

USING BEHAVIORAL SCIENCE TO IMPROVE CIVIC BEHAVIOR IN KOSOVO

- 1 **Tax revenue is crucial for effective local governance.**
- 2 **In Kosovo, property taxes are often paid late or not at all.**
- 3 **Behavioral Science offers easy-to-implement, inexpensive solutions.**

Can Behavioral Science improve tax payment in Pristina?

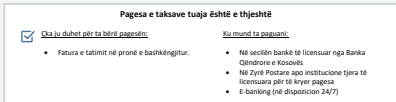
THE SOLUTION

Clear, concise reminder letter:

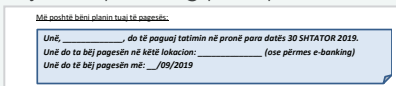
- » First page of the bill — needed for payment
- » Clear due date and non-payment consequences



- » Simple payment information



- » Payment planning prompt



...and other behavioral elements

THE RESULTS

The reminder letter led to

16%

more property owners paying their tax on time

Even 5 months later, sending the letter caused

7%

more residents to pay their property taxes

THE POTENTIAL

If sent to all 52,652 tax-owing property owners, the letter would have raised

+ €488K

additional on-time tax revenue

Each letter sent could generate

+ €9.26

more on-time payment

How does this benefit the municipality?

- ✓ Avoid fines and debt for your tax-payers
- ✓ Ensure more public revenue and better budgeting capability
- ✓ Increase the efficiency of tax collection and reduce administrative costs associated with late or non-repayment

Other opportunities to improve tax collection

- Send additional letters
- Send targeted, customized letters
- Test other channels for implementing behavioral interventions

Employ Behavioral Science in other public policy or governance areas



Decrease electricity use



Reduce water consumption



Increase urban mobility



Nudge other socially desirable behaviors



Improve the effectiveness of public officials or frontline workers

How can your municipality engage more with Behavioral Science?

» Build **internal capacity** with the following resources:



ideas42.org/academy



bhub.org

» **Employ** or **embed** a behavioral team



"Assist" Projects



Behavioral Design Teams

» Consider a low-risk engagement with **ideas42's CityNudge Accelerator**

- We will work with you to identify a **target behavior** and **proven light-touch solutions**.
- You only pay if the intervention works!
 - If intervention shows a measurable impact: **a portion of the additional revenue or costs savings** will cover ideas42's costs
 - If the intervention does not have any impact: **pay NOTHING**
- Read more at ideas42.org/cities



About ideas42

ideas42 is a non-profit that uses insights from behavioral science to help improve lives, build better systems, and drive social change across the globe. Over the past twelve years we have partnered with foundations, non-profits, government agencies, and socially-minded companies to work on more than 250 projects in over 45 countries, using behavioral science to improve tens of millions of lives around the world.

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