Journal of Behavioral Economics for Policy

Vol. 9, Issue 2

SABE
SOCIETY FOR THE ADVANCEMENT OF
BEHAVIORAL ECONOMICS

The *Journal of Behavioral Economics for Policy* (JBEP) it is an official journal of the *Society for the Advancement of Behavioral Economics* (SABE).

www.sabeconomics.org

SABE
SOCIETY FOR THE ADVANCEMENT OF
BEHAVIORAL ECONOMICS

Introduction to the JBEP Vol. 9, Issue 2

Dear Readers,

The second 2025 issue of the *Journal of Behavioral Economics for Policy* continues our effort to showcase research that turns behavioral mechanisms into concrete insights for policy and organizations. The six articles collected here span different domains: AI governance, international monetary issues, consumer valuation, behavioral public administration, resource nexus policy design, and social norms in consumption. However, they converge on a common theme: policy effectiveness depends not only on incentives and constraints, but also on how choices are framed, processes are designed, and expectations are formed in real environments. With the invaluable support of our Associate Editors and anonymous reviewers, these contributions successfully passed the Journal's double-blind peer-review process.

The first article, *"Transparency and Public Communication Foster Trust in AI Companies,"* by Benjamin Prissé, Assel Mussagulova, and Jun Quan Ho, studies how organizational features of AI-producing firms shape public trust. Using a vignette-based experimental design, the authors distinguish several sub-dimensions of trust, such as benevolence, reliability, and transparency. With this, they show that transparency and perceived benevolence are particularly important drivers. Firms that explain their AI technologies clearly and demonstrate societal accountability (e.g., by seeking and incorporating public feedback) are trusted more. Compliance with external standards and guidelines also matters, while technical performance and data quality appear less salient in this setting, plausibly because respondents assume adequate functioning for limited use. The findings speak directly to ongoing debates on AI governance: beyond technical compliance, credible communication and engagement may be central to building public confidence.

The second article, *"Cooperation, competition, or conflict? A review of the multiple international sides of money,"* by Chiara Alvisi, revisits the role of money in a context of increasing geopolitical tensions and accelerating innovation in payment systems and currencies. Combining insights from behavioral, monetary, and geoeconomics research, the article proposes an integrated lens to understand today's international monetary system, as currency competition – including digital currencies – changes incentives, strategic interactions, and the way monetary policy affects the economy. By connecting social and geopolitical forces to monetary phenomena, the review highlights how the "international sides of money" can be simultaneously cooperative and conflictual, and why this duality matters for policy.

The third article, *"What Makes Buyers Willing to Pay More? On the Role of Touch in the Endowment Effect,"* by Daniela Raeva-Beri and Cathrine V. Jansson-Boyd, addresses a classic theme in behavioral economics, namely, valuation and the endowment effect. The authors focus on a channel that is often present in real markets but hard to isolate experimentally: touch. They report an experiment designed to identify the effect of touch in the absence of ownership, including a novel "touch only" modality and manipulation of touch valence (pleasant vs. unpleasant). They find that touch increases buyers' valuations for a pleasant-to-touch good, with stronger effects among individuals high in instrumental need for touch. Beyond the empirical contribution, the article helps clarify conceptual boundaries between sensory experience and ownership-based explanations, and it suggests policy-relevant implications whenever touch availability changes, such as with online shopping, product display rules, or hygiene-related restrictions.

The fourth article, *"Measuring Administrative Friction: A Transaction-Cost Framework for Sludge Audits,"* by Federico Atzori, speaks to a rapidly growing agenda in Behavioral Public Administration: identifying and reducing the "sludge", i.e., those excessive frictions that slow down or distort administrative processes. The paper's starting point is that existing definitions and audit models, while influential, remain difficult to operationalize in a consistent way. Building on the literature on heuristics and biases and on the economics of transaction costs, the author clarifies the conceptual boundaries between sludge and related notions such as ordeal mechanisms, red tape, and administrative burden. He then maps sludge onto a classic typology of transaction costs, extending it with a distinct category of red-tape costs, and proposes a Sludge Audit Model that decomposes administrative processes into measurable sub-actions. The model quantifies time, direct costs, psychological costs, and opportunity costs, and is designed to help administrations pinpoint which steps can be simplified, digitized, or eliminated without compromising efficiency, thereby offering a practical, scalable diagnostic tool to prioritize reforms.

The fifth article, *"Behavioral and Experimental Economics for Policy Design in the Water-Energy-Food Nexus: A Systematic Review of Methods and Applications,"* by Angelica De Fabrizio, Felipe Micangeli, and Nicole Bernoni, surveys experimental and behavioral economics evidence relevant to one of today's core policy challenges: coordinating interventions across water, energy, and food systems. Reviewing thirty-seven studies in developing and resource-scarce contexts, the authors document substantial heterogeneity in methods and focal outcomes: Randomized Controlled Trials are more prevalent in energy and food (often centering on adoption and subsidies), whereas lab-in-the-field approaches are especially common in water, where governance of common-pool resources and collective action are central. Importantly, evidence shows that nudges and incentives can raise adoption and willingness to pay in the short run; however, most studies still evaluate these interventions sector by sector, leaving the Water–Energy–Food Nexus largely implicit rather than explicitly modeled. With this, the authors conclude by encouraging "Nexus-aware" experimental designs that treat cross-sector spillovers as outcomes of interest, supported by joint metrics and longitudinal monitoring.

The sixth and final article, *"Is Men's Skincare an Emerging Social Norm? Evidence from Norm-Elicitation Vignettes,"* by Boglárka Rónay, Balázs Lajos Pelsőci, and Máté Bence Bollók, investigates whether men's use of skin-care cosmetics can be characterized as a social norm in Cristina Bicchieri's sense – through empirical and normative expectations and potential sanctions. Using third-person vignettes and an international survey sample (with a substantial Hungarian component), the authors find empirical and normative expectations that cluster near the norm-consistent benchmark and correlate in the expected direction, consistent with an emerging norm. However, the study cannot draw firm conclusions about sanctioning: responses to the sanction questions were not consistent enough to support a reliable measure, which prevents classifying men's skincare as an enforceable norm. More in general, the paper offers a careful norm-diagnostic contribution and motivates incentive-compatible follow-ups focused on conditional compliance and sanctioning mechanisms. These issues have clear relevance for consumer policy, marketing regulation, and health framing in public communication.

Recalling that all articles published in the *Journal of Behavioral Economics for Policy* undergo a double-blind review process, I thank our Associate Editors for their dedication and our reviewers for their generous and constructive work. Please, do not hesitate to submit your research to JBEP – especially work that connects behavioral insights to concrete policy implications. Submissions and queries should be sent to jbep@sabeconomics.org.

Giuseppe Attanasi
Editor-in-Chief
Sapienza University of Rome

JBEP 9(2)