Behavioural Insights Applied to Policy

ITALY
Country Overview

Last updated: 22 February 2016

This country overview complements the "Behavioural Insights Applied to Policy – European Report 2016".

Are you aware of any new or missing information? If so, please provide us here with your contribution!

1. Who
Institutions that apply behavioural insights to policy

Public institutions
Agency for Digital Italy (AgID)
Autorità Garante della Concorrenza e del Mercato (AGCM)
City of Bergamo
Commissione Nazionale per le Società e la Borsa (CONSOB)
Italian Regulatory Authority for Electricity Gas and Water

Research institutions
Centro di Ricerca in Epistemologia Sperimentale e Applicata (CRESA), University San Raffaele
Behavioral and Experimental Economics Lab (BEELab), Florence
Bocconi Experimental Laboratory for the Social Sciences (BELSS), Milan
Bologna Laboratory for Experiments in Social Sciences (BLESS)
Computable and Experimental Economics Laboratory (CEEL), Trento
Centro d’Economia Sperimentale A Roma Est (CESARE)
Economia Sperimentale al Sud d’Europa (ESSE), Bari
Experimental Economics Lab (EELab), University of Milano Bicocca
Experimental Economics Laboratory (LabSi), Siena
InterUniversity Center For Experimental Economics (DEPFID), Siena
Laboratorio di Economia Sperimentale (AL. EX), Alessandria
2. How

Level of use of behavioural insights

- **Behaviourally-tested initiatives**: initiatives explicitly tested, or scaled out after an initial ad-hoc experiment.
  - ✓

- **Behaviourally-informed initiatives**: initiatives explicitly based on previously existing behavioural evidence.
  - ✓

- **Behaviourally-aligned initiatives**: initiatives that, at least a posteriori, are implicitly aligned with behavioural evidence.
  - ✓

Methodologies used

- Literature review
- Surveys
- Experiments (laboratory, online, field)

3. What

Policy areas where behavioural insights are applied

- Banking
- Consumer Protection
- Digital Agenda and ICT services
- Education
- Energy
- Environment
- Finance
- Financial Protection
- Food
- Health
- Taxation
Examples of policies using behavioural insights

Banking

**Using a lottery system to encourage card payments** *(behaviourally-informed initiative):* The city of Bergamo (120,000 inhabitants, in Lombardy) has the ambition to become the first European cashless city. This is a joint project between CartaSi, other partners of the banking system (Visa, Mastercard and Pagobancomat) and of City of Bergamo. Consumers (and retailers) are encouraged to make transactions using cards, through a lottery system, replicating what other Countries experimented to combat VAT evasion. For consumers and retailers there are daily € 100 daily prizes, € 500 weekly prizes. Moreover, if a defined objective was attained by November 2015 (660,000 card payments), fast internet connection would be provided for all schools in Bergamo. This project is announced to end in June 2016 though it could replicated in larger Italian cities. With 14.3%, the rate of card payments in Italy is far below other European Countries’ (it’s above 30% in France, Britain, Spain and Germany, and just short of 50% in Norway, Sweden and Finland). [Source: Desk research1]

Consumer Protection

**Improving performance in maths** *(behaviourally-informed initiative).* Since the new Consumer Rights Directive came into force, in June 2014, the AGCM (l’Autorità Garante della Concorrenza e del Mercato, the Italian Competition Watchdog), has effectively enforced the article limiting the abuse of pre-checked boxes for ancillary online services. In one instance, the AGCM fined Ryanair and easyJet for total of more than €1m for mis-selling travel insurance on their websites. [Source: Desk research2]

Digital agenda and ICT services

**Using defaults to simplify administrative procedures** *(behaviourally-aligned initiative):* The whole “Agenda per la Semplificazione 2015-2017” (Agenda for simplification 2015-2017) is behaviourally inspired.³ The Agenda tries to tackle issues in five main sectors: digital citizenship, welfare, health, companies and construction industry. For example, for digital citizenship, single credentials are sufficient for every online public service and digitalization of Justice is already in place for certain procedures under certain Court Districts. The simplification of administrative procedures sometimes implies an automatic default pre-filling of fiscal and non-fiscal declarations, and is in line with the need to decrease information overload.⁴ [Source: Survey]

**Increasing the use and confidence in public administration websites** *(behaviourally-aligned initiative):* “Improving Usability of Public Administration Websites” is an initiative under AgID aimed at strengthening users’ confidence towards public administration websites, thus improving usability. The same agency is coordinating a number of initiatives leveraging framing and salience to give better access to online information provided by the public administration. [Source: Desk research5]
**Education**

*Improving performance in maths among school pupils* (behaviourally-tested initiative). In 2015, the Italian Ministry of Education launched a trial for encouraging chess practicing in schools, first in primary schools, to be followed by similar actions in secondary schools. The available evidence shows that chess practice improves performance in maths by 17%, especially for medium-level pupils. The experiment was conducted in conjunction with the Italian Chess Federation and will also imply access to a specific online platform in a first stage. Personalised tutorship is foreseen in a second stage. This could be seen a behavioural initiative both because it implies a curriculum improvement (i.e., leading to better school performance with the same total hours of tuition), and because of the experimental character of the initiative. [Source: Desk research(6)]

**Energy**

*Encouraging energy-saving behaviour* (behaviourally-tested initiative): The national public administration is currently testing a nudge intervention in the saving-energy field by changing the frame of the monthly bill that consumers receive at the end of each month. University of San Raffaele was entrusted to run the Randomised Controlled Trials and interpret the results. Completion of the study was expected by 2015. [Source: Survey]

*Encouraging energy-saving behaviour* (behaviourally-informed initiative): The Turin Municipal Electricity Company is part of behavioural project aimed at encouraging consumers to save more energy. At a national level, and with a similar perspective, the Authority for Energy and Gas carried out studies with a behavioural component. From the information collected, however, it is still not clear what type of behavioural biases or solutions these initiatives are respectively tackling or leveraging. [Source: Survey]

**Environment**

*Encouraging consumption of environmentally-friendly food products* (behaviourally-tested initiative): During the Milan Expo, the Italian Coop Supermaket ran the “supermarket of the future”, testing the impact of real-time information displays of food information and carbon footprint on consumers’ attitude and purchase behaviour. During this time, the European Commission also carried out a series of trials in the supermarket. [Source: Interview]

*Limiting food waste* (behaviourally-informed initiative): Auchan applies a discount to food items near to expiration date. Price cuts up to 50% encourage clients to buy and consume such food items, therefore reducing food waste. This is not just a price intervention but rather entails a change of the choice architecture: the food items at stake (mostly diary products, cold cuts and fresh pasta) are often located in a specific place and clients can recognize them by special stamps or posters. Furthermore, to reduce wood waste, Auchan has a self-discount format: some food items are also sold without packaging, so that clients can buy only the amount of food they need. [Source: desk research(7)]
Financial protection

**Using defaults to simplify administrative procedures** *(behaviourally-informed initiative):* CONSOB’s Economic Research Department is currently involved in the Presentation of financial risk information research project, the so-called “Consumer Testing Project”. This project is aimed at investigating the subjective understanding and perception of financial information and their impact on investment decisions. In particular, the consumer-testing approach will allow exploring: i) how different representation formats (or templates) affect investment decisions, ii) how different templates influence risk perception, iii) which template is preferred in terms of clarity, simplicity and utility. Results from consumer testing will allow to gather empirical evidence on investors’ needs (for information) and identify the optimal combination of disclosure variants and representation approaches, and will provide useful insights for securities regulators engaged in the simplification of financial information disclosure of investment products. [Source: Survey]

Health

**Increasing the rate of organ donors** *(behaviourally-informed initiative):* In Italy, presumed consent legislation for organ donation was approved in 1999, but before it was fully implemented, some regions (notably Tuscany) adopted the Spanish organisational model, and saw the rate of organ donors double to 26.9 donors per million population. [Source: desk research]

Taxation

**Speeding fines payments** *(behaviourally-informed initiative).* In August 2013, a new government decree came into force in Italy, offering a 30% discount for those paying a traffic fine within five days after receiving it. The intervention was expected to speed fine payments, reduce uncertainty and increase revenues for municipalities. Using behavioural insights, experts had however forewarned the government about the likely failure of the intervention. Initial findings indeed proved the intervention suboptimal as it decreased revenues for municipalities, without decreasing the proportion of appeals. More than the initiative, the forewarning of the experts and the corresponding findings prove that citizens are not rational optimisers that properly discount losses and gains over time. [Source: Interview and desk research]

Transport

**Reducing the number of road deaths and injuries** *(behaviourally-aligned initiative).* Similarly to other European Countries, Italy also has a penalty point system for driving licences, whereby each driver starts with 20 points, and receives a bonus of 2 points for every 2 years of correct behaviour, up to a maximum of 30 points. Each traffic violation incurs a specific point penalty and, should the driver lose all points, the driving license is revoked. In Italy, the decremental point system - that implicitly taps on loss aversion - was introduced in 2003, when official statistics reported 265,402 road accidents, with 6,980 deaths and 378,492 injured. In 2011, the number of accidents decreased at an all-time low (205,638, -22.5%), with “only” 3,860 deaths (-44.7%) and 292,019 injured (-22.8%). A socio-demographic analysis also offers interesting insights, showing that younger drivers are more likely to lose points, as well as men with respect to women. [Source: Desk research]
4. Where

Institutional structure & capacity

There is no central level coordination for behavioural insights in Italy. Behavioural insights are taken in consideration in the Agenda for Simplification 2015-2017, but each Agency/Regional/Local authority has its own contacts and methodologies. Most of the public efforts rely on private consultants or Universities for the design part [synthesis from all our sources]. The three leading public bodies are: AgID – Agenzia per l’Italia Digitale (Italy’s Digital Agency), AEEGI (Authority for Gas, Energy and Water) and CONSOB (Authority for Financial Markets). They appear as the only actors testing new policy initiatives through experiments or explicitly applying behavioural insights.

Knowledge base

Italian agencies usually liaise or rely on private consultancies or University to design certain policies [Source: Surveys]. Behavioural Insights are part of the “Agenda per la Semplificazione 2015-2017” (Agenda for Simplification 2015-2017), approved in December 2014 by the Government, which aims at promoting an effective dialogue between Public Administration on the one hand, citizens and businesses on the other. The Agenda also strives for simplification, aims at reducing red tape and defines measurable results by the citizens. The overall idea is to improve user satisfaction and reform of the public administration as a whole.

However, as the independent initiatives of CONSOB, AEEGI and AgID show, each actor is working independently and there is no clear central coordination aside from very general guidelines in the “Agenda per la Semplificazione” [Source: Survey]. Although there is no ad-hoc unit, various regulators are developing relevant knowledge and skills: AgID (Italy’s Digital Agency), CONSOB (Regulatory Impact Analysis and general use of Behavioural Economics), the Economic Research Department (paper on behavioural finance insights) and also at regional level in the following two regions: Lazio and Emilia Romagna [Surveys]

Networks and collaborations

There does not seem to exist any collaboration or network, not even informal, although there is interest to establish one. Private consultants and researchers seem to know each other very well, but there appears to be lack of awareness of the potential of such a methodology at institutional level. There is however an actual interest in sharing best practices with and from advanced countries as well as with the EU Commission [Survey]

There is evidence of applications of behavioural techniques at local level, too. In particular, the Province of Trento is working together with University of Trento (Cognitive and Experimental Economics Laboratory) and the Bruno Kessler Foundation (Behavioural Economics and Nudging unit), though it is not clear what such collaboration [Survey].

Are you aware of any new or missing information? If so, please provide us here with your contribution!
Behavioural Insights Applied to Policy (BIAP)  

1. http://www.cashlesscity.it/ (only in Italian).
3. http://www.funzionepubblica.gov.it/media/1207829/agenda_semplificazione_2015-2017.pdf, Agenda per la Semplificazione (last access 01.06.2015, h.10.32)
5. http://www.agid.gov.it/agenda-digitale/pubblica-amministrazione/usabilita - Usability (only in Italian)
   http://www.agid.gov.it/agenda-digitale/pubblica-amministrazione/accessibilita - Access (only in Italian)
7. http://www.auchan.it/ipermercato/punto-vendita-news.php?pdv=15&id=173 only in Italian. Snapshot of the initiative is available on DG SANTE’s website, Food Waste subsection (last access 29.05.2015, h.12.33).
10. See http://www.linkiesta.it/it/article/2013/07/01/come-funziona-la-patente-a-punti-che-compie-10-anni/14790/.
11. Such Unit has been endorsed by Academia under the name of “Italy Be-Have Unit”, source Ilsole24ore 24 March 2014 p.41:
    http://www.consoib.it/mainen/documenti/english/papers/index.html?symblink=