

Review of Discussion Paper, No. 2017-101, “Exploiting behavioural insights to foster global cooperation” by Gianluca Grimalda and co-authors

Analysing the implications of behavioural economics for global cooperation and identifying policy implications is a very valuable contribution to the T20 process. The paper names relevant aspects and is bold enough to propose unconventional measures like the development of narratives. While the joint development of narratives, for example, may be unlikely to happen as described, it is important to emphasize that global challenges cannot be solved in a detached technical manner. Social cooperation, trust and cooperation are an important foundation for global solutions. Seeing economists emphasizing such “soft factors” even has the potential of improving the reputation of economics as a discipline.

However, I perceive major shortcomings in the execution of the paper. First, the proposals seem ad hoc and insufficiently structured. Second, there is no good match between the text and the title of the paper. I detail these points in my major comments below and add some minor comments below. I suggest a substantial revision based on these points.

Major comments

Comment 1: Lack of structure. You structure the text based on three challenges, “the lack of integration of civil society into global governance”, “the reliance of economic policy on a model of human behaviour based on self-interest” and “the spread of divisive narratives”. I’m not sure whether these can plausibly be described as the three most important obstacles for global cooperation. In addition, the second challenge seems to be a different *type* of challenge than the other two (not an underlying social/cultural feature, but rather an inadequate solution approach). I think the text could be structured in a more systematic way. For example, the structure could be based on the different behavioural effects and what they imply for decision making. It could be based on the global challenges (climate change, spread of multi-resistant bacteria, etc.) and which solutions are proposed by behavioural economics.

In addition, the structure of the proposals is inconsistent. Proposal 3 is written systematically with a description of both the problems and possible solutions supported by rich empirical evidence, and followed by a proposal which follows logically. This could be a blueprint for the other proposals. Proposal 1 lacks a proper explanation of the challenges and why the solutions can be expected to work.

Comment 2: Lack of consistency between title and content. Your paper is entitled as “Exploiting behavioural insights to foster global cooperation”. In Proposal 2, parts B, C, and F address challenges of global cooperation (climate change, multi-resistant bacteria). The solutions, however, do not involve enhancing cooperation, but rather ensuring that each country improves its policy without recognizable effects on cooperation. Points A, D, and E do not even address global cooperation. Given the title (and I think it is well chosen), the entire Proposal 2 should thus not be part of the paper.

Given the title, there is also a large and important part of the literature which is not mentioned at all. In two of my papers, (Schwerhoff 2016, Section 3) and (Schwerhoff et al. 2017, Section 3.8 and 3.9) I argue that there are behavioural effects which may cause leadership in climate policy to have a stimulating effect on cooperation on climate change. I’m not asking you to cite my papers, but I don’t see how you can ignore the papers that I review in the indicated sections.

Minor comments

Comment 3: I agree that behavioural effects are insufficiently considered in policy making and that there is too much reliance on models which do not consider it. However, the second paragraph on page 2 (“Another reason for...”) seems to imply a dichotomy between good behavioural models and inadequate models lacking behavioural economics. I think this could be framed in a more balanced way by acknowledging the advantages of the “traditional” models and focussing on the benefits of using behavioural insights *in addition*.

Comment 4: In the abstract you criticize the “reliance of economic policy on a model of human behaviour based on self-interest” and on page 4 it seems you are saying that it is naïve to “rely on psychological dispositions to act for the common good, rather than self-interest”. I suggest you briefly explain why this is not a contradiction.

Comment 5: The example policies of proposal 2 seem to involve giving individuals a lot of small notes and messages. This makes me wonder if people would not develop a habit of ignoring these little messages in a habitual way similar to the way online shoppers ignore standard form contracts and flight passengers ignore safety instructions. Is there evidence for how effective these policies are in the long run and when used in many contexts?

Comment 6: In Proposal 2, Parts B) and F) do not give empirical evidence to back up the policies. This is inconsistent with the other parts and appears a bit unscientific.

Comment 7: (Bell and Braun 2010) show that gender identities can have either positive or negative effects on the willingness to cooperate on global challenges (like climate change). Are there behavioural insights on how to affect the link between identity and cooperation?

Comment 8: Proposal 1 seems to focus on the improvement of science-policy interfaces and the establishment of deliberative democracies, without mentioning these large strands of the literature. Consider acknowledging this research.

References

- Bell, Shannon Elizabeth, and Yvonne A. Braun. 2010. “Coal, Identity, and the Gendering of Environmental Justice Activism in Central Appalachia.” *Gender & Society* 24 (6):794–813. <https://doi.org/10.1177/0891243210387277>.
- Schwerhoff, Gregor. 2016. “The Economics of Leadership in Climate Change Mitigation.” *Climate Policy* 16 (2):196–214. <https://doi.org/10.1080/14693062.2014.992297>.
- Schwerhoff, Gregor, Ulrike Kornek, Kai Lessmann, and Michael Pahle. 2017. “Leadership in Climate Change Mitigation: Consequences and Incentives.” *Journal of Economic Surveys*, March, n/a-n/a. <https://doi.org/10.1111/joes.12203>.