

APPLICATION OF BEHAVIOURAL INSIGHTS ACROSS ASEAN

In an earlier [article](#), we discussed the concept of behavioural approach in the policy-making process. Recently, there has been a shift from traditional regulatory reform (which focuses on reviewing existing legislation and improving them by way of amendments or new laws) towards non-regulatory solutions (such as using behavioural sciences to revise policy framework). This is a global widespread phenomenon where even ASEAN countries are not oblivious to its impact.

In this article, our Partner and Head of the Corporate & Government Advisory practice, Mohamad Izahar Mohamad Izham and Associate Amiza binti Ahmad Murad will uncover among others, the application of Behavioural Insights among the ASEAN countries, and lessons learned from Behavioural Insights projects in select countries.

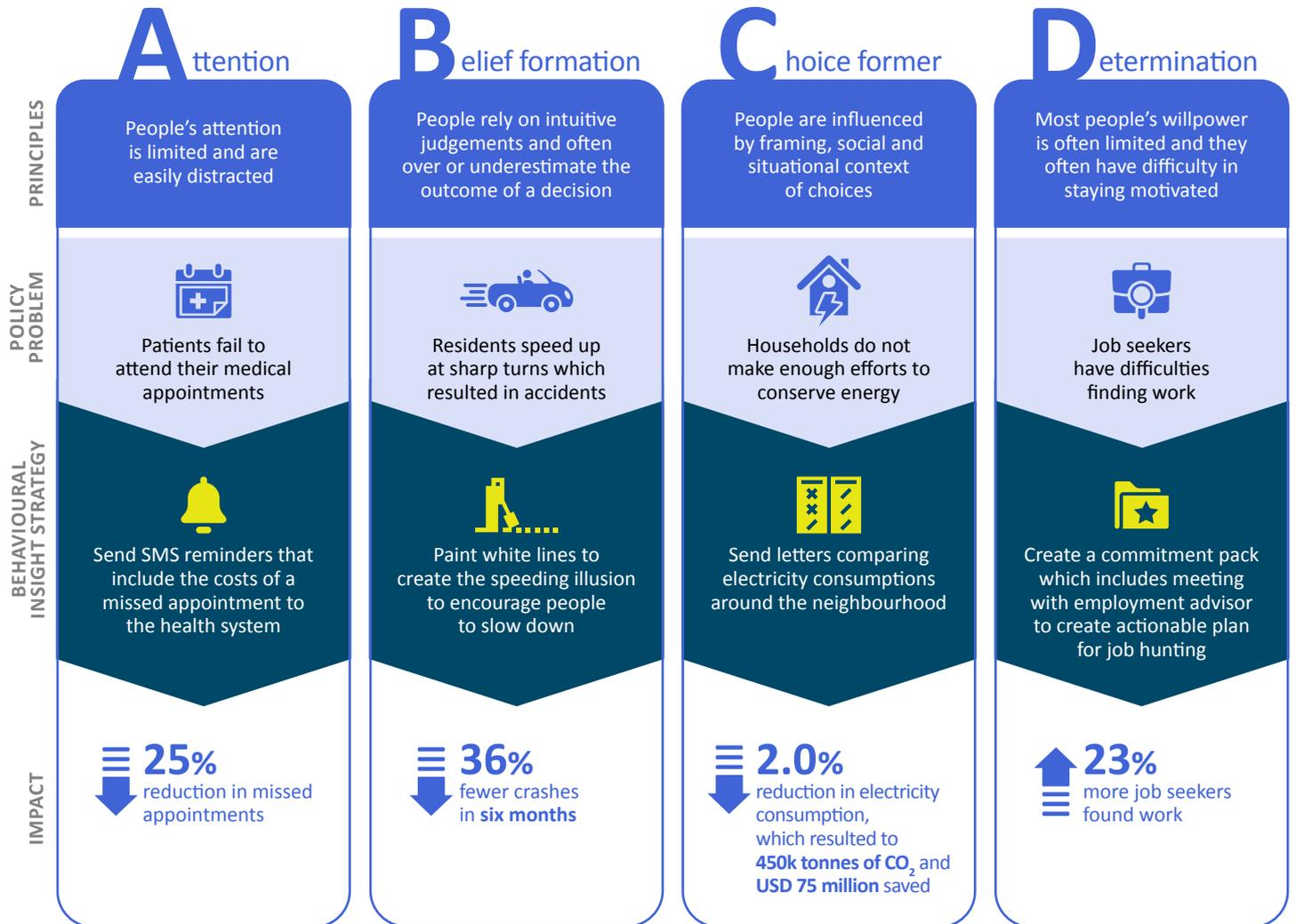
NOVEMBER 2022

Consistent with the efforts by the Organisation for Economic Co-operation and Development (“OECD”) to promote Behavioural Insights globally, the current trend shows that an increasing number of countries have begun to implement behavioural approach in their policy regime. In times of crisis, most countries have started to notice that an increase of compliance can only be seen if there is an influence for change coupled with regulation in place. Although the concept of Behavioural Insights is recently getting more recognition in the Malaysian public policy scene, the concept is not foreign.

Other Governments, such as the UK, already has a dedicated team called the Behavioural Insight Team, also known as the Nudge Unit, that has been researching on this since 2010 and expanded their efforts to other developing countries such as Thailand and Indonesia. In Malaysia, due to the 12th Malaysia Plan, more efforts are seen within the Malaysian Government to, among others, instil a dedicated team within government agencies to improve efficiency and increase compliance rates using the Behavioural Insights method.

UNDERSTANDING BEHAVIOURAL INSIGHTS IS AS EASY AS ABCD

The Minister of Health in his speech at the 75th World Health Assembly (WHA) in May 2022 emphasised that to promote behavioural change, there needs to be clear communications and accessible information. This is consistent with the (A)ttention, (B)elief formation, (C)hoice former and (D)etermination principles of Behavioural Insights promoted by the OECD. In short, the principles are explained below:¹



¹ ‘Behavioural Insights and Organisations: Fostering Safety Culture’ (OECD, 2020) <https://www.oecd-ilibrary.org/sites/e6ef217d-en/1/2/1/index.html?itemId=/content/publication/e6ef217d-en&_csp_=697932bf648c5a9f016f46d481119347&itemIGO=oecd&itemContentType=book>.



MANAGING BEHAVIOURS USING PRIME FRAMEWORK

In Malaysia, the PRIME framework was developed by Malaysia Productivity Corporation (MPC), a government agency that is mandated to promote Behavioural Insights within government agencies under the 12th Malaysia Plan. The principles of PRIME are explained in detail below:



Purpose

Before embarking on behavioural insight analysis, policy makers first need to identify the issues that require intervention, identify the stakeholders, and develop a strategy for the analysis.



Review

Once the problem statement and purpose of analysis have been identified, policy makers need to review the current situation by way of qualitative and quantitative data that it can gather.



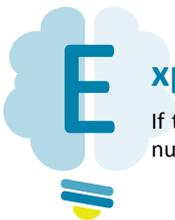
Intervention

At this stage, policymakers can now decide on the “nudge” that it intends to implement to influence the current issue and/or scenario. Additionally, policy makers need to decide on the measurement of outcome, including the participants it intends to influence.



Measurement

Once the nudge has been implemented in the timeline provided, policy makers will need to measure the behavioural outcomes of the participants and record/report the findings.



Expand

If the intervention or nudge is successful, policymakers will need to decide how it intends to apply and expand the intervention or nudge to the public.

Note:

MPC is in the midst of drafting a National Behavioural Insights Guideline and Handbook to be read together with the PRIME Framework which is expected to be released in the near future.

APPLICATION OF BEHAVIOURAL INSIGHTS IN ASEAN COUNTRIES

Besides Malaysia, we also sought to understand how Behavioural Insights have affected the policy making process in the other ASEAN countries. Our findings are summarised as follows:

Behavioural Insights Application	
<p>BRUNEI</p>	<p>In 2021, the Ministry of Health in Brunei Darussalam requested for the World Health Organisation (“WHO”) to host specialised Communication for Health (C4H) workshops to build capacities for the application of behavioural science. This was in response to the COVID-19 pandemic which has seen more protective measures being put in place to reduce the risks of infection.²</p> <p>In addition to the above, based on a recent report by the WHO, the Regional Office for the Western Pacific is providing technical support for the establishment of a behavioural insights unit within the Ministry to the Ministry of Health of Brunei Darussalam.³</p>
<p>CAMBODIA</p>	<p>As per Cambodia Coronavirus Disease 2019 Situation Report to WHO, it was reported that Cambodia had used a more effective COVID-19 intervention through community engagement by adopting Risk communication and community engagement (RCCE) strategy that was developed based on a behavioural insight survey.⁴</p> <p>Besides that, in 2019, United Nations Development Programme (“UNDP”) had used Behavioural Insights as one of the innovation methods tested in a project with the aim of delivering timely and innovative policy solutions to contribute towards Cambodia’s transition in becoming a sustainable and inclusive upper-middle income country.⁵</p>
<p>INDONESIA</p>	<p>In 2017, the Behavioural Insights Team also known as the Nudge Unit founded in the UK partnered with the Indonesian Government, specifically the tax authority (Direktorat Jenderal Pajak (DPJ)) to improve tax compliance.⁶ The outcome of the project showed that the number of taxpayers that have submitted their annual tax returns has improved by 2019.⁷</p> <p><i>Note: The BIT team has worked on several other projects in Indonesia, such as to encourage earlier tax returns, increase volunteer retention in West Java etc.</i></p>
<p>LAOS</p>	<p>None sighted.</p>
<p>MYANMAR</p>	<p>Based on 2016 report titled “Behavioural Insights at the United Nations- Achieving”, it found that the Sustainable Development Goals (“SDG”) cannot be achieved without behavioural factors being considered to study how people make decisions. In light of this, UNDP Myanmar iWomen Inspiring Women Project was launched to experiment directly on the use of inspiration to unlock positive behavioural change and achieve the 2030 Agenda, specifically Sustainable Development Goals 1 No Poverty, SDG4 Gender Equality and SDG16 Peace, Justice and Strong Institutions.⁸</p>

² ‘Brunei Darussalam and Malaysia strengthen health communications through behavioural science’ (World Health Organisation, 26 September 2022) <<https://www.who.int/westernpacific/news-room/feature-stories/item/brunei-darussalam-and-malaysia-strengthen-health-communications-through-behavioural-science>>.

³ Director General, ‘Behavioural sciences for better health initiative’ World Health Organisation 75th World Health Assembly (27 April 2022) <https://apps.who.int/gb/ebwha/pdf_files/WHA75/A75_25-en.pdf>.

⁴ ‘Cambodia Coronavirus Disease 2019 (COVID-19) Situation Report #55’ (World Health Organisation Western Pacific Region, 19 July 2021) <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewi_mL_Nvf36AhUO4XMBHbUyD5AQFnoECBIQAQ&url=https%3A%2F%2Fwww.who.int%2Fdocs%2Fdefault-source%2Fwpro---documents%2Fcountries%2Fcambodia%2F covid-19%2F covid-19-joint-who-moh-sitrep-55.pdf%3Fsvrsn%3Dbe2c9e9e_5%26download%3Dtrue&usg=AOvVaw1kHTBJo1KGNhLyhQNALxvs>.

⁵ ‘Project Progress Report Policy and Innovation Hub for Sustainable Development’ (UNDP) <https://info.undp.org/docs/pdc/Documents/KHM/00112488_PIH_2019%20Progress%20Report_7July2020_Designed_v2_AF.pdf>18 ‘Singapore’ (The Behavioura Insights Team) <<https://www.bi.team/bit-offices/singapore/>>.

⁶ Dr Kizzy Gandy, Ruth Persian and James Watson, ‘Capacity building work in Indonesia, Bangladesh and Guatemala’ (The Behavioural Insights Team, 19 October 2018) <<https://www.bi.team/blogs/capacity-building-work-in-indonesia-bangladesh-and-guatemala/>>.

⁷ ‘Improving the Quality of Public Services with Behavioral Insight Research’ (Knowledge Sector Initiative, 2 May 2020) <<https://www.ksi-indonesia.org/en/wawasan/detail/1125-improving-the-quality-of-public-services-with-behavioral-insight-research>>.

⁸ Eleonara Gatti, ‘Experimenting with Inspiration to Achieve the 2030 Agenda: The iWomen Inspiring Women Project’ (UNDP, 1 September 2018) <<https://www.undp.org/myanmar/blog/experimenting-inspiration-achieve-2030-agenda-iwomen-inspiring-women-project>>.



 <p>PHILIPPINES</p>	<p>In 2020, IDinsight collaborated with public schools in Zamboange del Norte to encourage the students to wash their hands. The team proposed five nudges to help increase salience of handwashing and to counter forgetfulness to wash hands among the students.⁹</p> <p>Besides that, a behavioural insights project was conducted in 2016 with a rural bank in the Philippines. A randomised controlled trial was used as a BI method and the outcome of the trial showed a successful lasting change in saving behaviours. The participants offered with the commitment savings account showed an average increase of 82% of savings overall at the end of the first year the trial started.^{10 11}</p> <p><i>Note: There is a Behavioural Insights Network – Philippines (BIN-PH) that consists of practitioners and enthusiasts who discuss on the behavioural insight application in the Philippines. The Network was founded in 2020.¹²</i></p>
 <p>SINGAPORE</p>	<p>Singapore is considered to be one of the most advanced countries that has applied Behavioural Insights within its Government framework. It is known that Singapore has applied behavioural insights in policy since the 1960s, which started with the Keep Singapore Clean 1968 public clean line campaign. The application of Behavioural Insights within Singapore is decentralised across ministries and statutory bodies.</p> <p>In 2012, the Behavioural Insights Team, founded in the UK, started working closely with Singaporean Government agencies. It had even opened a permanent office in 2016 following a successful application of behavioural insight with the Ministry of Manpower, the Public Services Division of the Prime Minister’s Office, and the Ministry of Home Affairs, among other ministries.¹³</p>
 <p>THAILAND</p>	<p>In 2017, Thailand participated in the Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives. The Bank of Thailand applied insights from behavioural sciences to shape Generation Y’s financial behaviour by conducting research, called the Financial Literacy Lab, to define the appropriate model to enhance financial literacy, especially financial planning, among university and vocational college students.¹⁴</p>
 <p>VIETNAM</p>	<p>The Vietnamese government was regarded as having one of the most effective implementations in effecting communication to the COVID-19 crisis.¹⁵ In an article released by a group of experts at the Exemplars in Global Health, Pollack and team posit that one of the main lessons from Vietnam is a clear, consistent, and serious narrative delivered throughout the crisis.¹⁶ The Vietnamese Government was able to urge their preventive message to the public by way of social norm and rising community spirit,¹⁷ two methods highly used in Behavioural Insights.</p> <p>Besides that, based on a report by ICM Falk Foundation in 2021, in taking important steps to reduce plastic pollution in Vietnam, the Vietnamese Government, intends to use Behavioural Insights to accelerate Vietnam towards its plastic reduction goals.¹⁸</p>

Based on our research for the development of Behavioural Insights in the ASEAN countries, we find that there is no specific Behavioural Insights framework developed in these countries and at the ASEAN level. However, all countries already have some sort of Behavioural

Insights project developed to tackle specific issues. Leading the way, Singapore appears to be the most advanced in the application of Behavioural Insights with multiple successful projects reported.

⁹ Nhu Le, Crystal Haijing Huang ‘(Part 1) Designing for behavior change: lessons learned from nudging Filipino students to wash their hands’ (IDinsight, 15 May 2020) <<https://www.idinsight.org/article/designing-for-behavior-change-lessons-learned-from-nudging-filipino-students-to-wash-their-hands/>> .

¹⁰ Owain Service, Michael Hallsworth, et al, ‘EAST Four simple ways to apply behavioural insights’ (The Behavioural Insights Team) <https://www.bi.team/wp-content/uploads/2015/07/BIT-Publication-EAST_FA_WEB.pdf>.

¹¹ N. Ashraf, D. Karlan and W. Yin, ‘Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines’ (2006) 121 Quarterly Journal of Economics 673–97.

¹² ‘Behavioral Insights Network – Philippines, About the Community’ (Behavioral Insights Network PH) <<https://binsightsph.com/>>.

¹³ ‘Singapore’ (The Behavioural Insights Team) <<https://www.bi.team/bit-offices/singapore/>>.

¹⁴ ‘The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives’ (OICU-IOSCO and OECD) <<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD603.pdf>>.

¹⁵ ‘Infusing behavioral insights in COVID-19 communication strategies to improve public health compliance’ (Behaviorale PH, 22 July 2020) <<https://www.behaviorale.com/BE-hub/featured-insights/-Infusing-behavioral-insights-in-COVID-19-communication-strategies>>.

¹⁶ Todd Pollack, Guy Thwaites, et al, ‘Emerging COVID-19 success story: Vietnam’s commitment to containment’ (Our World in Data, 5 March 2021) <<https://ourworldindata.org/covid-exemplar-vietnam>>.

¹⁷ ‘Infusing behavioral insights in COVID-19 communication strategies to improve public health compliance’ (Behaviorale PH, 22 July 2020) <<https://www.behaviorale.com/BE-hub/featured-insights/-Infusing-behavioral-insights-in-COVID-19-communication-strategies>>.

¹⁸ Gautam Ramnath, ‘Reducing Plastic Pollution in Vietnam with Behavioral Science’ (ICM Falk Foundation, 25 November 2021) <<https://icmfalkfoundation.org/reducing-plastic-pollution-in-vietnam-with-behavioral-science/>>.

LESSONS LEARNED FROM SUCCESSFUL BEHAVIOURAL INSIGHTS PROJECTS

The lessons learned are based on the experience and outcome of Behavioural Insights project in select countries such as Malaysia, Singapore, Indonesia, and Thailand.



Improving Vaccination Rates in Malaysia



Malaysia's Minister of Health, Khairy Jamaluddin, has made it clear that behavioural insight is the tool used as a first line of defence for the healthcare system in Malaysia. As at May 2022, it was reported that 98% adults have been vaccinated while 78% of adults have received their booster shot. An example to show how behavioural in-sights played a part in improving vaccination rates in Malaysia is the opt-in program for the AstraZeneca vaccine.

Prior to the introduction of the AstraZeneca vaccine, there were reports of possible links to very rare blood clots which have affected and lowered the confidence level of Malaysians in taking such vaccine. At the time, when Malaysia first received its first batch of AstraZeneca vaccine, Khairy Jamaluddin announced that the vaccine will only be given to people who have signed up to the optional programme and will be given on a first-come, first-served basis as a nudge. This was because, data showed that people were not showing up to appointments after AstraZeneca was included in the National Covid-19 Immunisation Program. However, the opt in programme showed success when all of the 268,000 doses which came in the first batch were filled in just three hours after the booking was open to public.

Lesson Learned:

We understand that social norms played a part in lowering the hesitance of the Malaysian citizens when it comes to the AstraZeneca vaccine. This is evident as the number for the 2nd round of opt in programme was still very high. This showed the positive change in people's behaviour and perception towards the vaccine. Most people were eager to take the vaccine as it will not only reduce the waiting time for them to receive any type of COVID-19 vaccine in the national immunisation programme but also most have probably seen their family members and friends did not actually suffer from reported side-effects, which led to the improvement of confidence in Malaysians towards the AstraZeneca vaccine.



Encouraging Road Tax Renewal in Singapore



The payment of road tax is regulated by the Land Transport Authority ("LTA") in Singapore. Prior to this, the standard practice was to send a renewal notice one month before the expiry of the road tax. Nevertheless, data showed that 10% of vehicle owners still end up paying renewals late.

LTA sought to incorporate nudges to improve on time renewals by redesigning the renewal notice and the envelope.

On the front of the envelope, the LTA added a call to action stating, "renew your road tax online in 3 minutes" and at the back of the envelope, they cited the number of vehicle owners who renew their road tax on time.

The LTA also tested two different versions of the renewal notice, one with a loss aversion statement and another with a social norm statement.

Upon testing, the LTA found the group with the revised envelope coupled with the loss aversion statement was most effective with the highest on time renewal rate of 90.1% compared to the control group. The increased rate could be contributed to the fact that businesses tend to be more sensitive to the risk of making losses. Following the success of this project, LTA currently uses the redesigned envelope and loss aversion statement in its communications on road tax related matters.

Lesson Learned:

We learn that messages with loss aversion framing works. From an enforcement's standpoint, it shows that people react more when there is a mention of punitive measures for failing to act. From a psychological perspective, the impact of loss when perceived to be severe makes people more motivated to avoid it as much as possible. This messaging framework works well when there is a regulation that could be enforced. Hence, it may not work when there is no penalty involved that could trigger a loss reaction from the stakeholders.



Encouraging Earlier Tax Returns in Indonesia

As mentioned earlier, the Indonesian Directorate General of Taxes formed a partnership with the Behavioural Insights Team (BIT) in February 2017 to implement Behavioural Insights and improve tax administration in Indonesia.

Like many other countries, last minute filing is often a problem for tax administrations. Every year, Indonesia would bear heavy costs due to the system pressures before the tax return deadline and taxpayers become frustrated by the hassle that this causes them. The primary aim of the project was to increase tax compliance by encouraging personal income taxpayers to file their annual tax return at least two weeks before the deadline.

In this project, the Behavioural Insights Team and the Indonesian Directorate General of Taxes have tested different email interventions and randomly allocated the taxpayers to one of the seven trial groups listed in the table below:

Group	Email content
Pure control	No email
Control	Style and content similar to previous email reminder
Simplification	Simplified version of control email with emphasis to file earlier
National pride	Appeal to help build with emphasis on how the taxes will be spent on public goods
Guidance	Emphasis that early filing will help avoid problems and links to guidance documents
Planning	Emphasis that early filing will help avoid problems and links to receive reminder emails and choose a filing date
Guidance and Planning	Combination of the guidance and plan-ning content

After the test run, it showed that the planning email, the nudge, was the most effective with 19,000 more tax returns compared to the control email which proves to be the least effective. The success of this project allowed the team to scale it further, adapt with further testing and give ideas for potential new projects. Based on the responses gathered, most members agreed that they now see the impact of reminder emails and agree to incorporate more physiological aspect when dealing with policy issues.

Lesson Learned:

We understand that goal setting is an important aspect when designing an intervention or nudge. However, for a nudge to work, the goal setting must be specific as in the case above - the email prompt sent was successful because it allowed the stakeholders to choose a specific date for the filing action. Furthermore, we also learn that reminders and notifications can be a powerful tool for motivation and behaviour change. However, reminders alone without any narrative to prompt emotional change could also be futile as was seen in the control group. Based on the above, we understand that to make reminders work, the policy makers must ensure that the reminders are coupled with intrinsic motivational words to trigger the stakeholder's reaction.



100% Condom Program in Thailand



The first HIV case reported in Thailand was in the late 1984. The figure then increased to 9.3% in 1990 from 3.1% in 1989. By 1994, the number of cases increased again by 31%. It was clear that Government needed to intervene to prevent it from becoming a national epidemic.

Aside from trying to control activities that may lead to HIV, the Thai authorities had collaborated with health services, police, local governments, commercial sex workers and sex establishment. The purpose of the project was to reduce the HIV transmission within the sex industry.

The first intervention was to ensure that all stakeholders had easy access to condoms. During the sex workers routine check-up, they were also provided with a box of 100 condoms and are able to obtain more if they have used up all the condoms prior to their next routine check-up. Besides that, clinic officers would also visit the commercial sex establishment and distribute condoms to the establishment and its workers. In addition to that, hotel rooms were supplied with free condoms. These measures show that the Thai Government was trying to make it easy for people to have access to condoms to ensure safe sex.

Two years after this policy was introduced, the outcome showed that the percentage of condom use in sex work has increased to over 90%. More importantly, the reported incidents of men being infected declined by 85%.

Lesson Learned:

One of the first principles of Behavioural Insights is to ensure that the intervention or nudge would make it easier for the stakeholders to opt for the ideal option. The above is the perfect case that demonstrates this. Having condoms distributed and easily available to stakeholders enables for the ideal social norm (in this case, the practice of safe sex) to be created within the community which can then lead to the desirable change.

CONCLUSION

In conclusion, the rise of Behavioural Insights show that most people do not make decisions merely out of their self-interest or by having a strict cost-benefit analysis approach in mind. Behavioural Insights recognise other aspects in a day-to-day life that may influence behaviour such as monetary incentives or social pressures. This shift towards recognising psychology as an influence in policy making is life changing as it can help to reduce Governmental costs which may be incurred should more regulations be passed to solve psychologically driven problems.

It is high time for policy makers to understand the cognitive biases that may affect a person in reaching to a decision in order to design

and implement more effective public policy. At the same time, policy makers need to appreciate that Behavioural Insights is not here to replace regulations in totality but merely to complement them. Any policy decision made must always be based on evidence and that the method employed is effective, be it, via Behavioural Insights or regulation. As such, it is the regulators prerogative to determine what is fit for purpose - in that the best approach achieves the desired outcome. It is clear that there is a rising trend of ASEAN Governments applying Behavioural Insights as a policy tool to complement their existing regulatory reform initiatives and that such policy tool is here to stay.

If you have any questions or require any additional information, please contact Mohamad Izahar Mohamad Izham, Amiza binti Ahmad Murad or the Zaid Ibrahim & Co. (a member of ZICO Law) partner you usually deal with.



**Mohamad Izahar
Mohamad Izham**
Partner

izahar.izham@zicolaw.com
t. +603 2087 9953

Mohamad Izahar is a Partner in the Corporate and Government Advisory practice group at Zaid Ibrahim & Co. (a member of ZICO Law).

His practice focuses in the area of regulatory reform. This includes advising Federal and State Governments including Ministries, regulators, and statutory bodies on the 'end-to-end' law reform spectrum ranging from regulatory mapping, undertaking feasibility studies, conducting regulatory impact analysis (RIA), assisting in the drafting of primary and subsidiary legislations, and implementing regulatory frameworks.

He has also been involved in post-regulatory reform work through his experience in compliance and governance with legal awareness initiatives, advising on regulatory compliance, developing legal audit programmes, and advising on rationalization, privatization, and corporatization exercises.

At the same time, his practice includes providing strategic and legal support to private sector clients interested in engaging the Government in policy development and reform. This includes industry proposals to amend or introduce new laws as well as complex and novel regulatory applications and approvals.



**Amiza Binti
Ahmad Murad**
Associate

amiza.murad@zicolaw.com
t. +603 2087 9832

Amiza Murad is an Associate in the Corporate and Government Advisory practice group at Zaid Ibrahim & Co. (a member of ZICO Law).

She has been actively involved in advising Federal Governments, State Governments and Local Authorities in relation to its regulatory framework relating to emerging industries.

In addition to the above, she has experience assessing and drafting regulatory impact statements for the Government. Besides that, she has been actively involved in educating regulators on the subject matter of "Good Regulatory Practice".

She has also advised the Government on among others, regulatory mapping, conducted feasibility studies on regulatory burdens and deregulation of laws.

In addition to that, she has experience in conducting stakeholders engagements and has provided recommendations in policy papers for regulators.

At the same time, she has worked on several corporate commercial matters which includes inter alia, drafting of commercial agreements, conducting due diligence and drafting of corporate documents such as guidelines, standard operating procedures, and terms of reference.

This article was edited by ZICO Law Knowledge Management.

All rights reserved. No part of this document may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without our prior written permission.

This article is updated as at 29 November 2022. The information in this article is for general information only and is not a substitute for legal advice. If you require any advice or further information, please contact us.

ASEAN INSIDERS,
by origin and passion