

C O M M E N T

# CHOICE ARCHITECTURE IS ONE PIECE OF THE CLIMATE ACTION PUZZLE

by Reuven Sussman

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Overall, I want to communicate that I strongly agree with the ideas and the principles of this article. I have dedicated my career to promoting the use of behavioral science in policies and programs, and I applaud Dr. Mormann for seeing the benefit in this approach and supporting it. What follows are a few critiques at the margins of his article—the central premise that more behavioral science is needed in policy design is correct and appropriate.

By way of background, I have a Ph.D. in Social and Environmental Psychology, and I apply this work at the American Council for an Energy-Efficient Economy (ACEEE), where we do research and write reports on energy efficiency—and try to get those reports into the hands of policymakers, businesses, and industries that can use them to make the world a more efficient place. I am on the frontlines of trying to change policy and programs.

Choice architecture as defined by Professor Mormann is helpful and important, but I just want to say it is also easy to overestimate its impact. Labeling does shift behavior. I have done a number of studies on energy-efficiency labels on rentals and real estate. It does affect behavior, which is great. Feedback does reduce energy consumption. There is a considerable amount of work on this. Physical changes in the environment work. As you know, if you put your recycling bin next to the garbage can, it works better than if it is farther away.

Making social norms salient affects action, as we know. I agree strongly with a lot of the article. It is effective because we don't impinge on people's freedom. This has been mentioned a few times. We need more field experiments, because most of the research, as mentioned earlier, has been done on small samples in labs in universities. We need to see if it actually works in real life.

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*Editors' Note: Reuven Sussman's Comment is based on an edited transcription of his remarks at the Environmental Law and Policy Annual Review conference. See 2023-2024 Environmental Law and Policy Annual Review Conference, available at <https://www.eli.org/events/2024-environmental-law-and-policy-annual-review-elpar-conference>.*

For example, the labeling work on cars. Although it has been done in the lab and it makes sense, I'd like to see it in practice. Do people actually change their vehicle purchase decisions? And it is not coercive. I totally agree with this point—especially because it is already in place all over in our real world and daily lives. So, we are simply acknowledging it, bringing it out, and changing it.

The thing that I get on my soapbox about sometimes is that I have done social psychology research for a while now. The book *Nudge* did a great job of packaging that for a non-social psychology audience, and this article does the same thing.<sup>1</sup> It's real. I have trouble with it though, because while I love that it has taken on this popularity and everybody knows about it, it has narrowed it and it makes it feel that it's *the* tool. It's *the* solution.

I'm also a musician (in the band Strangers That Clique), so I like this analogy: When you start playing the drums, you're getting used to your different elements and you're learning. It's really exciting. Then, as you get better, you have a drumstick, and everything seems like a drum. You want to add more and more drums and cymbals and things you can hit. But then, as a real professional at the next level, you simplify. You take your drum set down in size. You recognize you're an element of the band. You're a piece of the puzzle, but not the whole puzzle.

I just want to mention this because people reading about choice architecture get really excited typically, and then they think we need to do this for everything. Also, I think in the article Cass Sunstein is a little overstated. He wrote the book *Nudge*, but he's packaging a lot of this work, and I think more credit needs to be given to the original authors.

Choice architecture is not everything. In my definition, choice architecture is a little different. It is framing a decision at the point of decisionmaking, presenting a list in a specific way, like the decoy effect, setting defaults—these are choice architecture.

Choice architecture is not everything. I don't usually think of commitment before a choice as being choice architecture. I don't usually think of text reminders as being part of choice architecture. Sometimes, social norms and

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1. RICHARD H. THALER & CASS R. SUNSTEIN, *NUDGE* (2021).

feedback is choice architecture if presented at the time of making a decision or if presented at the optimal choice opportunity. But I don't typically put these in the choice architecture bucket. This is again just part of my curmudgeon-ness because nudges are just great—but there is all this research out there on different things that we should talk about individually.

These approaches are important but can be overstated. Default organ donation is not always as effective as we make it up to be. Also, social norms are effective, but they typically have a relatively small impact.

There are many other psychology-based approaches and understandings that are important. Basically, *reward and punishment* is important. Laws and financial incentives are a huge lever, possibly the most important lever. Also, the most impactful behavior is habitual—we need to change people's *habits*. So, let's not talk about nudges so much. Also, *emotions* are important—decisionmaking is *emotional* and not rational and that is also neglected a little bit. And *organizational decisionmaking* is critical. Professor Mormann does make a great point about JP Morgan and BlackRock making important decisions on environmental, social, and governance (ESG) recently—and we need to understand those decisions. That's not about nudging. That's about social psychology and the internal social processes within an organization. Group polarization, groupthink. These kinds of other social psychology perspectives are critical.

I also want to say that it is not always about government policy. Again, this is nitpicking. It's still important, but many examples Professor Mormann cites—like saving water through social norms, reducing consumption with smaller plates—those are really about what I would call *programs*. We are not passing laws about these. People in legislatures are not talking about those measures. It's the folks at a business that say, "let's use smaller plates." They're making an internal decision, and that's why these things get done more often.

Some policies are not choice architecture but are classical economics. We just talked about cost. The article mentions carbon trade and carbon tax. I know Professor Mormann means that we can augment them with choice architecture, but I just want to clarify for everyone that they work because you're changing what are fundamentally classic economic ideas.

Some nudges, or so-called nudges, do require policy change. Changing default energy providers or having

a mandatory label, those are very effective, but they do require some sort of bipartisan agreement, and it is hard to get that agreement. That is why we don't see a lot of carbon labels. There are many labels that are hard to implement but effective.

Lastly, nudges are not really as benign as you might think. Professor Mormann mentioned that Republicans and Democrats don't disagree on nudges and that even the most fervent nudge critics struggle to find faults. I think that's true for the examples provided because they are about noncontroversial issues or less controversial issues—calorie labels, tobacco warnings, savings for retirement. But if this became known as a threat, there would be opposition to it. Right now, it's under the radar. If it comes on the radar, then there would be opposition. I'm Canadian and I'm completely baffled by the strategy of winning elections by voter disenfranchisement. I thought it was just obvious that everybody should vote, and everybody shall vote. Who would disagree with that? But, actually, gerrymandering is a strategy. Choice architecture is underfunded, and we need to do more of it, but when that happens, we will see some backlash.

Just note that traditional approaches, therefore, are still important. You know laws and incentives are strong levers—maybe the most important levers. Commercial and industrial sectors also matter—they are big greenhouse gas emitters. For example, laws that decouple energy production from the profits the utility is making is incentivizing a reduction in energy production—that is a really effective policy.

Advertising and marketing can work. I thought when I was in grad school that social psychology and environmental psychology were the way, and the marketing and advertising guys didn't know what they are doing. But as I met people in those fields, I realized that they have a very intuitive understanding of what changes behavior. It really does work. They understand emotions and decisionmaking, so let's not ignore that.

What behavioral science brings is a theory-driven approach and strong implementation and evaluation methods—that's what we do. We can see what really works with a good evaluation strategy—that's our unique contribution and is something that is undersold.

Where do we stand? Social psychology and behavioral economics can help, but it is just one piece of the puzzle. Use social psychology approaches alongside traditional approaches—that's it.