

## **Response: “Behavioural public policies and charitable giving” by Luc BOVENS (2018)**

This paper is a response to Bovens and his suggestions that some challenges in the paper by Sanders *et al* (2018) can be ‘aptly illustrated’ by means of charity nudges intended to increase charitable donations. Bovens focuses on three issues in particular. First, the use of triptychs by Oxfam to encourage online donations on its website to support the work of the charity. Second, whether the use of social networks to encourage support and donations exploits power relations and shows a lack of respect for the boundaries of privacy. Third, whether the social business model used by Kiva in asking for online funds to complete an intended action is truthful and true to purpose.

### **Charity Commission and regulation**

The context of charitable giving and an understanding of charity regulation are relevant in this discussion. There are 167, 072 registered charities in England and Wales and, taken together, they represent a rich seam of voluntary activity and social engagement. Charities have found themselves more tightly regulated in recent years following a number of important ethical and organisational concerns raised in the media and in parliament. The Charity Commission has been given additional powers, it provides more guidance to charities and has highlighted the important responsibilities of trustees in the light of the collapse of Kid’s Company in 2015. The Fundraising Regulator and the Information Commissioner have recently placed additional responsibilities on charities and made clear that the regulatory bodies will work closely together.

### **Ethical use of ‘nudges’ to influence donors**

Bovens raises concerns that Oxfam uses a nudge approach through the use of a triptych on its website to encourage higher online donations but these concerns have to be set alongside the choices open to potential donors. A simple online search for UK-based international aid charities revealed 201 such charities hence donors have made a decision to select Oxfam and the option of donating before the nudge from the Oxfam triptych and its donation options. Indeed, many donors are prompted (nudged) by television images of the loss of life and structural damage caused by natural disasters and advised to donate through the Disasters Emergency Committee which itself uses a triptych with a fourth option to “donate your own amount here”. Bovens recognises it is more problematic to suggest that the nudge used by Oxfam and others leads potential donors to think of themselves as generous people who want to give to charity and it would have stretched the argument even further to cite Andreoni (1990) and his view of “warm-glow giving”.

### **Corporate partners and ethical questions**

The second major concern raised by Bovens looks at the use of social networks and considers an experiment in which messages from the CEO of Deutsche Bank to members of staff to donate to named charities were found to be “highly efficacious”. He also cites a second experiment in which mid-level managers in an investment bank who had already donated were encouraged to tell colleagues and encourage them to donate too. Their interventions were found to have a positive effect on the level of donations. Bovens is right to raise the possibility that a request or an email from the CEO encouraging members of staff to donate or support a charity may cross ethical boundaries. It is important to consider the context and the wording of the request or suggestion from the CEO. Also, Deutsche Bank uses the mechanism of a staff vote to select its ‘charity of the year’ from charities proposed by the Bank’s employees. The commitment and endorsement (as nudges) by the CEO are factors in the success of the charity of the year partnership but the potential concerns set out by Bovens do merit further investigation.

### **Online donations and ‘nudges’**

While recognising that Sanders *et al* (2018) did not consider online campaigning, Bovens raises

concerns about the widespread use of behavioural techniques in many of these campaigns. He cites Kiva which uses a crowdfunding website to seek loans to support people such as small-scale farmers in relatively poor countries who need to purchase a piece of equipment. The request for the loan is framed as time limited to create a greater sense of urgency and the website request also shows the reducing sum needed to complete the full amount needed so the final gifts (loans) appear to have a large impact. However, the Kiva website shows these nudge statements are not actually true and Bovens rightly raises the question of whether the model used by Kiva (called pre-disbursal) would meet the test laid down by the Fundraising Regulator in its Code of Good Practice (2015). In contrast, when some of the larger UK research charities seek funds from donors for research projects and programmes already approved by the charity Kiva they are open about this, unlike Kiva. Any donations allow the charity to move some or all of its matching commitment to support similar, high quality research and thereby expand the overall research programme.

### **Transparency and ethical standards**

Charities are operating within a more tightly regulated environment in which greater transparency is needed and high ethical standards are met consistently. Bovens has helpfully identified potential concerns in drawing on examples of attempts to increase charitable donations, using the behavioural approach of Sanders *et al* (2018). If the use of the donation triptych by Oxfam is acceptable, Boven's concern regarding the nudge from senior level endorsement of corporate fundraising appeals to internal staff certainly merits further study. Behavioural approaches can offer insights to charities in framing donation requests and, for example, prompting users' feedback on the quality of personal services such as the response to calls to a Helpline. Simple, well-constructed behavioural experiments can be transformational in underpinning major improvements in the effectiveness and impact of charity operations and helping to develop the evidence base for cost-effective approaches and campaigns.

**Robert Meadowcroft**

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### **References**

