Under the High Patronage of His Excellency
The President of the Lebanese Republic
General Michel AOUN

NUDGE LEBANON
in partnership with the
American University of Beirut
Faculty of Arts and Sciences

‘BEHAVIORAL ECONOMICS
& NUDGE IN THE ARAB REGION:
LESSONS LEARNED &
CHALLENGES AHEAD’

ISSAM FARES LECTURE HALL-AUB (BEIRUT, LEBANON)
11 - 12 MAY, 2018
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Password: FasDo18###

We love seeing your pictures, please use the hashtag:
#NudgeLebanonConference
Nudging for Development and the Rule of Law
Dear Colleagues,

It is with great pride that I welcome you to the region’s first behavioral economics and nudge conference. 2017 turned out to be a flagship year not only for Nudge Lebanon, but also for behavioral economics, with Richard Thaler winning the Nobel Prize in economics, making our work all the more timely.

Indeed, over a year ago, a group of passionate behavioral scientists and like-minded friends joined me on an exciting journey “to make Lebanon a better place, one experiment at a time”, and launched Lebanon’s “nudge unit”, pioneering the use of behavioral insights to inform public policy.

Nudge Lebanon was awarded a generous grant by the Carnegie Corporation of New York to set up the Consumer-Citizen Lab (CCL), our jewel offering. The CCL is an initiative that seeks to extend the discipline of behavioral economics to academia in the Arab region, build the capacity of students and future practitioners, support problem solving by stakeholders, and create a platform for involving the consumer-citizen in social entrepreneurship and innovation. As part of this CCL initiative, a new course on Behavioral Economics, Public Policy, and Nudges is being delivered in partnership between Nudge Lebanon and the AUB Department of Economics. As part of the course’s requirements, students are designing and implementing behavioral experiments for real life policy challenges.

This innovative course was first delivered at Hamad Bin Khalifa University in partnership with the Qatar Behavioral Insights Unit (QBIU) – the first nudge unit in the region which I had the honor of setting up two years ago at the Supreme Committee for Delivery and Legacy. A similar course will be launched in Kuwait in partnership with the Kuwait Appraisal Policy Lab (KPAL) and the American University of Kuwait (AUK) and with support from Nudge Lebanon and QBIU.
Our focus areas at Nudge Lebanon have been centered around two policy priorities: 1) Compliance and the Rule of Law (which targets inter alia traffic, sustainability and littering, anti corruption, public service delivery), and 2) Socio-Economic Development (which targets inclusion and the prevention of violent extremism, education, health, humanitarian relief, and public finance management).

To date, we have completed a number of interventions. For example, we increased the payment rate of electricity bills in a Saida neighborhood by 15%, 13% and 5% using ego, social norms and hassle factor, respectively; decreased demand for plastic cutlery with delivery orders by 77.9%; increased drivers’ seatbelt compliance by nearly 83%; increased use of anti-corruption hotline by several folds; increased the ratio of bills paid using electronic cards among dine-in customers by 4%, and increased the ratio of bills paid in the Lebanese currency among customers using their electronic cards by 9% as part of a set of experiments in several restaurant branches, to name only a few. We are in the process of scaling-up some of the interventions with the relevant partners in government and NGOs.

We are currently involved in a large number of experiments, tackling challenges such as increasing the level of compliance with anti-smoking in restaurants through the “proudly non-smoking initiative”, reducing violent extremism in post conflict zones, reducing litter from cigarette butts, improving compliance with traffic rules and regulations, and improving mental health screening in PHCs ...

We are proud to be leading this transformative initiative in the region in collaboration with several stakeholders, government, academia, NGOs and the private sector, all convened under one roof, namely the shared purpose of exploring the power of behavioral insights and its applications to public policy.

To wrap up, I would like to thank the AUB Economics Department for their great partnership, the Carnegie Corporation of New York for their generous funding of the Consumer-Citizen Lab, Harvard Business Review Arabia for being our great collaboration on “arabization” of behavioral insights content, as well as Nudgeco SARL, the newly setup social purpose company, for their push of the ‘nudge for good’ culture in the private sector. Once again, we thank you for being part of this regional conference on behavioral economics and nudge, and look forward to making this a regular gathering for the Arab world.

Sincerely yours,
Fadi Makki, PhD (Cantab.)
Founder and President
Behavioral Economics rose to eminence with Kahneman’s Nobel Prize award, and has just received a major boost through R. Thaler’s Nobel Prize award

Growth of Behavioral Economics

2002
D. Kahneman awarded the Nobel Prize in economics for his work on judgement and decision making under risk & uncertainty

2008
Sunstein and Thaler published *Nudge*, as a practical illustration for the power of the field of behavioural economics

2009
• C. Sunstein as administrator for office of information and regulatory affairs, predecessor of SBST
• EU Commission made its first explicit attempt to inform policy-making by behavioral insights
• US National Institutes of Health made its Common Fund’s ‘Science of Behaviour Change’ program a priority

2010
• BIT was established in the UK influenced by Nudge
• The UK’s Coalition Agreement explicitly committed the government to ‘harnessing the insights from behavioural economics and social psychology’
• The Institute for Government (UK) published “Mindspace”

2011
• David Halpern published “Inside the Nudge Unit”
• Richard Thaler published “Misbehaving: The Making of Behavioural Economics“
• International Behavioural Insights Conference (BX2015, London)
• World Bank announces its launch of behavioral insights initiative and published BE inspired WDR

2014
• SBST was created in the White House by President Obama
• First global behavioral insights conference “Behavioural Exchange” in Sydney, Australia
• First edition of “Behavioral Economics Guide” was published by ‘behavioraleconomics.com’
• OECD published “Regulatory Policy and Behavioural Economics” report

2015
• SBST was established in the UK influenced by Nudge
• The UK’s Coalition Agreement explicitly committed the government to ‘harnessing the insights from behavioural economics and social psychology’
• The Institute for Government (UK) published “Mindspace”

2016
• More nudge units around the world
• The first Arab nudge unit set up in Qatar (QBIU)
• Behavioural Exchange (BX2016, Harvard University)

2017
• Launch of Nudge Lebanon
• More Arab initiatives to use behavioural insights in public policy, in Kuwait, KSA, UAE …
• Award of Nobel Prize in Econ to Richard Thaler, for work on behavioral economics and Nudge
SHAPE DIFFERENCE is a proprietary framework that Nudge Lebanon uses to develop nudges and behavioral interventions:

| S | SALIENCE | Drawing people’s attention to stimuli that are novel, accessible, attractive and simple |
| H | HASSLE FACTOR | Modifying a feature to the environment that makes a behavior easier or harder to accomplish |
| A | ACTIVE CHOICE | Requiring individuals to affirmatively choose between options and make implicit choice |
| P | PRIMING | Exposing people to certain stimuli, words, sensations or sights to steer them towards specific behavior |
| E | EMOTIONS | Provoking affective reactions that are automatic and unconscious to influence people’s decisions |

| D | DEFAULT | Providing default option that will come into force if no other active choice is made |
| I | INCENTIVE | Designing cost-effective incentive schemes as people tend to avoid losses rather than seek gains |
| F | FRAMING | Changing the way information is framed in order to affect people’s behavior and perception |
| F | FEEDBACK | Giving clear feedback information on how people behaved in certain circumstances |
| E | EGO | Using cues and words that support a consistent and positive self-image |
| R | REMINDER | Providing cues to push people to perform certain action |
| E | Effect of MESSENGER | Selecting who communicates the information to influence the automatic reaction of people |
| N | NORM | Providing descriptive, factually accurate information about how peers behave in a similar situation |
| C | COMMITMENT | Using commitment to increase intangible cost of failure to act according to one’s public commitments |
| E | EQUIVALENT reciprocity | Responding to others’ positive actions with an equivalent one |
‘Behavioral Economics & Nudge in the Arab Region: Lessons Learned & Challenges Ahead’

The SPEAKERS

Hammoud ALMAHMOUD
Editor in Chief, Harvard Business Review Arabia and Aliqtisadi.com

Dr. Erik ANGNER
Associate Professor of Practical Philosophy, Stockholm University

H.E. Prof. Fouad AYOUB
President of the Lebanese University

H.E. Dr. Muhammad BAASIRI
Third Vice-Governor, Banque Du Liban

Dr. Bana BASHOUR
Associate Dean for Student Affairs; Associate Professor of Philosophy, the American University of Beirut

Dr. Saouma BOU JAOUDE
Associate Dean of the Faculty of Arts and Sciences, AUB; Member of the Board of Trustees, Nudge Lebanon
Dr. Mariam CHAMMAT
Executive Advisor at the French Behavioral Insights Unit at Direction Interministerielle de la Transformation Publique

Dr. Nadia CHEIKH
Dean of the Faculty of Arts and Sciences, AUB

Jennifer COLVILLE
Team Leader, Innovation, Arab States, Bureau for Policy and Programme Support, UNDP

Dr. George DIMITROPOULOS
Assistant Professor, HBKU Law School; Member of the Advisory Board of Nudge Unit Greece

Dr. Rabih EL CHAMMAY
Head of National Mental Health Program, Ministry of Public Health

Dr. Lori FOSTER
Professor of Industrial-Organizational Psychology, North Carolina State University; Former Member of the White House Social & Behavioral Sciences Team (SBST)

Maha H. MAKKI
Co-Founder of Nudge Lebanon; Director of the MasterCard Foundation Scholars Program, AUB

Ammaarah KAMISH
Director of Policy, Research and Analysis at the Western Cape Government, Department of the Premier.
Dr. Charlotte KARAM
Associate Dean of Programs, Associate Professor of Organizational Behavior, AUB; Director of the KIP Project

Dr. Ramzi MABSOUT
Assistant Professor of Economics at AUB; Member of the Board of Trustees, Nudge Lebanon

H.E. Dr. Khaled MAHDI
Secretary General of Kuwait’s Supreme Council for Planning and Development

Dr. Fadi MAKKI
Founder and President of Nudge Lebanon; Head of Qatar Behavioural insights unit; Member of the Future Council for Behavioral Sciences at the World Economic Forum

Josh MARTIN
Vice President, ideas42

Dr. Rabi MOHTAR
Dean of the Faculty of Agricultural and Food Sciences, AUB

H.E. Ghassan MOUKHEIBER
Lebanese MP; Member of the Board of Trustees, Nudge Lebanon

Faisal NARU
Chief of Staff of the OECD Executive Director; Member of the Board of Trustees, Nudge Lebanon
Dr. Iman NUWAYHID  
Professor and Dean of the Faculty of Health Sciences, AUB

Dr. Ali OSSEIRAN  
VP Academic Affairs, Nudge Lebanon

Jon ROOZENBEEK  
Doctoral Researcher, University of Cambridge

Dr. Kai RUGGERI  
Assistant Professor, Columbia University; Senior Researcher & Affiliated Lecturer, University of Cambridge

Daniel SHEPHARD  
Member of the Board of Trustees, Nudge Lebanon; Former Member of the White House Social and Behavioral Sciences Team (SBST)

Zhi SOON  
Director – Youth, Education and Skills, Behavioural Insights Team

Dr. Umar TAJ  
Research Fellow at Warwick Business School; Founder of Nudgeathon
A pilot RCT was conducted by Nudge Lebanon to increase payment rate of electricity bills by the second visit.

**Increasing timely bill payment by evoking feelings of national pride**

In 2016, NudgeLebanon in collaboration with Electricité Du Liban Saida, increased the number of households in Saida, Lebanon, paying their electricity bills by the collectors’ 2nd visit by 15%, compared to the control group, by sending out behaviourally-modified slips addressing national pride.

<table>
<thead>
<tr>
<th>Total Response to Reminder Slips by the 2nd Visit</th>
<th></th>
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<tbody>
<tr>
<td>(% of those who paid by the 2nd visit out of those who received the intervention)</td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>53.2%</td>
</tr>
<tr>
<td>Control + Hassle Factor</td>
<td>55.3%</td>
</tr>
<tr>
<td>Control + Social Norm</td>
<td>60.2%</td>
</tr>
<tr>
<td>Control + Ego</td>
<td>61.4%</td>
</tr>
</tbody>
</table>

**Slip Descriptions**

- **Original Slip (Control)**: Slip typically given to subscribers who did not pay at the 1st visit stating the amount due and the date of the 2nd visit.
- **Hassle Factor**: Slip reminding them of the steps to be followed and the extra financial fees to be charged in case of no compliance by the 2nd visit.
- **Social Norms**: Slip stating that “more than 90% of the residents in your area pay their bills on time, will you be part of this group?”
- **National Pride**: Slip stating that “your country needs you, be a good citizen and pay your due electricity bill on time.”
With a simple verbal prompt, seatbelt compliance improved by more than 80%

Before
No verbal prompt given

42.4%

After
Timely verbal prompts reminding drivers to fasten their seatbelt as they enter their cars

77.5%

Be safe, please don’t forget to put on your seatbelt

Nudge Lebanon decreased the demand for plastic cutlery with delivery orders by 77.9% through a simple verbal nudge

In 2017, Nudge Lebanon reduced the demand for plastic cutlery with delivery orders from a local restaurant by 77.9% in comparison to the baseline, by enabling an active choice of receiving cutlery with the delivery order, delivered through a verbal prompt by the call centre staff before the call was concluded.
**Friday, May 11th**

17:00 – 17:30: Registration

17:30 – 18:00: Opening and Welcome Address
- Dr. Nadia Cheikh – Dean of the Faculty of Arts and Sciences, AUB
- Dr. Fadi Makki - Founder and President of Nudge Lebanon; Head of Qatar Behavioural Insights Unit; Member of the Future Council for Behavioral Sciences at the World Economic Forum

18:00 – 19:30: The Role of Academia and NGOs in Promoting Greater Use of Behavioral Insights in Public Policy
Moderator: Dr. Bana Bashour – Associate Dean for Student Affairs at the Faculty of Arts and Sciences; Associate Professor of Philosophy, AUB
Speakers:
- H.E. Prof. Fouad Ayoub – President of the Lebanese University
- H.E. Dr. Khaled Mahdi – Secretary General of Kuwait's Supreme Council for Planning and Development
- Dr. Iman Nuwayhid – Professor and Dean of the Faculty of Health Sciences, AUB
- Dr. Fadi Makki – Founder and President of Nudge Lebanon; Head of Qatar Behavioural Insights Unit (QBIU); Member of the Future Council for Behavioral Sciences at the World Economic Forum
- 19:30 – 20:00: Reception

**Saturday, May 12th**

8:00 – 9:00: Registration and networking breakfast

9:00 – 10:15: Growth of Behavioral Economics and Rise of Nudge Units
Moderator: Dr. Fadi Makki – Founder and President of Nudge Lebanon; Head of Qatar Behavioural Insights Unit; Member of the Future Council for Behavioral Sciences at the World Economic Forum
Speakers:
- Dr. Mariam Chammat – Executive Advisor at the French Behavioral Insights Unit at Direction Interministerielle de la Transformation Publique
- Dr. Lori Foster – Professor of Industrial-Organizational Psychology, North Carolina State University; Former Member of the White House Social & Behavioral Sciences Team (SBST)
- Dr. Ramzi Mabsout – Assistant Professor of Economics at AUB; Member of the Board of Trustees, Nudge Lebanon
- Faisal Naru – Chief of Staff of the OECD Executive Director; Member of the Board of Trustees, Nudge Lebanon
- Dr. Erik Angner – Associate Professor of Practical Philosophy, Stockholm University

10:15 – 11:30: Applying Behavioral Insights to Health and the Environment
Moderator: Dr. Iman Nuwayhid – Professor and Dean of the Faculty of Health Sciences, AUB
Speakers:
- Dr. Rabi Mohtar – Dean of the Faculty of Agricultural and Food Sciences, AUB
- Dr. Rabih El Chammay – Head of National Mental Health Program, Ministry of Public Health
- Dr. Umar Taj – Research Fellow at Warwick Business School; Founder of Nudgeathon
- Dr. Lori Foster – Professor of Industrial-Organizational Psychology, North Carolina State University; Former Member of the White House Social & Behavioral Sciences Team (SBST)
- Dr. Ali Osseiran – VP Academic Affairs, Nudge Lebanon
• Dr. Kai Ruggeri – Assistant Professor, Columbia University; Senior Researcher & Affiliated Lecturer, University of Cambridge

11:30 – 12:00: Break

12:00 – 13:15: Compliance & Rule of Law: Rethinking Government Services Delivery through a Behavioral Lens
Moderator: Daniel Shephard – Member of the Board of Trustees, Nudge Lebanon; Former Member of the White House Social and Behavioral Sciences Team (SBST)
Speakers:
• H.E. Ghassan Moukheiber – Lebanese MP; Member of the Board of Trustees, Nudge Lebanon
• Zhi Soon – Director – Youth, Education and Skills, Behavioural Insights Team
• Dr. Georgios Dimitropoulos – Assistant Professor, HBKU Law School; Member of the Advisory Board of Nudge Unit Greece
• Josh Martin – Vice President, ideas42

13:15 – 14:30: Applying Behavioral Insights and Nudge to Education
Moderator: Maha Haidar – Makki - Co-Founder of Nudge Lebanon; Director of the MasterCard Foundation Scholars Program, AUB
Speakers:
• Zhi Soon – Director – Youth, Education and Skills, Behavioural Insights Team
• Dr. Saouma BouJaoude – Associate Dean of the Faculty of Arts and Sciences, AUB; Member of the Board of Trustees, Nudge Lebanon
• Prof. Lori Foster – Professor of Industrial-Organizational Psychology, North Carolina State University; Former Member of the White House Social & Behavioral Sciences Team (SBST)
• Jon Roozenbeek – Doctoral Researcher, the University of Cambridge
• Dr. Mariam Chammat – Executive Advisor at the French Behavioral Insights Unit at Direction Interministerielle de la Transformation Publique

14:30 – 15:30: Lunch

15:30 – 16:45: Applying Behavioral Insights to Financial and Social Inclusion
Moderator: Dr. Charlotte Karam – Associate Dean of Programs, Associate Professor of Organizational Behavior, AUB; Director of the KIP Project
Speakers:
• Josh Martin – Vice President, ideas42
• Daniel Shephard – Senior Advisor and Member of the Board of Trustees, Nudge Lebanon; Former Member of the White House Social & Behavioral Sciences Team (SBST)
• Jennifer Colville – Team Leader, Innovation, Arab States, Bureau for Policy and Programme Support, UNDP
• Ammaarah Kamish – Director of Policy, Research and Analysis, Western Cape Government, Department of the Premier

16:45 – 18:00: The Future of Behavioral Economics and Nudge in the Region
Moderator: Hammoud Almahmoud – Editor in Chief, Harvard Business Review Arabia and Aliqtisadi.com
Speakers:
• H.E. Dr. Khaled Mahdi – Secretary-General of the Supreme Council for Planning and Development in Kuwait
• Faisal Naru – Chief of Staff of the OECD Executive Director; Member of the Board of Trustees, Nudge Lebanon
• H.E. Dr. Muhammad Baasiri – Third Vice-Governor, Banque Du Liban
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