Journal of Behavioral Economics for Policy

Vol. 6, Issue 1

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).

© 2022. Society for the Advancement of Behavioral Economics

www.sabeconomics.org

SABE
SOCIETY FOR THE ADVANCEMENT OF BEHAVIORAL ECONOMICS

Editorial Board

Editor-in-Chief

Shabnam M. Mousavi, *Johns Hopkins University, USA*

Special Issues Editor

Roger Frantz, *San Diego State University,USA*

Deputy Editor

Giuseppe Attanasi, *Sapienza University of Rome, Italy*

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*
Michelle Baddeley, *University of Technology Sydney*
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*

Dear Readers,

In this issue of the *Journal of Behavioral Economics for Policy* we have a collection of scientific contributions from scholars in behavioral economics, which focus on relevant ongoing real-world issues and on discussion of new hot topics in the field of behavioral economics.

The articles in this issue start with a behavioral analysis of agents' perception and behavior when facing the recent COVID-19 pandemic and vaccination campaign. In this group of articles, Erica Freer and Quinn Keefer's contribution, "Optimism bias and perceptions of behavioral factors for preventing severe COVID-19 complications," examines how engaging in a healthy behavior is associated with viewing it as more influential for preventing illness severity. Specifically, they report that individuals who exercise more, eat healthier, and take dietary supplements rate these behaviors as more important for preventing severe complications from COVID-19. A second contribution on a related COVID-19 topic, "Behaviorally-informed framework for encouraging COVID-19 vaccinations," by Hans J. Czap and Natalia V. Czap, proposes a framework to assist policy makers in encouraging vaccinations at the national, local, and individual level. The authors analyze the efforts federal and local governments have made in encouraging vaccinations, and provide behaviorally-informed recommendations to policy makers for new or improved initiatives, in the view of possible new waves of COVID-19 or other pandemics in the future. On the same topic of COVID-19 vaccination, the study by Georgios Garafas, "The nexus between unemployment and COVID-19 vaccine in the U.S. Evidence from Google trends," addresses a different research question: it explores how the anticipation of COVID-19 vaccines has interacted with uncertainty and unemployment in the U.S. during July-November 2020, a period where the U.S. suffered massive job losses. Through Google trends, the study detects a strong relation between Google searches for "unemployment benefits" and the COVID-19 vaccines: the frequency of such online searches decreased with the start of vaccinations, the latter being interpreted by economic agents as the beginning of the end of the pandemic, and so the decline in agents' perception of financial uncertainty.

A second group of articles explore other relevant ongoing real-world issues in the light of the methods and insights of behavioral economics. In this group, the contribution by M. Christian Lehmann, "Fairness preferences as a cause of inefficient war," introduces a model illustrating that fairness preferences can trigger war even if a peaceful solution is ten times cheaper. Given the current Russo-Ukrainian war and the other wars throughout the globe for which international diplomacies are hardly trying to find a peaceful solution, the policy implications of Lehmann's insights are highly relevant. Moving from a macro to a microeconomic focus, the contribution by Seda Erdem, Danny Campbell and Tony McCarthy, "Can traffic light labelling nudge heuristical decision processes?," investigates the effect of different front-of-pack nutritional labelling on individuals' decision-making process and food choices. The policy implications of this contribution are much more general that it might seem at a first sight, since the findings give insights into other areas where communication is delivered via labels to encourage people to make informed choices.

The last group of contributions includes three reviews of books that deal with hot topics in the field of behavioral economics. The first review, by Gary D. Lynne, concerns Patrick J. Deneen's 2019 book "Why liberalism failed." The review author highlights how Patrick J. Deneen, also using Political Science framing, points to possessive individualism as a problem that underlies the contemporary chaos in the political economy of several Western democracies. Behind the provocative view of Deneen's book – with the ideology of liberalism being at the same time the basis for both progressive (mainly cultural) liberalism and conservative (mainly market, neo-) liberalism – Gary D. Lynne sees the need for behavioral-economics framed research to engage the problem, in something akin to a "Manhattan project" focused on developing a better economic theory, moving beyond single interest theory of mainstream microeconomics. The second review, by Roger Frantz, concerns Gary D. Lynne's 2020 book "Metaeconomics. Tempering excessive greed." It discusses how the book author makes use of economic theory, the psychology of humans, and related topics including neuroeconomics/neuroscience to explain "metaeconomics," *i.e.*, expanding economics to include the empathy part of our nature. Roger Frantz explains how the book author is able to frame metaeconomics as if it is one large discipline and to present it as an aspect of behavioral economics.

The last review, by Egor V. Bronnikov, concerns Daniel Kahneman, Olivier Sibony and Cass R. Sunstein's 2021 book "Noise: A flaw in human judgment." The review author reports that this is not only a book that aim to highlight the importance of system noise as an unwanted variability in humans' judgments. Egor V. Bronnikov highlights that, at a larger scope, this book is partly a development of an important issue of "narrative construction," *i.e.*, a process of connecting disjointed facts into a line of rea-

soning, creating a coherent story. Each of the three reviews include a final paragraph where the public-policy implications of the book are discussed. This is in line with the scope of the Journal, which unique focus is the implications of behavioral economics for public policy, and a framework for policy makers.

The issue is completed by the *errata corrige* of a survey article published in the previous issue of the Journal, namely "A literature review of bullshit receptivity: Perspectives for an informed policy making against misinformation," by Serena Iacobucci and Roberta De Cicco. The *errata corrige* was encouraged by Shane Littrell, one of the authors of the articles reviewed in the survey, who pointed out some inaccuracies and helped the authors elaborate a correct interpretation of the findings. I see this as a representative example of how the *Journal of Behavioral Economics for Policy* can also be seen as an *agora* for discussion among contributors and interested readers.

Recalling that all articles published in the *Journal of Behavioral Economics for Policy* has gone through a double-blind review process, I thank our Associate Editors and our Book Review Editor, Alexis Belianin, for the great work they have done in the evaluation and revision of the articles published in this issue. Please, do not hesitate submitting your research in behavioral economics to the *Journal of Behavioral Economics for Policy,* especially if it has a focus on the implications of behavioral economics for public policy. Submissions and queries should be submitted to Editor-in-Chief Shabnam Mousavi, jbep@sabeconomics.org.

Giuseppe Attanasi
Deputy Editor
Sapienza University of Rome

INDEX

JBEP 6(1)

Optimism Bias and Perceptions of Behavioral Factors for Preventing Severe COVID-19 Complications **11-20**
Erica Freer and Quinn Keefer

Behaviorally-informed framework for encouraging COVID-19 vaccinations **21-26**
Hans J. Czap and Natalia V. Czap

The nexus between unemployment and COVID-19 vaccine in the U.S. Evidence from Google trends **27-32**
Georgios Garafas

Fairness preferences as a cause of inefficient war **33-36**
M. Christian Lehmann

Can traffic light labelling nudge heuristical decision processes? **37-45**
Seda Erdem, Danny Campbell and Tony McCarthy

Book reviews

Why Liberalism Failed, by Deneen, Patrick J. **47-49**
Gary D. Lynne

Metaeconomics. Tempering Excessive Greed, by Gary Lynne **51-52**
Roger Frantz

Noise: A flaw in human judgment, by Kahneman, Sibony, & Sunstein **53-54**
Egor V. Bronnikov

Erratum

Erratum to "A literature review of bullshit receptivity: Perspectives for an informed policy making against misinformation" **55-56**
Serena Iacobucci and Roberta De Cicco