

Lecturer: Carmen Lawrence

Lewin's Field Theory

- $B = f(P, E)$
- behaviour is a function of the person and the environment
- psychology's subjects are the "WEIRDest" people in the world

Taxonomy of behavioural interventions

- regulation
- fiscal measures

Regulation

- eliminate choice
 - prohibiting goods or services
 - e.g. banning certain drugs
- restrict choice
 - restricting the options available to people
 - e.g. banning smoking in public places

Fiscal measures

- disincentives
 - fiscal policies to make behaviour more expensive
 - e.g. taxation on cigarettes or congestion charges in cities
- incentives
 - fiscal policies to make behaviours more financially beneficial
 - e.g. tax breaks or rebates for purchase of solar hot water

Non-regulatory and non-fiscal measures

- incentives and disincentives
 - policies which reward or penalise certain behaviour
 - e.g. time off work for blood donation
- persuasion
 - persuading individuals using argument
 - e.g. alcohol reduction mass media campaigns
- provision of information
 - e.g. in leaflets showing CO2 emission from use of various appliances
- changes to physical environment

- e.g. traffic calming; building design
- changes to the default policy
 - e.g. requiring people to opt out rather than opt in, such as in organ donation or purchase of renewable energy
- use of social norms and salience
 - providing information about what others are doing
 - e.g. energy use compared to neighbours

Economics and fiscal measures: 5 myths

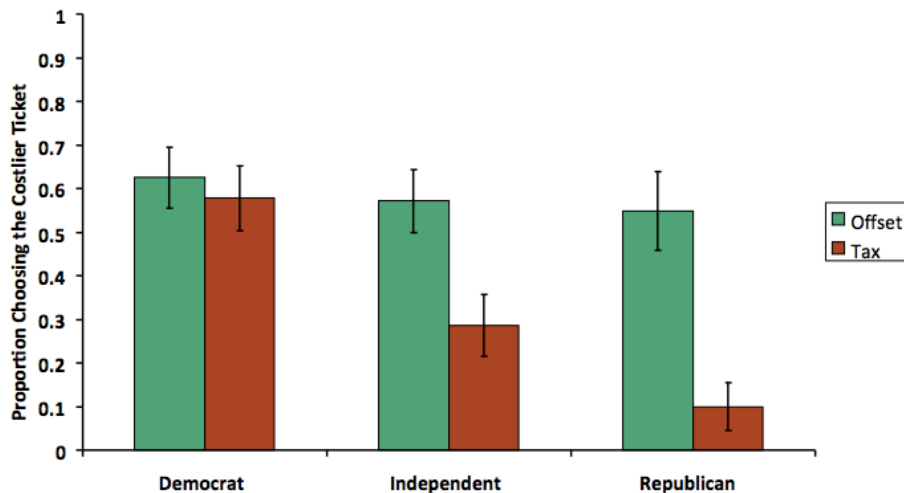
1. individuals have stable and consistent preferences
2. individuals know their preferences and they pursue known preferences with volition
3. individuals make decisions based on all of the evidence available to them
4. free markets solve economic problems
5. credible empirical evidence consists of outcome data, not of mechanism data

Framing

- students given \$50: described as rebate or bonus
- one week later, asked how much they had spent
- on average, "rebate" recipients spent \$10 and saved \$40, while "bonus" recipients spent \$22 and saved \$28
- possible explanation is tax

Tax-offset study

- participants presented with proposal to increase cost of certain products believed to contribute to global warming
- told price increases would fund programs to decrease CO2 levels through alternative energies or carbon sequestration
- proposal described as "carbon tax" or "carbon offset" (between subjects manipulation)
- then had to choose flight ticket price



Tyranny of choice?

- is having more information always better?
- perhaps
 - it produces worse choices and lower satisfaction
 - some information is superfluous and distracting
 - it may exceed cognitive limitations
 - lacks meaning
- note impacts of source, normative implications

Example: understanding cognitive processes

- relevance to
 - children's learning
 - clinical and business decision making
 - public health campaigns e.g. vaccination
 - use of new technologies
 - operation of justice system
 - assessing the adequacy of economic policy
 - industrial relations policies
 - racial and ethnic disparities in health

Example: literacy

- intervention: distributing teaching in short sessions through the day
 - huge impact on performance of disadvantaged children
 - learn at twice the normal rate
 - in those with reading difficulties, deficit is reduced by a factor of ten