Who's Afraid of Policy Experiments?

Robert Dur, Arjan Non, Paul Prottung, and Benedetta Ricci

Erasmus University Rotterdam

Online seminar at the Competence Centre on Behavioural Insights at the European Commission's Joint Research Centre

Motivation

- Effects of public policy are often uncertain ex ante. Think of a new training program for the unemployed, a new policing strategy to fight petty crime, anti-discrimination policies, more intensive monitoring to reduce corporate tax evasion, et cetera.

- Also ex post, the effects of public policy often remain unclear: policy evaluation is complicated.

Motivation

- Policy experimentation (RCTs) can greatly help to reduce uncertainty and avoid policy failure.

- However, policy experimentation is not very common (or not as common as it could be).

- As Heffetz and List (2021) note: "governments around the world still routinely oppose controlled trials of public policies"

Key research questions

- Why is policy experimentation not used more often?

- Are voters and/or politicians averse to experimentation?

Reasons for experimentation aversion

- Fairness concerns

- Lack of external validity

- Lack of informed consent

- Experimentation takes too much time

Reasons for experimentation aversion

- Fairness concerns

- Lack of external validity

- Lack of informed consent

- Experimentation takes too much time

Moreover, for politicians it may be problematic that:

- experimentation may be considered as a signal of weak leadership

- experiment may show that policy is a failure, sending a signal of incompetence

Key research questions

- What do voters think about policy experiments?

- Which concerns do they have?

- Do politicians become less popular when proposing policy experiments?

Key research questions

- What do politicians think about policy experiments?

- What do politicians think that voters think about policy experiments?

- And what if we provide information to politicians about what voters really think?

Why is this important?

- Interesting political economics/political science research question

- Potentially impactful: Politicians may hold biased views

Survey among voters

- Representative sample of Dutch voters (LISS panel), N=2,127 respondents (response rate 75%) In the meantime, our most important results have been replicated by others in Finland, France, Ireland, Italy, Poland and Romania (Fuller 2024), Australia (Biddle et al. 2023), and the US (Briscese and List 2024).

- Data collection took place in August 2021

- Set up of the questionnaire: four scenarios, then general questions.

The data: Representative sample of voters
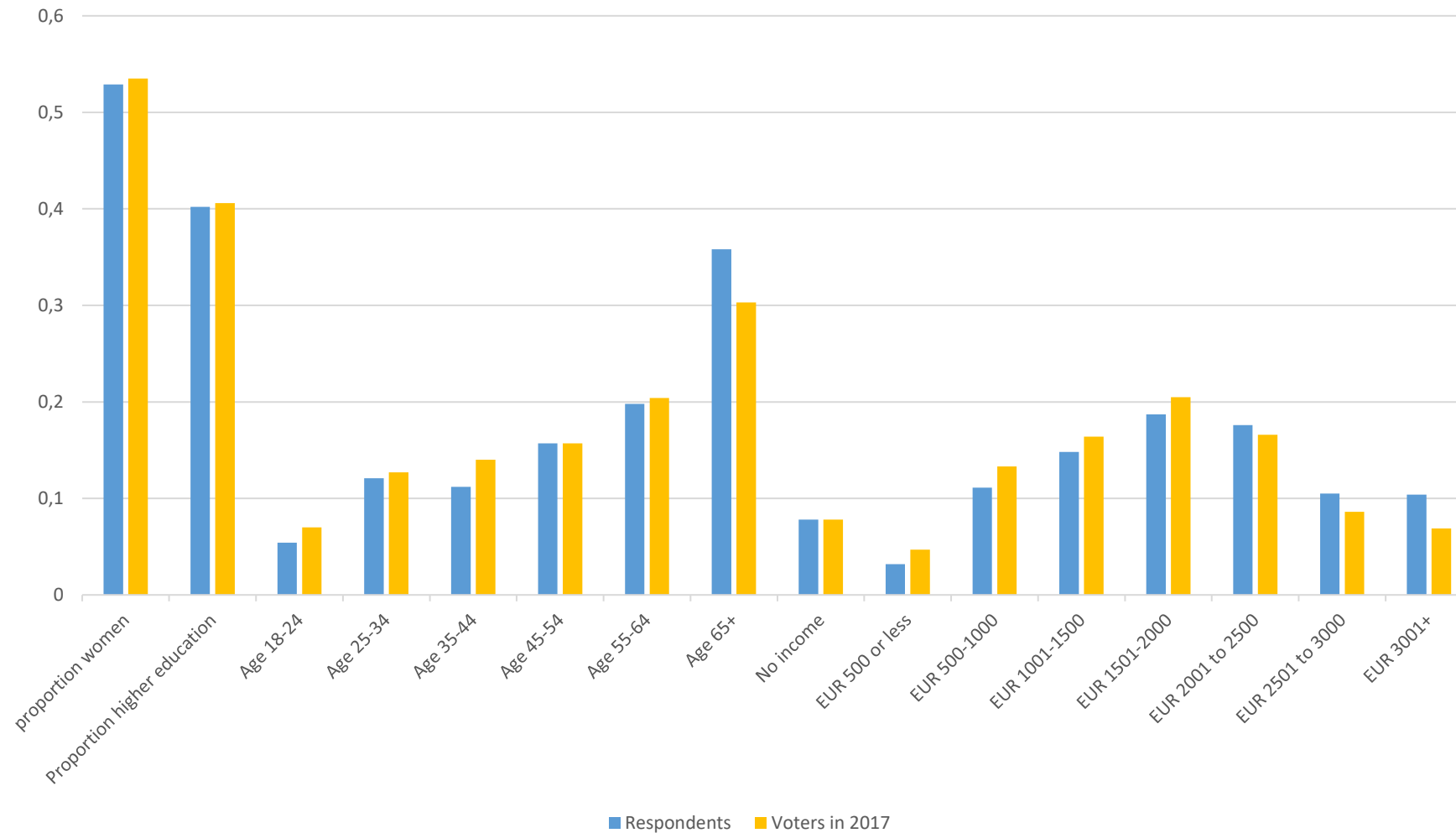
The survey started with a few scenarios

Six in total:
- Corporate tax avoidance
- Helping the unemployed
- Anonymous applications
- Detecting benefit fraud
- Very Irritating Policing
- Softening applications requirement

Each respondent sees 4 scenarios

Scenario 1: Tax avoidance by corporations

To combat tax evasion by large companies, the Minister of Finance is considering spending more money on monitoring. It is not certain what the effects of this will be.

The minister can do three things:

1. Implement: The minister decides to spend more money on monitoring of all large companies.

2. Not implement: The minister decides not to spend extra money on monitoring of large companies.

3. Experiment: The minister decides to conduct a policy experiment in which more monitoring will apply to a random selection of large companies, while monitoring remains the same for the others. After the policy experiment, the two groups are compared to see whether the additional monitoring was a success and should be implemented for all large companies.

Three questions per scenario

What do you think about:

Implement

Not implement

Experiment

7-point scale: Very bad - … - Very good

Scenario 2: Helping the unemployed

The management of the national public employment service is contacted by a company that can help the unemployed to find vacancies. It is not certain what the effects of this help will be.

The management can do three things:

1. Implement: The management hires the company to help all the unemployed.

2. Not implement: The management decides not to hire the company.

3. Experiment: The board decides to conduct a policy experiment in which the company helps a random selection of the unemployed to find vacancies, while the others do not get help from the company. After the policy experiment, both groups are compared to see whether the help was a success and should be introduced for all unemployed people.

Scenario 3: Anonymous applications

An alderman wants to prevent discrimination and is considering introducing "anonymous applications" for vacancies at the municipality. When selecting candidates for an interview, the name, gender and age of the candidate are then not visible. It is not certain what the effects of this will be.

The alderman can do three things:

1. Implement: The alderman decides to introduce "anonymous applications".

2. Not implement: The alderman decides not to introduce "anonymous applications".

3. Experiment: The alderman decides to conduct a policy experiment in which "anonymous application" is entered for a random selection of the vacancies, while the selection procedure remains as it was for the other vacancies. After the policy experiment, both groups are compared to see whether anonymous job applications were successful and should be introduced.

Scenario 4: Detecting benefit fraud

An alderman is considering spending more money on detecting benefit fraud. It is not certain what the effects of this will be.

The alderman can do three things:

1. Implement: The alderman decides to spend more money on detecting benefit fraud.

2. Not implement: The alderman decides not to spend extra money on detecting benefit fraud.

3. Experiment: The alderman decides to conduct a policy experiment in which extra money is spent on detecting benefit fraud among a random selection of the benefit recipients, while the investigation remains as it was for the other benefit recipients. After the policy experiment, both groups are compared to see whether spending extra money for detecting benefit fraud was a success and should be implemented for all benefit recipients.

Scenario 5: Very Irritating Policing

The minister of Justice and Security is considering introducing the "Very Irritating Policing" approach for nuisance loitering youths or asylum seekers. Nuisances are constantly being followed and monitored. It is not certain what the effects of this will be.

The minister can do three things:

1. Implement: The minister decides to implement the "Very Irritating Police" approach.

2. Not implement: The minister decides not to introduce the "Very Irritating Police" approach.

3. Experiment: The minister decides to conduct a policy experiment in which the "Very Irritating Police" approach is introduced in a random selection of Dutch police districts, while the approach remains as it was in the other police districts. After the policy experiment, both groups are compared to see if the "Very Irritating Police" approach was a success and should be implemented.

Scenario 6: Softer job applications requirements for welfare recipients

An alderman is considering to soften the job applications requirements for young people who live on social assistance. They don't have to apply as often and are less often checked. It is not certain what the effects of this will be.

The alderman can do three things:

1. Implement: The alderman decides to soften the job applications requirements.

2. Not implement: The alderman decides not to soften the job applications requirements.

3. Experiment: The alderman decides to conduct a policy experiment in which the job application requirement is softened for a random selection of young people on welfare, while the job application requirements remain as it was for the others. After the policy experiment, both groups are compared to see whether the softening was a success and should be implemented.

For all but one of the policies, experimentation is appreciated by a majority of people

	Not implement	Implement	Experiment
Scenario 1 Corporate tax avoidance	16%	59%	54%
Scenario 2 Helping the unemployed	19%	42%	66%
Scenario 3 Anonymous applications	33%	44%	54%
Scenario 4 Detecting benefit fraud	21%	50%	58%
Scenario 5 Very Irritating Policing	23%	47%	60%
Scenario 6 Softening applications requirements	53%	23%	49%

People who feel less strong about the policy appreciate experimentation more
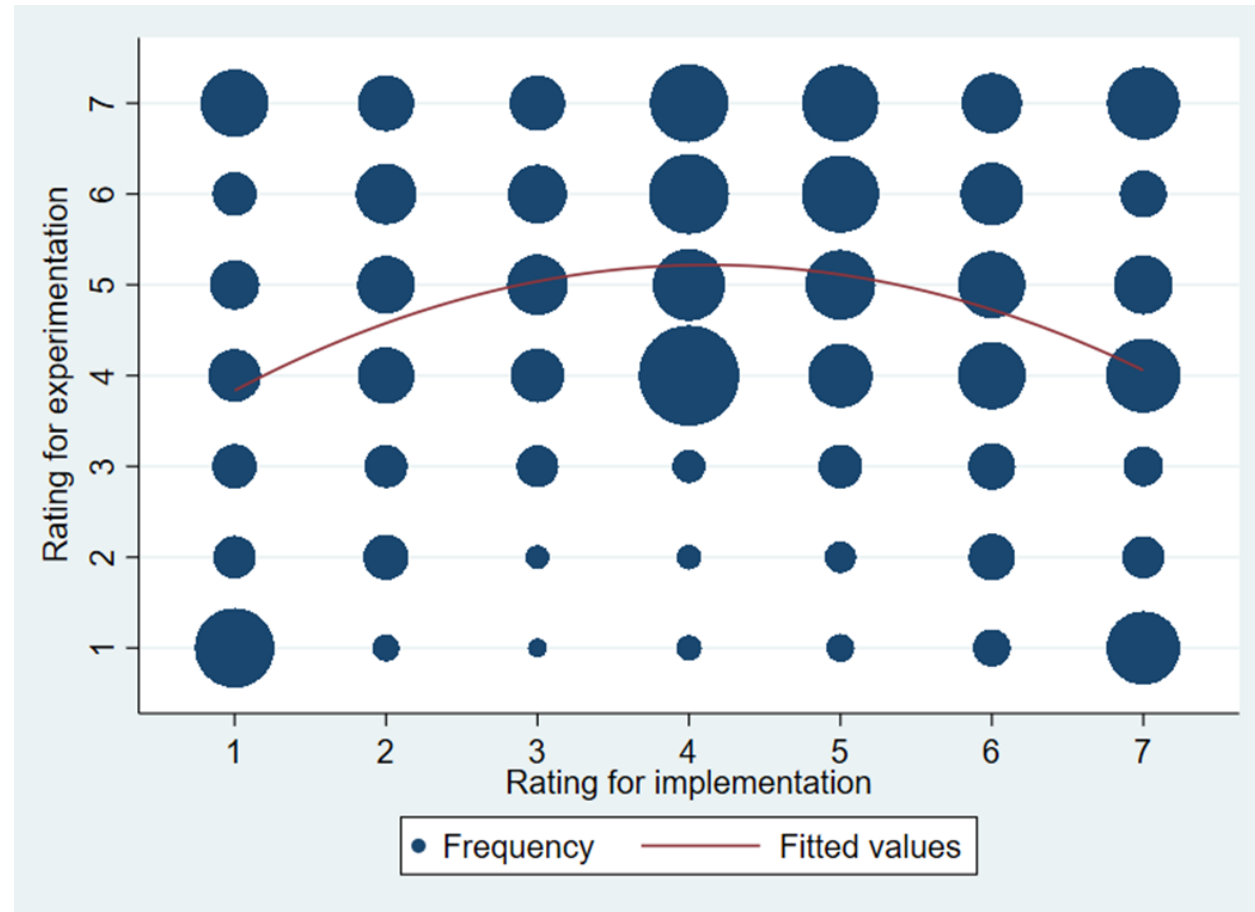
Horizontal axis: Rating for implementation.

Vertical axis: Rating for experimentation.

Size of the circle reflects frequency

Red line is fitted regression line with a constant, linear and quadratic term.

Further analysis of the scenarios

Percentage that put experimentation on top (alone or together with another option)
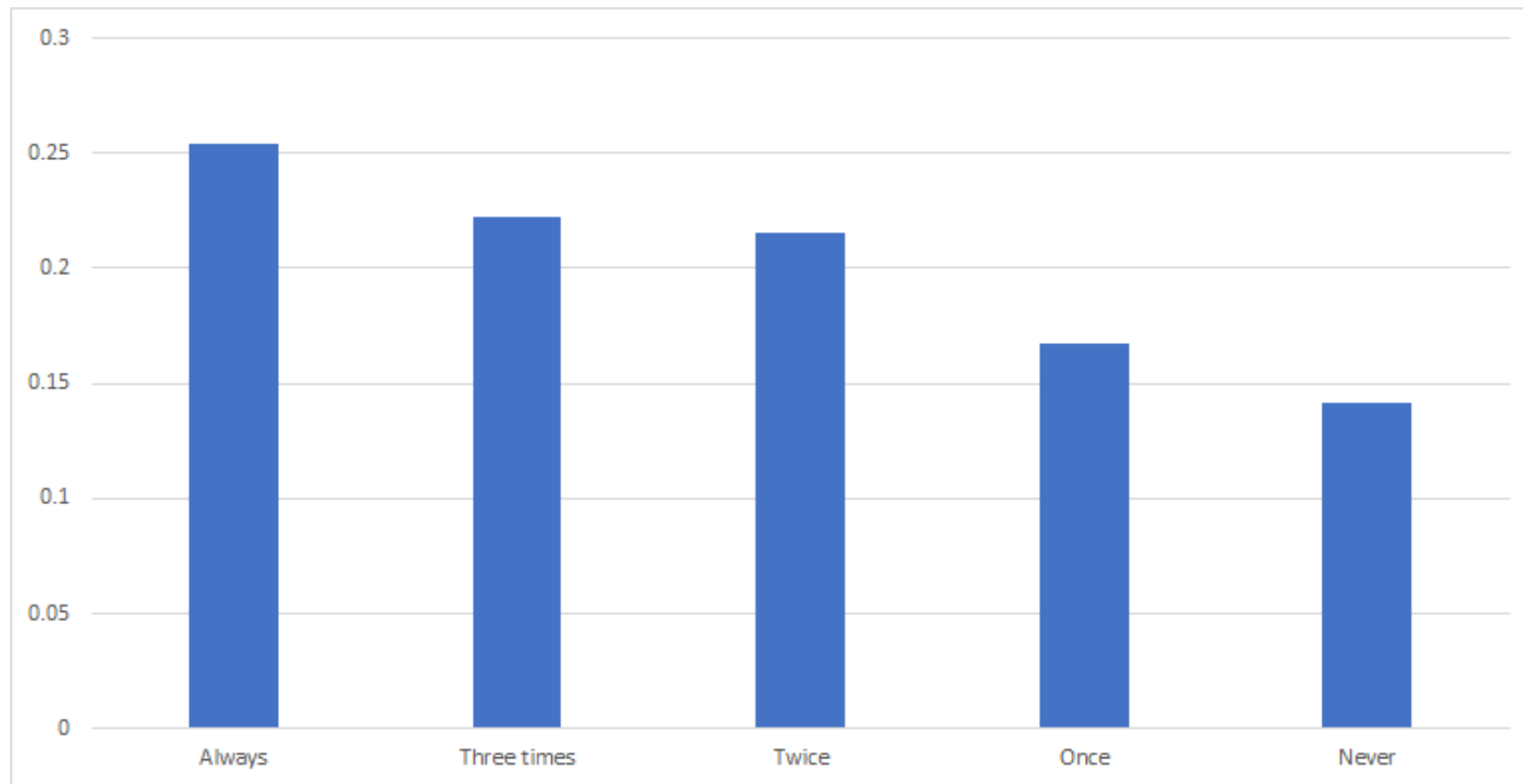
General questions

General questions were asked right after the scenarios.

We ask questions about:

- approval of policy experiments

- how a proposal to run more policy experiments would affect voting

- concerns about policy experiments

Table 2: Attitudes towards political parties that propose policy experiments

| *Suppose that at the next elections one of your favorite political parties is in favor of conducting policy experiments much more often....*	Bad	Neither bad nor good	Good	Average score
What do you think about the fact that this political party is in favor of more policy experiments?				
Full sample:	16%	24%	60%	4.7
Highly educated:	12%	17%	70%	5.0
Not highly educated:	19%	29%	52%	4.5
	Less likely	Neither less nor more likely	More likely	Average score
Has it become more likely or less likely that you vote for this party in the next elections because they are in favor of more policy experiments?				
Full sample:	20%	40%	40%	4.3
Highly educated:	15%	39%	46%	4.5
Not highly educated:	23%	40%	37%	4.2

Note: Answers to both questions were given on a seven-point scale, where score 4 indicated "neither bad nor good" and "neither less nor more likely", respectively.

Concerns about policy experiments

Some people are concerned about policy experiments. Please indicate in how far you disagree or agree with the following concerns:

1. Policy experiments are unfair, because people or companies are treated unequally for a period of time.
2. Policy experiments are not good, because people or companies or often not informed and have not always agreed to take part in a policy experiment.
3. You can learn little from a policy experiment, because the situation is different everywhere and the world continuously changes.
4. A policy experiment takes too much time, it is better to take action immediately.
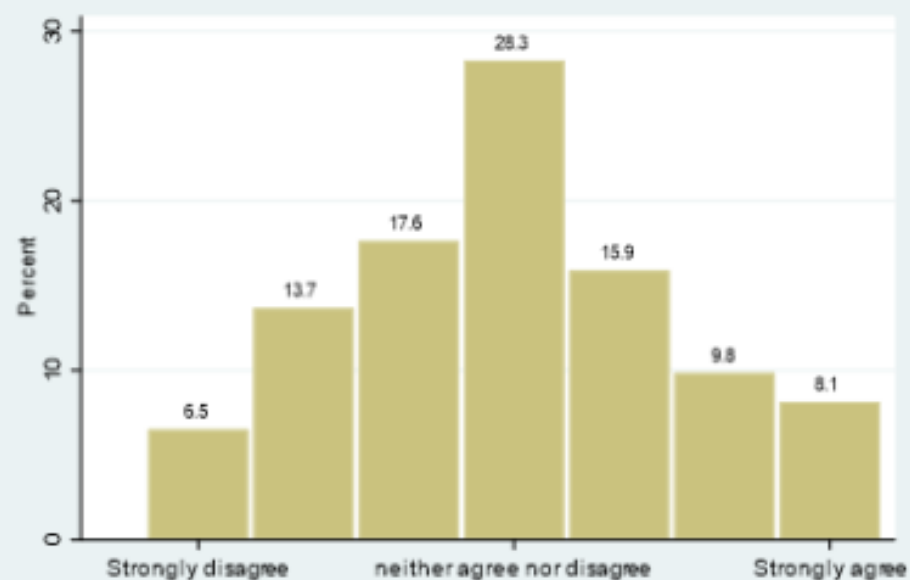
Experiments are unfair
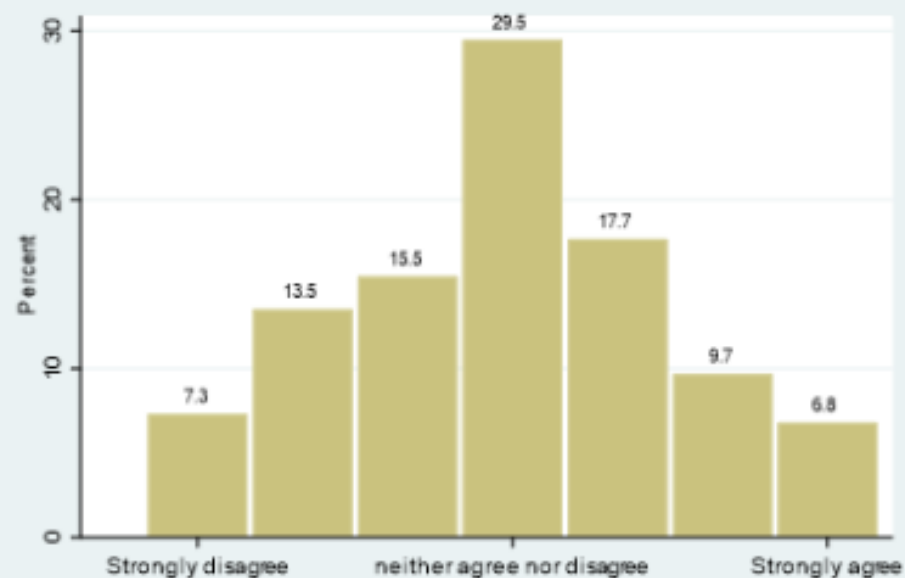
Experiments lack informed consent
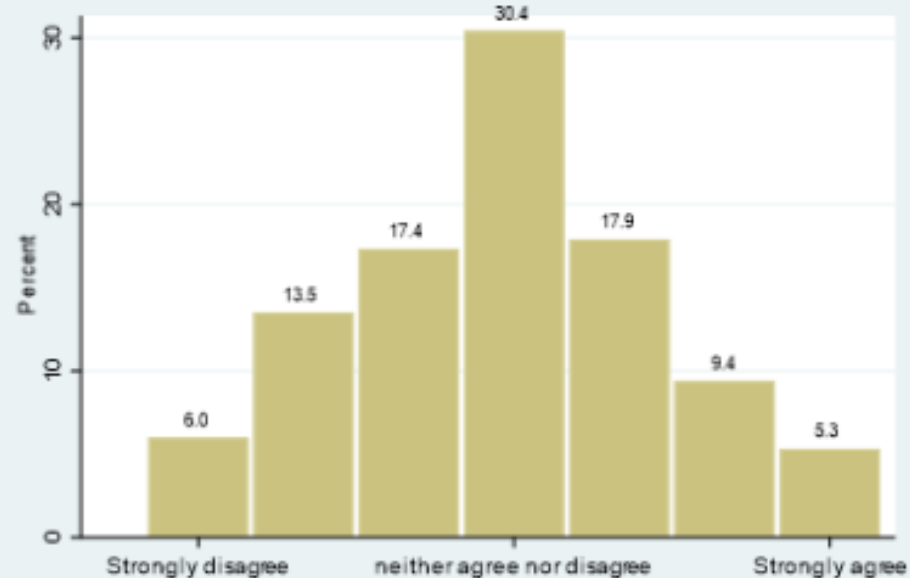
Experiments lack external validity
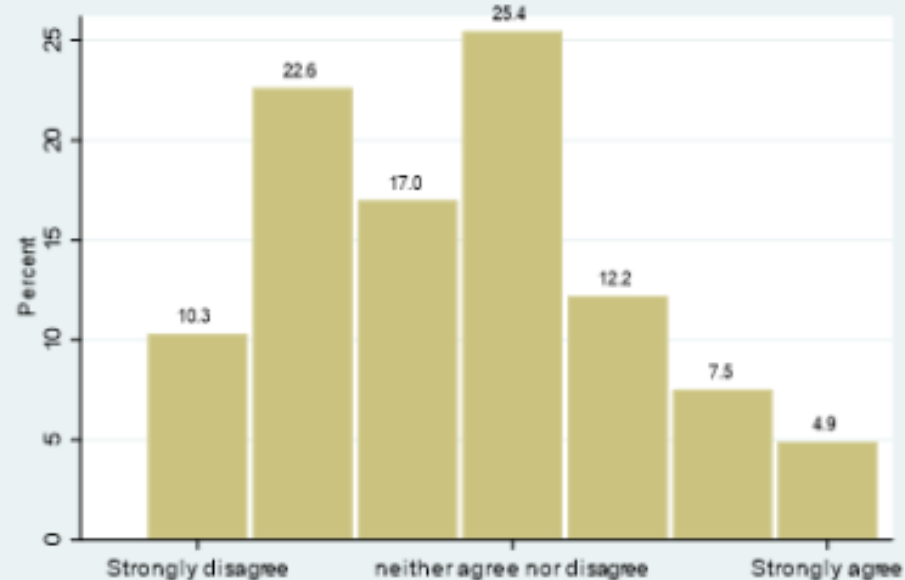
Experiments are too time consuming

Concerns explain experimentation aversion

	(1) Attitude	(2) Vote intention
Fairness	-0.12***	-0.08***
	(0.02)	(0.02)
Informed consent	-0.06**	-0.05**
	(0.03)	(0.03)
External validity	-0.23***	-0.17***
	(0.02)	(0.02)
Time consuming	-0.13***	-0.08***
	(0.02)	(0.02)
Constant	6.73***	5.72***
	(0.10)	(0.1)
Observations	2,114	2,114
R-squared	0.25	0.15

Survey experiment among politicians

- Sample of the Dutch national and regional politicians, N=126 respondents (response rate about 20%)

- Data collection took place in June 2022

- Set up: only 4 questions, with information treatment in the middle (based on information from survey among voters).

- Randomized assignment to the information treatment.

Key results

- Politicians (in our sample) are quite positive about policy experiments

- Politicians in the control group tend to think that voters think like them

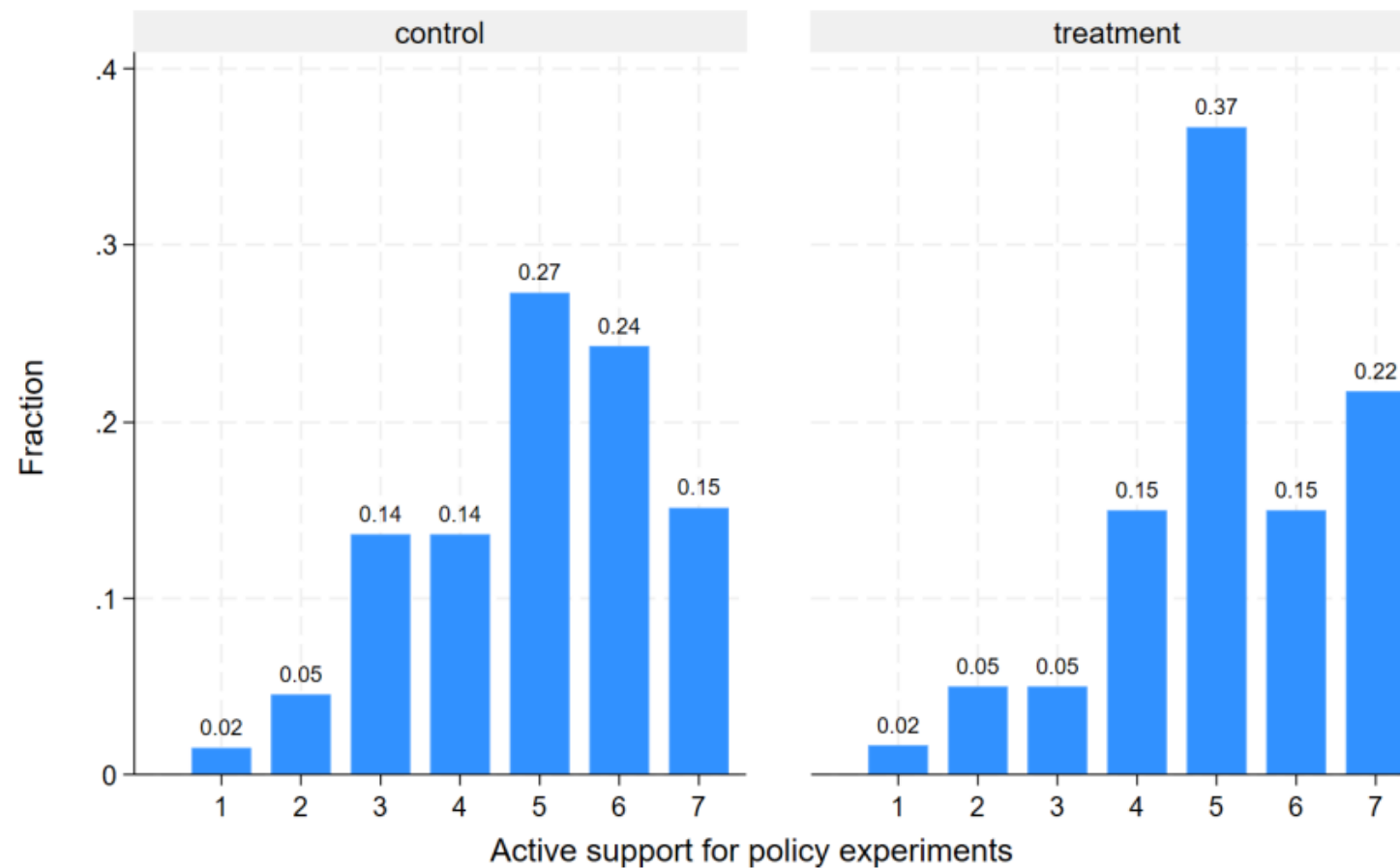- Politicians in the treatment group move their opinion towards voters' opinion

Key results

Figure H.1: Politicians' appreciation for policy experiments by treatment
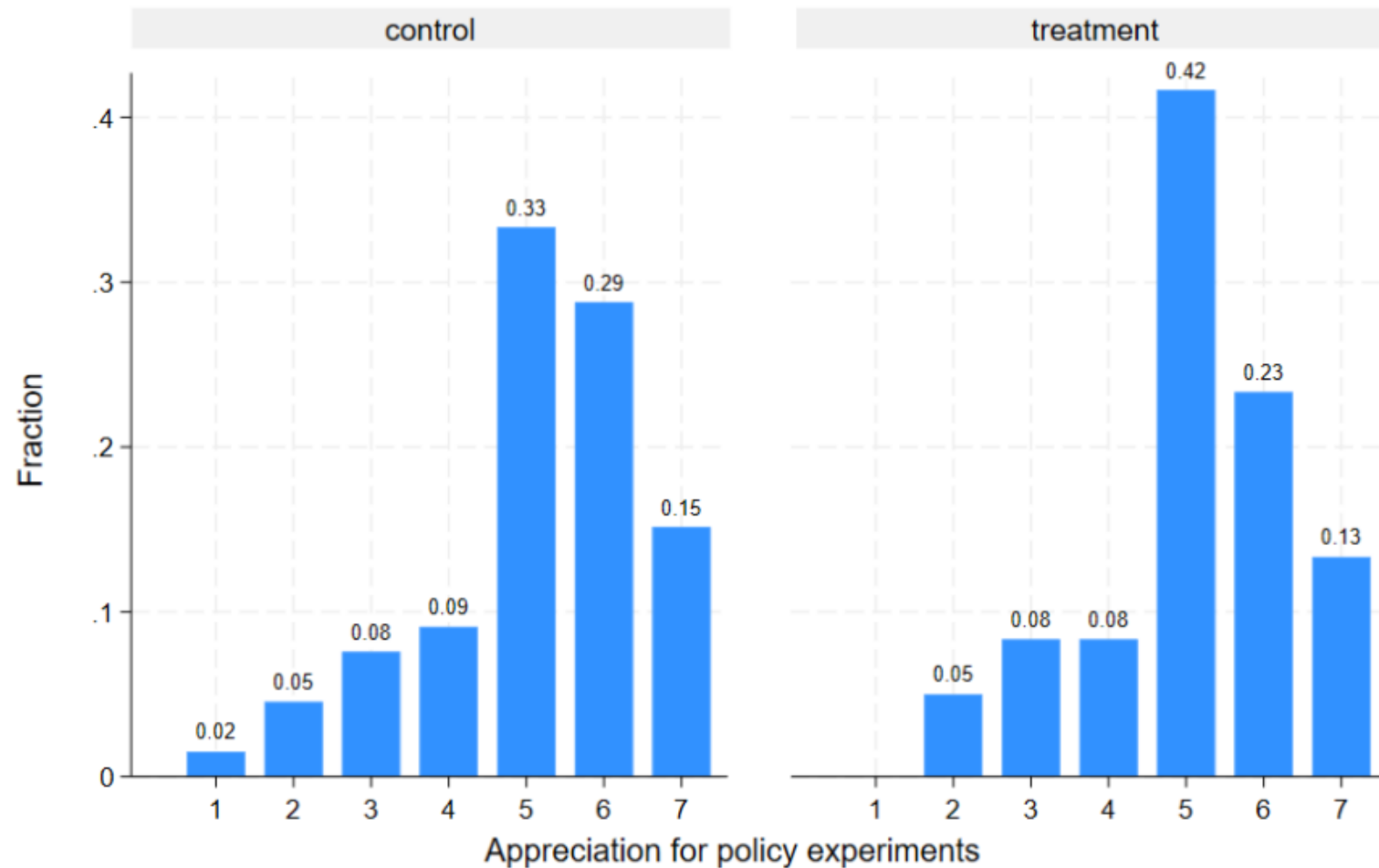
Key results

Figure H.2: Politicians' active support for policy experiments by treatment

Conclusion

- Policy experiments are popular among voters

- Results may encourage policy makers to propose policy experiments

Thank you so much!

E-mail: dur@ese.eur.nl

THE ECONOMIC JOURNAL

WHO'S AFRAID OF POLICY EXPERIMENTS?*

Robert Dur, Arjan Non, Paul Prottung and Benedetta Ricci

In many public policy areas, randomised policy experiments can greatly contribute to our knowledge of the effects of policies and can thus help to improve public policy. However, policy experiments are not very common. This paper studies whether a lack of appreciation for policy experiments among voters may be the reason for this. Collecting survey data representative of the Dutch electorate, we find clear evidence contradicting this view. Voters strongly support policy experimentation and particularly so when they do not hold a strong opinion about the policy. In a subsequent survey experiment among a selected group of Dutch politicians, we find that politicians conform their expressed opinion about policy experiments to what we tell them the actual opinion of voters is.