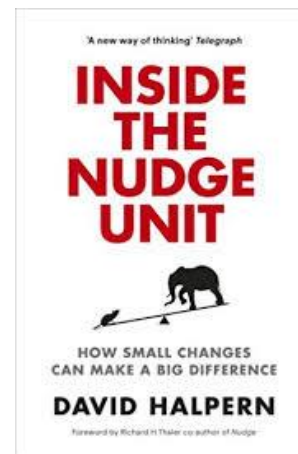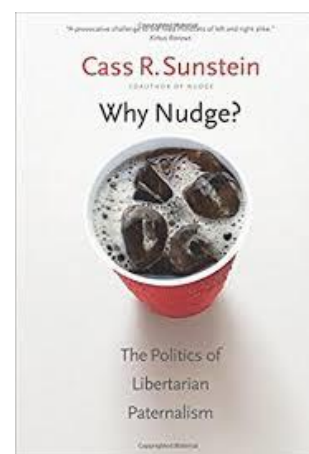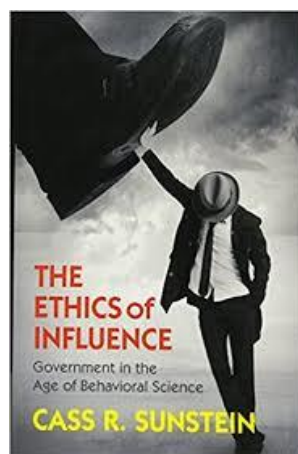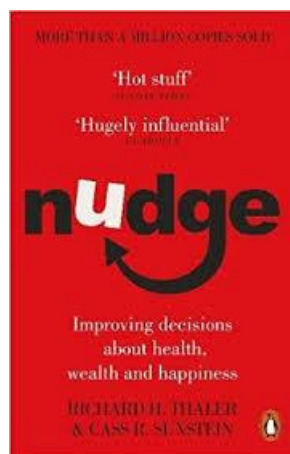# The promise of behavioural insights
to tackle development issues and shaping public policies
in Indonesia

ARIF BUDY PRATAMA
PUBLIC ADMINISTRATION DEPARTMENT, UNIVERSITAS TIDAR
arifpratama@untidar.ac.id
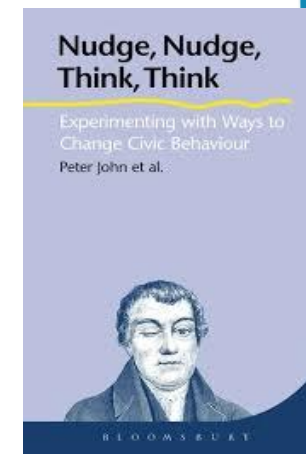
Introduction: key challenges faced by the government of Indonesia

Burden of regulation

Lack of Innovation

Regulatory Overlap

Low score on governance indicator (World Bank, 2017)

Over-regulated

ranked 87 in global innovation index, above Belarus and below Bosnia

detiknews

Tembus 60 Ribu, Ini Daftar 10 Jenis Regulasi Terbanyak di Indonesia

Sepulangnya dari Jepang, tim Kemenkum HAM langsung menerapkan ilmu yang diserap. Dirjen Peraturan Perundangan mengupdate peraturan yang ada di Indonesia. Berikut peringkatnya:

1. Peraturan Daerah sebanyak 15.086 peraturan.
2. Peraturan Menteri sebanyak 11.091 peraturan.
3. Keputusan Presiden sebanyak 5.226 peraturan.
4. Peraturan Pemerintah sebanyak 4.790 peraturan.
5. Peraturan Lembaga pemerintah Non Kementerian 3.015 peraturan.
6. UU sebanyak 1.889 peraturan.
7. Peraturan Presiden sebanyak 1.764 peraturan.
8. Perpu sebanyak 171 peraturan.
9. Otoritas Jasa Keuangan sebanyak 188 peraturan.
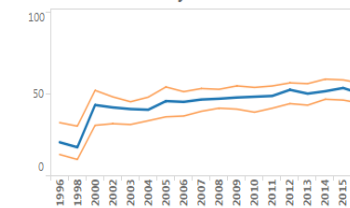10. Bank Indonesia sebanyak 45 peraturan.

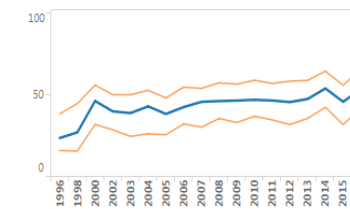"Total mencapai 60 ribu lebih regulasi," kata Direktur Pengundangan, Ditjen Peraturan Perundang-undangan, Kemenkum HAM, Januar Santoso

Rabu 08 Maret 2017

Worldwide Governance Indicators

Income Group, Region, or Country: Indonesia

Voice and Accountability

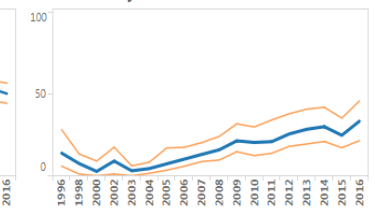Political Stability and Absence of Violence/Terrorism

Government Effectiveness

Regulatory Quality

Rule of Law
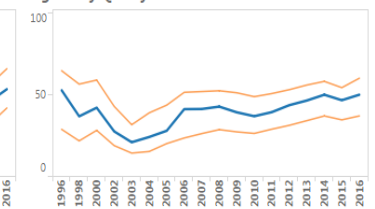
Control of Corruption
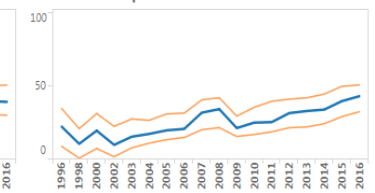
Year
All

Listed in order:
(') Income Group Averages,
(*) Regional Averages, and
individual Countries.

search –>
○ ' High income: nonOECD
○ ' High income: OECD
○ ' Low income
○ ' Lower middle income
○ ' Upper middle income
○ * East Asia & Pacific
○ * Europe & Central Asia
○ * Latin America & Caribbean
○ * Middle East & North Africa
○ * North America
○ * South Asia
○ * Sub-Saharan Africa
○ Afghanistan
○ Albania
○ Algeria
○ American Samoa
○ Andorra
○ Angola
○ Anguilla
○ Antigua and Barbuda
○ Argentina
○ Armenia
○ Aruba
○ Australia
○ Austria
○ Azerbaijan
○ Bahamas, The
○ Bahrain
○ Bangladesh

The inner, thicker blue line shows the selected country's percentile rank on each of the six aggregate governance indicators.
The outer, thinner red lines show the indicate margins of error.

Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators: Methodology and Analytical Issues
The Worldwide Governance Indicators are available at: www.govindicators.org
Note: The Worldwide Governance Indicators (WGI) are a research dataset summarizing the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms. The WGI do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The WGI are not used by the World Bank Group to allocate resources.

Nudge as the root of behavioural insights

Nudge:

any aspect of the choice architecture *that* alters people's behaviour in a predictable *way without forbidding any options* easy and cheap, 'libertarian paternalism' principle

Nudge is not a mandate, enforcement nor legislation

Behavioural insights:

Derived from the behavioural sciences that are being applied by government to make public policies work better.

Formed based on empirically tested-result, using sound experimental methods to provide 'work works' in the policy

| Understand the problem | Setting desired behavioural Change | Understand context | Design-Intervention-Experiment | Learning |

INDONESIA DEVELOPMENT FORUM 2018
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Behavioural Insights in Practices

Blackpool UK
https://theworldnews.net/gb-news/taking-steps-to-tackle-blackpool-s-litter-problem

Copenhagen Airport
http://designincubationcentre.com/nudge/category/uncategorized/

https://medium.com/dare-to-challenge/nudging-ea913fa54ae0

Singapore
https://designincubationcentre.com/nudge/tag/singapore/

112 case studies on consumer protection, education, energy, environment, finance, health and safety, labour market policy, public service delivery, taxes, and telecommunication (OECD, 2017)

Behavioural Insights and Public Policy
Institutions applying BI to public policy around the world

OECD

Institutions inside government   Institutions outside government   Multi-national organisations

Source: OECD Research (2018)

Take away points

❑ Behavioural insights has a potential to be applied in Indonesian public policy making

❑ Comparing to regulation/law, behavioural insights have some advantages (Pratama, 2015) see:
http://www.thejakartapost.com/news/2016/04/15/nudging-or-regulating.html

   a. Regulations do not assure obedience from citizens
   b. Making regulations are costly (time, budget, resources) and sometimes carry political bias
   c. Behavioural insights offers democratic and non-coercion mechanism to managing society

❑ Walk hand in hand with law and regulation

❑ As we practice decentralisation, sort of nudge units/Behavioural insight team can be pioneered in the local government level