Journal of Behavioral Economics for Policy

Vol. 5, Issue 1 + Special Issue 2



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

© 2021. Society for the Advancement of Behavioral Economics

www.sabeconomics.org



Editorial Board

Editor-in-Chief

Michelle Baddeley, University of Technology Sydney

Special Issues Editor

Roger Frantz, San Diego State University, USA

Deputy Editor

Giuseppe Attanasi, Université Côte d'Azur, Nice, France

Book Review Editor

Alexis Belianin, Higher School of Economics Moscow, Russia

Associate Editors

Shu-Heng Chen, National Chengchi University, Taiwan
Antonio M. Espín, Middlesex University London, UK
Gigi Foster, University of New South Wales, Australia
Tere Garcia, University Granada, Spain
Robert Hoffmann, RMIT University, Australia
Shabnam M. Mousavi, Johns Hopkins University, USA
Angela de Oliveira, University Massachusetts Amherst, USA
Salvatore Rizzello, University of Piemonte Orientale, Italy
Joe Sabia, University New Hampshire, USA
Shosh Shahrabani, The Yezreel Valley College, Israel
John Smith, Rutgers University-Camden, USA
Marie Briguglio, University of Malta, Malta

Board of Directors

Morris Altman, University of Newcastle, Australia
Gary Charness, University of California, Santa Barbara, USA
Richard T. Curtin, University of Michigan, USA
Catherine C. Eckel, Texas A&M University, USA
Bruno S. Frey, University of Basel, Switzerland
Simon Gaechter, University of Nottingham, UK
Carol Graham, Brookings Institution, USA
Benedikt Herrmann, European Commission
Stephen Lea, University of Exeter, UK
Louis Levy-Garboua, Paris School of Economics, France
Rosemarie Nagel, ICREA, Universitat Pompeu Fabra, Spain
Susan W. Parker, CIDE, Mexico
Esther M. Sent, Radboud University Nijmegen, Netherlands



This issue presents a complementary set of contributions – in the first part a range of papers exploring various facets of behavioural economic policy – from drug regulation, to taxation, corruption, violence and pricing information; and in the second part a Special Issue on the "Behavioural Economics of the Unseen", guest-edited by Gigi Foster, honing-in on the role played by emotions, loyalties and ideologies in guiding our decision-making.

The first part of this issue begins with "Double Defaults: Behavioral Regulation of Cocaine" in which Jim Leitzel suggests replacing drug prohibition with a regulated system embedding two default levels, designed to guide people towards abstinence or, for the non-abstinent, into moderate drug consumption. Magda Osman, Isabelle Mareschal and Emily Hannon's contribution "Bundling Violence: How do people trade-off combinations of violent acts?" analyses combinations of violent acts within prison settings, in order to determine the most common way in which people intuitively aggregate violent acts. In "Behavioral Optimal Taxation: Aspirations" Matthias Weber addresses the neglect of aspirations in the classical optimal taxation literature and develops a behavioral analysis of lump-sum taxes – a cautionary tale exploring the limits to classical optimal taxation models when full rationality cannot be assumed. Cameron Murray, Paul Frijters and Markus Schaffner's contribution "Is transparency an anti-corruption myth?" explores the impact of transparency on costly back-scratching within a laboratory setting, identifying two countervailing forces from social cues and prosocial forces, concluding with policy lessons about the limits of transparency in curtailing corruption.

The next three contributions re-focus on how individual's decision-making is moulded by behavioural influences. Nuria Rodríguez-Priego, René van Bavel and Shara Monteleone's "Nudging online privacy behaviour with anthropomorphic cues" analyses personal data in the digital world, exploring the perennial and topical privacy problem that users may not always be aware they are disclosing personal data online. In "Networked nudging: Designing a voter registration nudge in urban India" Anirudh Tagat, Anchal Khandelwal and Hansika Kapoor analyse behavioral interventions designed to improve voter registration and turnout amongst India's urban youth. Then, Ravi Dutta-Powell, Min-Taec Kim and Cameron Tan conclude

the first part of this issue with "I don't get it, but I like it: Detailed pricing information increases confidence, but decreases quality of decision making", an analysis of consumers' uptake of different energy plans in the context of an incentivized online field experiment,. They find that detailed pricing information does not necessarily enable respondents to select the cheapest plan, whilst the omission of detailed pricing lowers consumers' confidence in their decision making, even when they are unable correctly to interpret the information presented.

In the second part of this issue, Gigi Foster has guest-edited a Special Issue – an intriguing collection exploring the "Behavioral Economics of the Unseen", including contributions on emotions, tax compliance and social ties. The overarching insight from these contributions is that our irrepressible emotions, loyalties and ideologies are instrumental in the formation of the mental heuristics guiding our decision-making. Gigi concludes with a rallying call: "Further research into these traits and their impact in motivating economic decisions and outcomes holds huge potential both intellectually, and in terms of aligning our policy-making with the needs of real humans".

I hope that JBEP readers enjoy this diverse, diverting collection of contributions to behavioural economic policy debates, and that you are keeping well through these challenging times.

MICHELLE BADDELEY
Sydney, Australia
July 2021

JBEP 5(1)

Double defaults: Behavioral regulation of cocaine Jim Leitzel	7-12
Bundling Violence: How do people trade-off combinations of violent acts? Magda Osman, Isabelle Mareschal and Emily Hannon	13-17
Behavioral optimal taxation: Aspirations Matthias Weber	19-26
Is transparency an anti-corruption myth? Cameron K. Murray, Paul Frijters and Markus Schaffner	27-43
Nudging online privacy behaviour with anthropomorphic cues Nuria Rodríguez-Priego, René van Bavel and Shara Monteleone	45-52
Networked nudging: Designing a voter registration nudge in urban India Anirudh Tagat, Anchal Khandelwal and Hansika Kapoor	53-60
I don't get it, but I like it: Detailed pricing information increases confidence, but decreases quality of decision making Ravi Dutta-Powell, Min-Taec Kim and Cameron Tan	61-76
JBEP 5(S2): The Behavioral Economics of the Unseen Guest Editor – Gigi Foster	
Driven by the Invisible: The economics of the unseen Gigi Foster	79-85
Guilt, love, and the behavioral enrichment of public choice theory Mark Pingle and Jason Lim	87-93
Effects of tax payment systems on tax compliance: Comparing the withholding system with the tax declaration system Mariko Shimizu	95-102
Strength of social ties: How non-monetary bonds affect east germans' decision to stay after German Reunification Alison Macintyre, Tony Beatton, Ho Fai Chan, and Benno Torgler	103-120

