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The big nudge: here's how the government could spread its coronavirus tracing app far, fast and wide

How can the government incentivise people to download its coronavirus contact tracing app?

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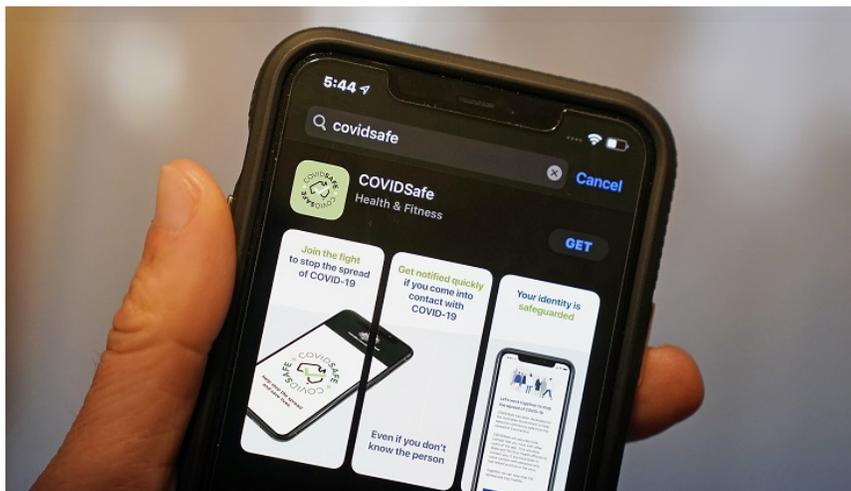


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(IMAGE: AAP/SCOTT BARBOUR)

The government's tracing app, COVIDSafe, is off to a flying start, with over 1 million downloads within hours of launch. But what if the rate of uptake slows to the extent that the government's 40% adoption rate looks unlikely to be achieved. When then?

What about giving people incentives to download?

And can people be "nudged" along to adopt?

Taxes and subsidies

Incentivising app adoption can potentially come through traditional tools that economists use — tax breaks or taxes for app registration.

But behavioural economics can be used to amplify tax incentives. To make a tax break more powerful, the government could automatically give everyone a tax break irrespective of if they have downloaded

the app.

Then, over time, the government could claw back the tax break if an individual doesn't download and register with the app. Such a strategy would exploit the famous "endowment effect" in amplifying a tax break's impact. Countless studies have demonstrated that people dislike giving something up even more than they like receiving it. Claw backs have indeed [proven effective](#) in amplifying incentive effects.

Alternatively, we might leverage people's *loss aversion* by instituting a dedicated tax for not registering. As [research suggests](#), people may be more motivated to avoid the loss of an additional tax, than to seek a refund on the tax they were already assessed.

Paying back the fines

The government could provide financial incentives using the tax revenue it generates from [fining people up to \\$10,000](#) for breaking social distancing rules. For instance, signing up to the app means you are entered into a lottery pool with a chance to be paid \$1000 out of the social distancing fine income.

This strategy would appeal to households' preferences for lotteries and has been successful in

other places, such as with Sweden's [Speed Camera Lottery](#).

Paying with mobility

Rather than using financial incentives, the government could instead consider an “app passport” whereby social distancing restrictions are further loosened for individuals who have downloaded and registered on the app.

The simulator

[Recent research](#) from Australia suggests app-usage is an “experience product” and that trialling such apps can lead to rapid “habit formation” and permanent adoption.

Leveraging these insights, the government could implement an “app simulator”, whereby before handling actual data, households’ are provided a weekly trial period to experience the app and learn about its safety benefits in dealing with COVID-19.

To provide a realistic experience, the simulator could provide a hypothetical situation to an individual of the information they would be provided if they were to come into close contact with COVID-19.

In this way, the government could help households

allay any remaining privacy concerns and help people make an informed app adoption decision. People could delete the app after the trial period, or they could keep the app and start using it to protect themselves from COVID-19 once the trial ends.

Informational nudges

The government has already been using text messages and marketing campaigns to coordinate public action in dealing with COVID-19. This will be an important tool going forward for incentivising contact tracing app adoption through any of these interventions: for instance, texts about gradually clawed-backed tax breaks, mobility incentives from app adoption, or encouraging households to try the simulator.

Text-based nudges can make salient the public gains from mass adoption, thereby appealing to social norms and peer pressure in further encouraging app adoption. Texts could also make people aware of the extent to which others in their community, or neighbouring communities, have downloaded the app; [research suggests](#) that unfavourable social comparisons would motivate app adoption.

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