



Original research article

Behavioural economics vs social practice theory: Perspectives from inside the United Kingdom government

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ARTICLE INFO

Keywords:

Behavioural economics
Practice theory
Nudge
Energy policy

ABSTRACT

This paper contributes to the ongoing debate on the role of the social sciences in influencing energy and environmental policy. It presents the views of research professionals inside government on the apparent stand-off between proponents of behavioural economics and adopters of social practice theory in academic energy research.

Drawing on auto-ethnographic insights and interviews with government social researchers (GSRs) working on energy and climate change, we chart the rise of behavioural economics within the UK government, discussing the reasons behind its success, and its limitations. GSRs' perspectives on energy research using practice theory are presented, juxtaposed with arguments which help to explain why policy engagement is not a ubiquitous ambition for all energy researchers.

We find that government social researchers actively engage with a range of theoretical approaches and social scientific methods. They express enthusiastic interest in research using practice theory, but point to a need for applicable evidence if they are to use it in their own practice. Applying insights from the two theories themselves, we tentatively suggest ways in which GSRs could help, and be helped, to incorporate practice theory into mainstream policy discourse.

1. Introduction

Behavioural economics has become one of the most successful social sciences when it comes to influencing energy policy discourse. Moving beyond *homo economicus* as a way of understanding energy behaviours, it highlights how individuals can be subject to systematic bias, and may be 'benevolently nudged' towards policy goals such as reduced energy consumption [1]. Proponents of practice theory in the energy research community have criticised the behavioural economics approach, arguing that 'nudge' interventions fail to challenge the systems and structures which embed patterns of energy consumption into the social world [2,3]. Rather than focus on the individual as the principle unit of research, this approach, developed primarily in sociology, places the *practice* at the centre of analysis.

The goal of this paper is to contribute to the ongoing debate on the role of the social sciences in influencing energy and environmental policy [4–8]. Presenting perspectives from inside government, it addresses the apparent standoff between proponents of behavioural economics and adopters of social practice theory in academic energy

research. Our focus is on the UK, which has become a leader in applying behavioural economics to policy, particularly since the formation of the Behavioural Insights Team (BIT) in 2010. Established by David Cameron's new coalition government, BIT has now gained global influence [9]. Meanwhile, UK energy researchers have also been at the forefront of developing, applying and debating practice theory [[10,11] see also debates initiated by [2,5]]. Although we focus on a single country and two distinct theories, the paper makes a contribution to understanding the relationship between research and policy, with international relevance.

Our empirical investigation seeks to understand how social research is used to inform policy development, and the reasons behind the relative success of behavioural economics in gaining influence within the UK government. The paper draws on auto-ethnographic insights and a set of in-depth interviews with civil servants working on energy, environment, sustainability and transport policies across Whitehall¹ departments. Some social scientific literature has argued that government policy making is wedded to the epistemic tradition of methodological individualism, and the notion of individual behaviour change [2].

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However, we show that GSRs are both aware of and open to non-individualistic social science including practice theory. We discuss the reasons why practice theory remains peripheral within mainstream policy discourse, presenting perspectives from GSRs, juxtaposed with arguments which help to explain why policy engagement is not a ubiquitous ambition for all energy researchers. Acknowledging the fervency of argumentation on all sides, and applying insights from the two theories themselves, we tentatively suggest ways in which GSRs could help, and be helped, to incorporate practice theory into policy discourse.

2. Literature review

2.1. Behavioural economics, behavioural insights and nudge

Moving beyond the idea that individual behaviour is motivated by purely rational economic decision making, behavioural economics draws on psychology and neuroscience to describe how individuals' behaviour, decision-making processes and thinking patterns can be subject to systematic bias. Amalgamating a range of concepts including advertising and marketing, behavioural economics has created its own distinct lexicon, with terms such as 'choice architecture', 'discounting' and 'loss aversion' describing factors which influence individual decision-making [1].

Despite its name, behavioural economics is more aligned with psychology than economics, a point borne out by the fact that one of its best known figures Daniel Kahneman won the 2002 Nobel Memorial Prize in Economics for his contributions, despite reportedly never having taken a course in economics [12]. Its nominal affiliation with economics, as well as the accessible writing of proponents such as Kahneman [13] and Thaler and Sunstein [1], have helped it to develop a following from public audiences and policy makers around the world. In popular discourse the term 'Nudge' (the title of Thaler and Sunstein's 2008 book) has become synonymous with behavioural economics itself, describing ways in which individuals can be benevolently influenced when making decisions. Underpinned by the concept of 'libertarian paternalism', nudge seeks to promote and defend the notion of individual choice, arguing for government policy which supports citizens to make decisions in their own best interests [14].

For over a decade the UK government has taken an active interest in the potential for behaviour change to contribute towards a low carbon transition, including commissioning large evidence reviews [15], and generating its own models for behaviour change [16,17]. Since 2010, when David Cameron became Prime Minister, behavioural economics has been gaining influence in UK public policy. Having declared *Nudge* to be his favourite book, he established the Behavioural Insights Team (BIT) within the Cabinet Office, recruiting Thaler as an official advisor. Nicknamed the 'Nudge Unit', BIT was given a cross-departmental remit and an initial requirement to recoup at least ten times its own annual running costs [18]. It delivered on this goal, with successful projects such as adding the sentence 'pay your tax or lose your car' to car-tax reminder letters, and asking patients (rather than receptionists) to write out their own GP appointment cards to reduce missed appointments. BIT has been 'spun-out' of the Cabinet Office but continues to work with 15 government departments and agencies [9], using the principles of behavioural economics to contribute towards policy areas as broad as health, education, crime, finance and energy [19]. As well as working with BIT, civil servants within Whitehall departments now conduct behavioural insights work themselves, or in collaboration with other third parties.

Academic critiques of behavioural economics have come from a variety of disciplines. Some authors take issue with the political and philosophical stance of libertarian paternalism, with its focus on the individual and ties to neoliberal economics. Jones et al. [14] draw on Foucauldian theories of governmentality and psychological power to identify how a new form of citizen is being created by libertarian

paternalism; one which is both infantilised by nudges towards health, wealth and happiness, while conversely engaged with as a reflexive and analytical agent.

Despite claiming both influence from psychology and neuroscience, the distinction between the two is not always clear. Felson and Reiner [20] argue that there has in fact been little empirical analysis of *how* nudges influence decision making using data and theories from neuroscience, nor is there adequate evidence on the longer term impact of habituated responses as compared with reflexive decisions. Others have argued that invocations of neuroscience in bestsellers such as *Nudge* are often selective, unscientific and used to give authority to subjective argumentation [21–23].

Addressing the policy implications of behavioural economics, Lodge and Wegrich [24] argue that there is a rationality paradox at the heart of nudge. Whilst emphasising the bounds of rational choice for individuals, it does little to acknowledge the limits to rationality embedded in its own approach, as well as within government policy procedures. They argue that nudge assumes that the benevolent, rational policy maker is able to identify bounded rationality in others and identify their suboptimal choices. In reality, the resources and approaches adopted by government limit their own rationality. Financial constraints, political priorities and a tendency towards confirmation bias are presented by the authors as factors contributing to a policy landscape that 'pretends to be evidenced based in order to find seemingly low cost, high-intelligence measures'. However, there is evidence that behavioural insights professionals are seeking to counter these criticisms, including critical reflections on trial design and the use of Randomised Control Trials (RCTs) [25,26], developing the methodology design principles 'Test, Learn, Adapt' [27] and publishing negative findings [28]. The Behavioural Insights Team have recently published a number of articles addressing this criticism under the heading 'behavioural government' [29].

2.2. Practice-inspired critiques

While behavioural economics has been the subject of critiques from a variety of disciplines, it has been particularly lamented by energy researchers using practice theory. One criticism frequently made in the context of energy policy is that nudge is simply not ambitious enough to bring about the scale of change required to radically decarbonise the economy. Sceptical of epistemological models which focus on the individual, practice theorists have criticised the notion of behaviour change in research and policy [2]. Instead, practice theory has been used to emphasise how energy demand is bound up within the doings and sayings of everyday life [30]. Individuals do not seek to 'consume' energy for its own ends, but rely on it to facilitate everyday practices such as commuting to work, being comfortable at home, or laundering clothes [31]. These energy-using practices have become embedded in contemporary social life, and rely on complex and embedded infrastructures such as national road networks, the domestic building stock and national electricity grids. Even if individuals were motivated through a variety of nudges to change their behaviours, there are myriad socio-technical structures that inhibit behaviour change. The next section introduces practice theory approaches to energy demand research, and discusses recent efforts to link this perspective to policy.

2.3. Practice theory and policy: A contested relationship

With roots in philosophy and sociology, theories of practice have become influential in social scientific research on energy and sustainable consumption. Rather than focus on the individual, these approaches take the *practice* as the unit of analysis, showing how social activity is made up of a constellation of human, material and discursive elements [32]. This framework offers insights into the establishment, development and trajectories of energy consumption, and has been employed to trace the lives of practices such as showering [33], cycling

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