

Referee for Nudges

The paper's main contribution is as a review of literature on nudges (soft paternalistic policies based on behavioral economics insight), organized through the lens of the dual process model written to be friendly to policy makers and interested voters who are grappling with the idea of nudges.

It essentially is a lit review, combining the insights of Thaler and Sunstein's Nudge on soft paternalism using the framework presented Kahneman's Thinking Fast/Thinking Slow on the dual process model. While written in the style of a research paper, it feels very much like a recapitulation of those two popular books.

It attempts to sharpen our definition of nudges by focusing on policies that affect behavior through Type I (instinctual processes) rather than policies that affect behavior via information provision that operates through Type II (cognitive processes). I don't think it goes very far beyond what could be learned from reading those books, however it summarizes the literatures in a coherent way, and seems consistent in style and spirit to other summary papers published in this outlet.

It is written clearly, although given its brevity, it sometimes feels selective, picking and choosing a few things to go deep in, but ignoring others that I would think could have been given equal weight. For example, why focus on the rather obscure "query theory," when there are many other theories that are more commonly cited when talking about defaults.

The second half engages in some speculation. For example, it extends a bit into how behavioral nudges interact with existing policies. Here it recapitulates some of the discussion found in another popular book (Congdon, Kling and Mullainathan) but provides little concrete research.

There is related research on the interaction between hard regulations and behavioral factors that the authors allude to but do not discuss, such as in Bao and Ho and Bowles and Polania-Reyes which the authors cite; or the substantial literature on trust and incentives (Falk and Kosfeld, 2006), or the substantial literature on incentives and pro-social behavior related to Benabou and Tirole (2006).

There is some nice novel speculation here about what the authors call "double nudges" and how multiple nudges might interact with each other, but this is pure speculation and suggestions for future research.

It also calls to attention the understudied importance of habit, although there has been some relevant recent work by say Landry or Karlan, and the foundational work by Becker and Murphy that could have grounded this section better.

Finally, by focusing on the dual process model as the organizing principle for this review, the paper neglects much discussion on the single largest part of the nudge literature, peer effects and peer information. It cites many related papers like Alcott and Rogers, and alludes to much of the work by Beshears et al. on such peer nudges, but it seems like a flaw that its conceptual framework says little about peer effects generally.

Overall this paper offers another update primarily for policy makers on the current literature about nudges. Here, it joins the popular books mentioned above, or the various other JEP/JEL style papers like the Madrian paper it cites. Its main novelty is its use of the dual process model to frame the discussion, and its speculation about the role of habit and interactions between policies.