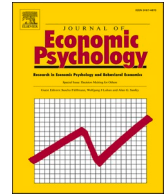




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## Book review

## A review of “Nudged into lockdown: Behavioral economics, uncertainty and Covid-19”.

In *Nudged into Lockdown*, Ananish Chaudhuri, Professor of Experimental Economics at New Zealand’s University of Auckland, takes the reader on a fascinating tour of New Zealand’s and other countries’ Covid-19 policy responses, and of the foibles of pandemic decision making introduced by our heuristic biases. Far from a polemic, the book’s stated aims are “to provide an alternative perspective, ask questions that may not have been asked” regarding how policy makers could and should respond live time to new pandemics, and to provide insights that can influence our policy making for future disasters. I would say this book more than succeeds in fulfilling these aims.

The book’s first of seven chapters provides a brief introduction to Covid-19, epidemiological modelling, and overview of New Zealand’s “go early, go hard” approach, initially to flatten the curve of infections, and then to “eliminate” them, using strict lockdowns as a key tool. After reciting economists’ standard insights regarding scarcity, trade-offs and opportunity costs, Chaudhuri then summarizes his specific area of expertise, the effects of our collective heuristic biases on public decision making, such as priming, framing, and anchoring that result in “availability” heuristics, and overweighting small probability events. In the third chapter, Chaudhuri ties these heuristic biases to New Zealand’s Covid-19 response policies, such as fixating on identified lives lost from Covid-19 over implicit lives lost elsewhere as limited public resources were reallocated to the pandemic, and emphasizing the costs of false negatives (missed cases) over false positives (isolating non cases). From here, the book addresses the question of compulsory public health restrictions such as lockdowns vs. voluntary or requested measures such as mask-wearing, hand washing, and avoiding others when sick. This is done again using behavioural research on peoples’ intrinsic motivations to promote the public good, and how these can be crowded out by extrinsic legal penalties.

The book continues with an examination of how people’s political values of social and economic conservatism or liberalism interact with their support for Covid-induced health restrictions. It follows with an examination of two unfortunate side-effects to follow from Covid-control policies, 1) asset pricing bubbles in the property and equity markets brought on by expansionary fiscal and monetary policies, and 2) raised disparities between developed and developing countries regarding Covid vaccination status, and the diversion of research from health conditions more deadly to the younger populations of poorer countries.

Chaudhuri comes down on the side of saying that New Zealand “did too much” to combat Covid-19, even as jurisdictions such as the United States did too little (where even non-compulsory public health messaging was watered down with conflicting advice).

I found much to like and to praise in *Nudged into Lockdown*. International readers will quickly appreciate that the book is engaging, sympathetic, and written with a wealth of helpful illustrations. It offers the rare insights of an author trained in both neo-classical economics and behavioural economics, and shares the insights of both with readers in accessible ways. The book provides excellent and fair minded summaries of virtually all the disparate strands of material it brings together.

What readers from countries where Covid policy was continuously debated may find harder to grasp is the courage required of researchers to publicly question the quickly galvanized expert, media, and political consensus regarding support for severe government Covid containment measures that took place within New Zealand by April of 2020. Covid’s rapid and deadly toll in Italy and New York City seemed like New Zealand’s call to war. Our prime minister and Director General of Health became our generals, and queries whether closing the border and shutdown of all but essential services was excessive were viewed as the equivalent of appeasement at best, or disloyalty or danger to public health at worst. Ananish Chaudhuri was one such researcher willing to make such queries in that environment, and for this, he should be lauded.

Several of Ananish’ main arguments regarding the 2020 policy response are bang on, and worth re-iterating. First, that policy makers responding to the tragedy of Covid-19 could not simply ‘follow the science’ and treat it as an epidemiological crisis only. Whether explicitly or implicitly, every policy response by necessity had to weigh competing economic and social objectives – other health needs not prioritised, in-person education lost, and social inequities exacerbated as other public services were displaced. Second, that standard epidemiological models of a specific virus’ contagion take spread parameters as fixed (except from changes in government policy decisions), rather than recognizing that people endogenously respond to take risk-mitigating steps as new information becomes available. And third, that policy makers may be no more immune than others to fixating on what is front and centre,

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such as number of current Covid infections or fatalities, rather than adequately weighing other more diffuse effects of economic lockdowns and border closures. These included family separations, unemployment, inflation from compensating fiscal and monetary policy, disrupted education and school support of disadvantaged children, and delayed tests for other health conditions.

In fact, some of the longer run costs of New Zealand's repeated recourse to compulsory lockdowns have only become clearer since the publication of this book, such as lingering falls in in-person student attendance at schools, particularly in more disadvantaged areas, precipitous falls in numeracy and literacy test scores, and expansion in youth offending, including ram raid burglaries and car thefts in the country's major cities.

This is not to say, however, that I agreed with every argument the author puts forward in *Nudged into Lockdown*. First, certain justifications for New Zealand's strict lockdowns could have been put forward in the book, but were not. At one point, Chaudhuri makes the technically valid point that "flattening the curve" (of Covid infections or mortality) over time does not in itself reduce the area under the curve, but merely postpones the timing of infections. The New Zealand government could have hoped, however, that by postponing high Covid infection rates, a) they would occur at a time when the virus was becoming more contagious, yet less serious, as most viruses do over time, b) vaccines would have been developed, or c) doctors worldwide would be learning more effective ways of treating unvaccinated Covid infected patients. The government may have been unrealistically optimistic that all three factors might quickly come into play, but the factors themselves are reasonable.

Secondly, the evidence that Chaudhuri marshalls to make the case that strict Covid lockdowns create excess mortality elsewhere in the system is not as strong as it could have been. Substantial weight is put (pp. 10, 33) upon an [Associated Press \(2018\) census tract analysis](#) in the United States showing that areas with higher unemployment rates and lower incomes have higher mortality rates. While this journalistic investigation surely identifies correlation between unemployment and mortality rates, it is a stretch to say it establishes causation, in a way that supports the assertion that bankruptcies caused by strict Covid lockdowns that raised unemployment by ten percentage points would decrease life expectancy by one to one and half years. It might have been more promising to look at the number of cancer screenings or surgeries postponed.

Third, there is an ongoing discussion within and between economics and behavioural economics over the domain and size of effects of behavioural biases in our decision making ([Angner 2018](#)). Behavioral biases are thought to afflict our decision making more over issues where we have less personal experience, fewer opportunities for immediate feedback or learning, or the choices are hypothetical or only with long-term consequences. The author might argue those were very much the conditions policy makers were facing regarding Covid in 2020! Nonetheless, as [Berg and Gigerenzer \(2010\)](#) note about behavioural economics more generally, it remains the case that this book thoughtfully shows only that behavioural biases could have occurred in New Zealand's policy response, not that they did, or the size of effect they created.

As a smaller aside, I disagreed with the author's definition of social progressives (liberals) as "those who value individual rights and liberties, such as freedom of speech" contrasted to social conservatives as those who defer to tradition and authority. It would seem to me more accurate to say that social progressives value the rights of members of what they deem to be marginalized groups and their allies to have rights and freedoms, safeguarded if necessary by hate speech or anti-discrimination codes imposed on those who disagree. In short, 'free speech for me but not for thee' is an ailment that afflicts progressives every bit as much as conservatives.

Finally, aside from commenting on what was included in this tour of New Zealand vs. US pandemic policy and behavioural economics, I will also comment briefly on things I would have liked to see included that were absent. Although the author makes brief allusion to a study on how lockdown severity was associated with economic outcomes, I would have liked to see more discussion of how lockdown policies varied across countries beyond New Zealand, the United States, and the United Kingdom. In his Epilogue, Chaudhuri castigates rich white (really old) countries for pursuing strict lockdowns, which given age related mortality rates would not be appropriate for poor brown (really young) developing countries. This discussion would have been better supported if the author had identified developing countries being pressured into lockdowns they did not want. This in turn would require data on the severity and duration of lockdowns in developed and developing countries.

Similarly, given the author's equity based argument that vaccine-based Covid policies in developed countries accentuated disparities with unvaccinated developing countries, the book could have included data on vaccination rates achieved across countries. My understanding is that, even as travellers to the United States continue to need to show proof of vaccination, first shot vaccination rates in African countries are mostly below 50%, though well above that in most other places.

All in all, if you are looking for an engaging treatment by an economist of what optimal pandemic policy response should look like, and what common pitfalls to avoid, that brings to bear insights from epidemiology, economics, and behavioural economics, then I would highly recommend "Nudged into Lockdown." Consider this your nudge.

## Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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