosion of policy interest in behavioural economics/science was due to a confluence of circumstances. For instance, the 2007-08 financial crisis motivated many to search beyond orthodox economics for explanations as to what could have gone wrong and what could be done better. Relatedly, public sector budgets were suddenly emptied, which sent policy makers on a search for relatively "cheap" wins.

Their search led them to Richard Thaler and Cass Sunstein's recently published book, *Nudge*, which appeared to offer such possibilities. And most importantly in terms of policy impact, David Cameron established the Behavioural Insights Team in the heart of his government, the first time a team dedicated entirely to policy lessons from behavioural science had been formed at the central government level.

I felt that my longstanding interests and contributions qualified me to contribute to these new developments. Others at LSE also took an interest. For instance, in 2010, Julian Le Grand proposed that he, with my help, develop a new postgraduate course in this space, and at a teachers' meeting we endeavoured to settle on a name for it. "Behavioural public policy" was proposed, and the name stuck.

We then asked the powers that be at LSE to support a series of seminars led by many of those whom we felt would be leaders in this new field. This led to a monthly seminar over the 2010-11 academic year in which we invited people such as Bruno Frey, George Loewenstein, Drazen Prelec, Matthew Rabin and Paul Slovic to present their work to an audience that comprised of a mix of academics and policy makers.

The output of that seminar series was published as an edited collection in 2013, which served a number of important purposes. For instance, its title – *Behavioural Public Policy* – signalled the

name of this new field. Having policy officials take part in the seminar series was an important early attempt at bridging the academic-policy maker "divide".

And, relatedly, the book was our first link to the then Head of the UK Civil Service, Gus O'Donnell, who had earlier been instrumental in the formation of the Behavioural Insights Team, and who has been an important source of enthusiastic support for BPP ever since. Fuelled by the success of the seminar series, thoughts turned towards a gap that ought to be filled if BPP were to be a recognised field. Namely, its own dedicated journal.

#### The intellectual architecture

In 2015, I approached George Akerlof and Cass Sunstein, who had both been supportive of the output of the BPP seminar series, to see if they would agree to join me as co-editors of the prospective journal. Cambridge University Press sent our proposal for a new journal to fourteen anonymous reviewers, thirteen of whom were positive, an unusual degree of consensus on the merits of any initiative. The first issue of *Behavioural Public Policy* – now the world's leading BPP field journal – was published in 2017.

After founding the journal, attention turned to other initiatives that are necessary for a body of intellectual thought to be classified as a dedicated field. Among those, was an annual international gathering, open to academics and policy makers who contribute to the field. This led to the creation of the Annual International Behavioural Public Policy Conference, which has proven to be a great success, with iterations held and planned in several places around the world. In 2022, to serve as the final major cornerstone of our BPP efforts, we established the International Behavioural Public Policy Association.

There is also now a multitude of ongoing additional initiatives that illustrate the vibrancy of BPP as a field, at LSE and beyond. For instance, there is an Annual LSE BPP Lecture, a monthly virtual BPP seminar series, the LSE-funded BPP Exchange Group, which brings together academics and the behavioural leads at UK government departments, international agencies and private corporations to discuss opportunities and challenges at regular workshops, and a number of IBPPA symposia, including an annual gathering in Singapore and a regular collaborative effort between LSE and Cambridge University.

### The future

When Thaler and Sunstein first published their book, their soft paternalistic approach to public policy appeared (to me) to be quite sensible. However, I soon began to question the ability of policymakers to discern what people want from and for their own lives, given the multifarious desires that people have.

Although soft paternalistic approaches ought to be respected and debated, there is a need also to consider more autonomy-respecting perspectives. From this viewpoint, I wrote a trilogy of books on what I see as the origins, development and future of the field. These books, I hope, will, in the spirit of David Hume and John Stuart Mill, and more contemporary scholars such as James Buchanan and Joseph Raz, serve as a foundation for a classically liberal approach to BPP.

I believe that those who work in BPP should never lose sight of the importance of individual autonomy; that if we are not substantively harming others, we ought to be the authors of our own lives. To quote Raz, the "conditions of autonomy... consist of three distinct components: appropriate mental abilities, an adequate range of options, and independence".

These three conditions – providing the right conditions for people to be best placed to make choices for themselves, widening the choice set, and regulating against unacceptable manipulation and coercion – offer tremendous scope for BPP and are, I believe, the most ethically defensible approaches to this still nascent field.

Adam Oliver will be giving a public lecture at LSE on 9 December, Getting lost in a field: a personal history in behavioural public policy.

Note: This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics.



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#### About the author



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Adam Oliver is a Professor of Behavioural Public Policy in the Department of Social Policy at the London School of Economics and Political Science. He has helped to develop a whole new field of public policy – behavioural public policy – that focuses on how the findings of behavioural economics specifically, and behavioural science more broadly, can be linked to public policy concerns.

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