Toward a Theory of Behavioral Public Administration: Propositions for Imputing Governance with Behavioral Economics

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ABSTRACT

The increasing influence of behavioral economics on governance, from dedicated policy advisors to a vibrant consulting industry, necessitates a corpus of administrative theory to effectively wield its power. Public administration scholarship is just now recognizing the value of behavioral economics, yet there is scant empirical research conducted from the bureaucratic perspective and a veritable absence of specialization in administrative theory.

Public administration requires coherent theory to legitimize its authority for telling people what they can and cannot do. Theories in public administration must pay special attention to public service values, such as: democratic participation, rule of law, transparency, accountability, efficiency, effectiveness, and equity. Sunstein, Thaler, and others have done yeoman's work in raising questions about the ethical dimensions of nudges for government, yet there is still the need for theoretical foundations of behavioral public administration to allow the dominant praxes – such as performance management, public-private partnerships, and e-Government – to integrate behavioral economics lessons.

Behavioral economics requires public administration to adjust its starting point, from what regulation and policy dictates it to do, toward a position that first considers what people are likely to do, *and then* revise policy to accommodate it in an appropriately effective manner. Current "behavioral public administration," or BPA, (Grimmelikhuijsen et al., 2017; Tummers et al., 2016) research has presented examples of nudges successfully integrated into policy implementation objectives and made modest forays into further hypotheses. Behavioral public administration must now forge ahead in crafting its own theory with unique experiments and case studies that not only try the old nudges, but also test newly created concepts that are indigenous to the context of governance.

INSTITUTIONALIZED BEHAVIORAL PUBLIC ADMINISTRATION UNITS

UK: Behavioural Insights Team
USA: Social and Behavioral Sciences Team
Australia: Behavioural Economics Team of the Australian Govt.
Singapore: Behavioural Insights Team (partner with UK unit)
Japan: Ministry of Environment, Nudge Unit of Japan

THEORETICAL PROPOSITIONS

Proposition 1: BPA is an alternative toolset for optimizing the implementation of policy. The curve of the policy vector stemming from the government and citizen intersect is nudged toward the ideal outcomes and away from compromise or failure outcomes if BPA supplements the traditional processes to accommodate non-rational anomalies in citizen or bureaucratic behaviors.

Proposition 2: BPA is ethically sound and upholds administrative values. Assuming that BPA adheres to the deontological precepts of democratic governance, such as protecting individual choice (and maintaining transparency, and that it is wielded from an attitude of light paternalism, then it is coherent with the ethics and values of public administration. By virtue of the recognition that there are different perspectives on utility, BPA implicitly legitimizes value pluralism and can thus serve the democratic will.

Proposition 3: BPA research for governance is its own stream of policy experimentation and methodology. The calls to shift perspectives from the importing of behavioral economics tools to the development of behavioral administration tools speaks to the validity of BPA as a unique school in administrative theory. This can inspire the establishment of academic agendas to continue developing BPA in conjunction with administrative practice.

HYPOTHESIS

Behavioral public administration approaches can inform policy formulation and implementation to better reflect the objectives of the policy. This entails an awareness of the differences between both what people think they want/what people actually do and what public administration is expected to do/what public administration actually can do. More often than not, the policy process results in myriad compromises – or even disappointments – in contrast to the ideals that inspired the policy. Nudging policy toward what people ought to get (a contestable notion at the mercy of bureaucratic expertise) is the desired outcome.

The next steps for supporting the hypothesis is to devise a panel of time-series experiments that can provide comparative outcomes between policies designed and implemented with nudges versus those designed and implemented in traditional manners. Once these findings demonstrate a measurable and consistent advantage over various applications, then the theory may be extended to develop new nudges from the bureaucratic context.
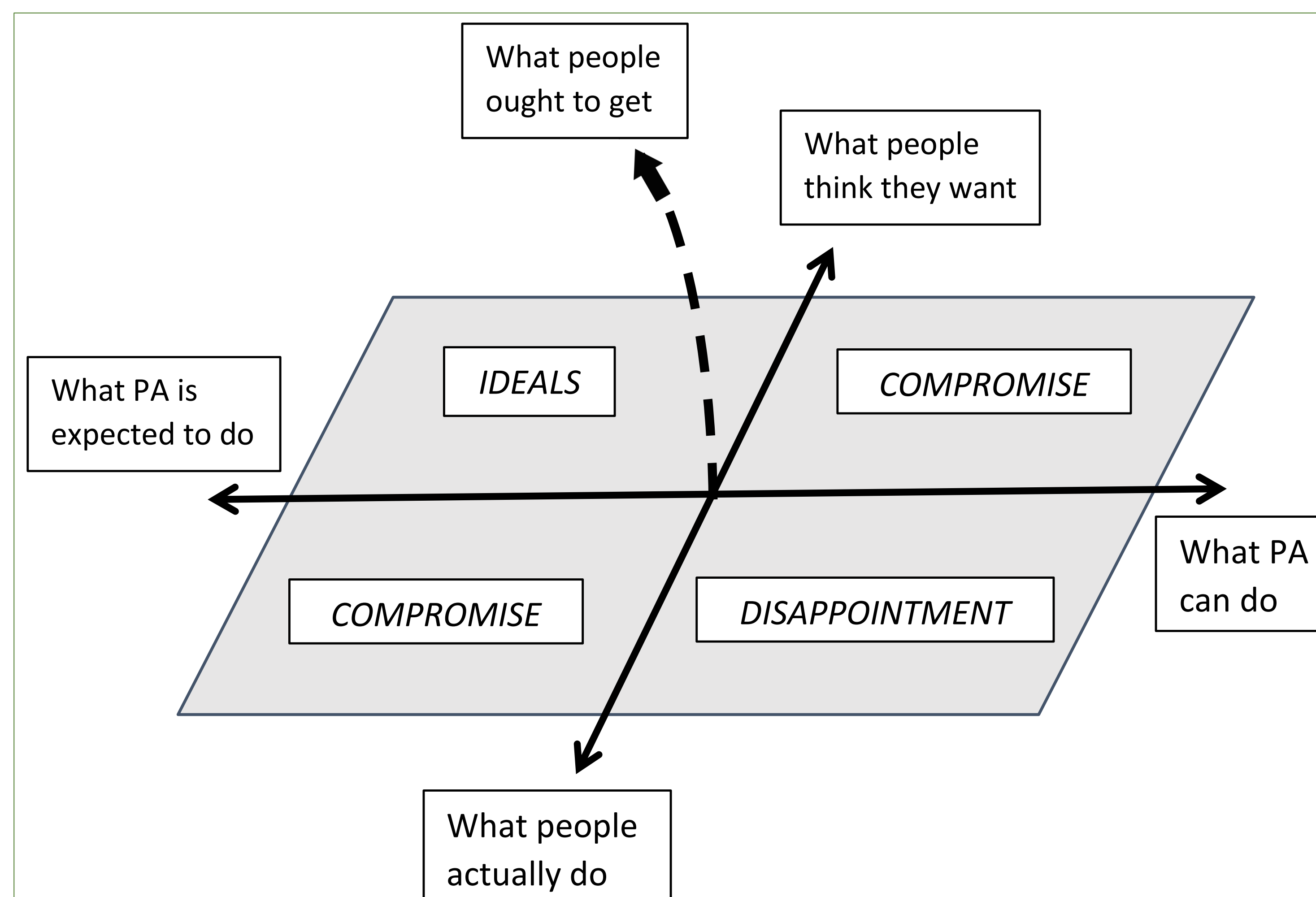
Such nudges may address perennial governance issues concerning compliance, corruption, accountability, and even institutional structures. BPA may also serve to confront issues between citizens and bureaucrats centering on epistemic authority, such as the attitudes and language.

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