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MAXIMISING THE IMPACT OF POLICY EXPERIMENTS

There is something of a revolution going on in evidence-based policy-making in the UK. A small team in the Cabinet Office – the Behavioural Insights Team – has been conducting field experiments to test ways of improving policy delivery in the UK. A one-day workshop, hosted by the CMPO, brought together academics and policy-makers to discuss the role of such experiments and how to ensure that they are designed and implemented to maximise their potential impact for policy-making.

Through a series of randomised controlled trials the Behavioural Insights Team have demonstrated the effectiveness of text messages to improve payment of fines and used social norms to increase the promptness of tax payments. Outside of government, a number of UK academics are also turning to experiments to learn more about whether policies work and why.

The experiments discussed at the CMPO workshop ranged from a five-year trial run in Ireland to evaluate the effect of an early-years intervention programme (The Preparing for Life intervention), to trials in schools testing healthy eating incentives and performance payments, to experiments run in the laboratory to look at how people respond to increasing levels of complexity in a stylised tax system. Across this wide range, however, there were a number of common themes.

Above all, presenters emphasised the importance of randomisation. The power of experiments comes through the random assignment of the 'treatment'. Randomisation allows the experimenter to learn about the true causal effect of an intervention because the treatment is the only thing that differs between the treatment and control groups.

Yet, there have been some well-known field experiments – such as the Perry Pre-School Programme, trialled in the US in the early 1960s – where there is now a concern that the randomisation may not have been >

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perfect. A big challenge is that often those involved in service delivery may want to give the 'best' treatment to those that they think are in the greatest need. In the experiments discussed, therefore, a lot of care had been paid to achieving a truly random allocation of participants.

Often there may be a prior ethical concern with the idea of random allocation. Yet, in practice, the opposition was found to be stronger among the gatekeepers than among the participants themselves. One message that was effective with the participants was that their involvement would help the researchers to learn about what worked and so benefit others.

There is always a need to obtain informed consent from participants and this may lead to a potential selection bias into the experiment when that consent is not forthcoming from everyone.

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In an experiment run in schools to test the effects of incentivising children to eat fruit and vegetables, for example, not all children in the selected schools could take part (in the treatment or control groups) because consent was not given by their parents. The result is that the group of people taking part in the experiment may not be a randomly selected sample of the population – even of the relevant sub-population – and this may have implications for the potential wider applicability of the findings.

There are obvious parallels between policy experimentation and what happens in the medical profession where new medicines are subject to extensive testing. Prior to clinical trials, there is also a stage of development and testing in the lab, often involving rats, which drew comparisons with the role of the lab in policy development (with the role of the rats played by students).

The strength of the lab is that it offers a low-cost option to researchers and policy-makers to enable them to 'try out crazy stuff' and to test and tweak designs.

The two approaches – lab and field – should be seen as complements in the policy development process. Researchers can go to the lab before going to the field to try out ideas; but in the policy process, lab experiments may also provide an opportunity to gain greater insights into the findings from field experiments by, for example, bringing the relevant players into the lab to find out why things might have worked and to test responses.

Experiments have the potential to have huge impact with policy-makers because they can provide a clear demonstration of policy effect. Comparing outcomes among two groups is much simpler than explaining a structural model or an instrumental variable identification strategy.

Maximising impact may also require continual engagement with stakeholders – particularly in the context of a longer-term study where the findings may not be known for several years. The political cycle may mean that politicians come and go before the experiment has run its course and this may require researchers to engage with the civil servants who are more likely to remain in post.

Of course, politicians may not be interested in funding something that will not deliver results until they are out of office, but non-government funders are an alternative investor in longer-term studies. Co-funding for the early years interventions study in Ireland came from Atlantic Philanthropies. One of their rationales was legacy-building and the idea that evidence from an experiment, if it proved the programme's success, would make the programme harder for policy-makers to over-turn.

It seems almost inevitable that experiments will play a bigger role in the policy process in the future. For the Behavioural Insights Team, success is breeding success. While there was initial scepticism inside and outside Whitehall about running trials, their clear demonstrability has led to demands for doing something similar from other departments.

Increasing localisation of service provision is also providing opportunities for local governments to run trials. And non-

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government bodies, charitable foundations such as Atlantic Philanthropies and other organisations such as the Education Endowment Fund, which is funding the performance payments trial, are also increasingly keen on this approach.

Going forward, the academics emphasised the need to pay careful consideration to what can be learned from individual policy experiments. While field experiments provide strong evidence of treatment effects, rolling out a programme nationally is not the same as running a field experiment – even the treatment may vary from what it was in a small scale tightly controlled experiment as well as obvious issues with differences in the affected population. This also means thinking seriously about the potential selection issues that are likely to affect the sample of people who take part in a trial. Replication of lab experiments is relatively straightforward but may be much harder to achieve in the field.

At the very least the findings from different trials should be brought together in one place, e.g. in a trials database, and be made available to allow people to gain the maximum knowledge from each trial both individually and collectively.

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