WHEN NUDGES BACKFIRE: evidence from a randomised field experiment to boost biological pest control

Annals of Economics and Statistics, Number 156, December 2024

WHEN NUDGES BACKFIRE: EVIDENCE FROM A RANDOMISED FIELD EXPERIMENT TO BOOST BIOLOGICAL PEST CONTROL

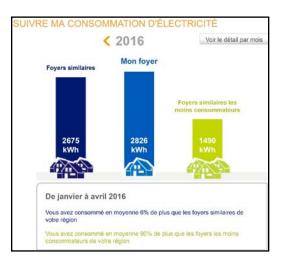
Sylvain Chabé-Ferret^a, Philippe Le Coënt^b, Caroline Lefebvre^c, Raphaële Préget^d, Francois Salanié^e, Julie Subervie^f and Sophie Thoyer^g

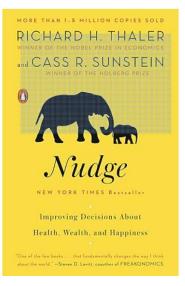
Why is it important?

- Nudges have proven to be cost-effective ways to alter the behavior of consumers
- Whether nudges can have effects on professional economic agents (including farmers) is still an open question
- Professional economic agents might:
 - React more than consumers because more is at stake
 - React less than consumers because they are already closer to the optimum (less information or rationality failures)
- Pesticides are a strong source of pollution
 - About 50 abstraction points abandoned every year (nitrate + pesticide)
 - Links between cancer and proximity to vineyards (INSERM, 2022)
- The Ecophyto plan aims at dividing by 2 the use of pesticides
- Contribution of nudges to modify farmers decisions (Post-doc 2016-2018)

Les nudges

 Nudge = Coud'pouce: levier non-monétaire pour inciter les personnes à prendre des décisions bonnes pour la société (et pour eux)





Why is it novel?

- Very few experimentation with nudges in a professional context
 - Experiments with retirement funds were mostly on employees seen as consumers (Thaler and Benartzi, 2004; Duflo and Saez, 2003)
 - Experiments with doctors and social comparison nudges by White House Nudge Unit
 - Experiment with air pilots (Gosnell et al, 2019)
- Extensive literature on environmental nudges on consumers
 - Small cost/effective effects (Allcott and Rogers, 2014)
 - Signs of publication bias (Nemati and Penn, 2020)
- Supportive evidence that farmers are sensitive to social norms (Le Coent et al, 2016; Kuhfuss et al, 2016)
- Some recent evidence that farmers react (a little) to nudges
 - Auction participation (Messer et al, 2015)
 - Sign-up of PES (Wallander et al, 2017; Czap et al, 2019; Chabé-Ferret et al, 2021)
 - Water consumption (Chabé-Ferret et al, 2019)
- Some evidence on boomerang effect and nudges backfiring

The Context: Alternatives to Pesticide Use

- In collaboration with local co-op that tries to develop alternatives to pesticide use
- Context favorable to nudge efficacy
 - Monetary compensation for adopting the technique
 - Psychological costs of deviating from the norm
 - Possible over-estimation of coordination costs
- Social comparison aims at decreasing these costs





The context: strong involvement of a field partner

SAUVONS L'EAU

l'eauquifaitl'actu

Des vignerons attentifs à la qualité de l'eau

Les Vignerons du Pays d'Ensérune ont souvent été pionniers. Un peu plus d'un siècle après avoir créé la première cave coopérative française à Maraussan (Hérault), ils entendent prouver à nouveau leur sens des responsabilités en réduisant l'utilisation des produits phytosanitaires.

Le projet agroenvironnemental qu'ils ont élaboré doit contribuer à restaurer la qualité des captages d'eau potable et des cours d'eau, dans lesquels on relève notamment des taux élevés de glyphosate. En partenariat avec l'agence de l'eau, des viticulteurs ont accepté en 2014 de se livrer à un diagnostic de leurs pratiques culturales AGENCE DE L'EAU RHÔNE MÉDITERRANÉE CORSE





Method: the nudge



Method: the nudge



Method: the nudge



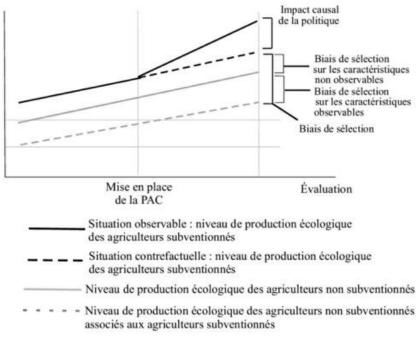
Intéressé par la lutte contre les vers de grappe par confusion sexuelle?

Déjà 5500 ha protégés dans l'Hérault et bientôt l'ensemble des vignes de Puichéric

Envoyer OK au o6 86 41 52 45 et Caroline Lefebvre vous rappellera dans les plus brefs délais

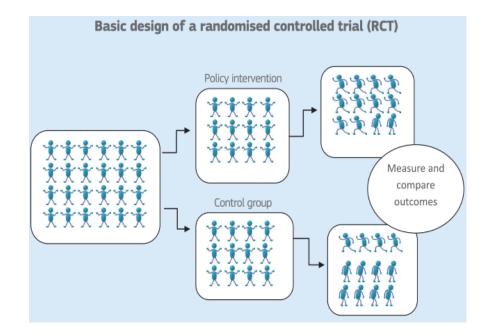
Method: Randomized Controlled Trial

Niveau de production utilisant des procédés agricoles environnementaux



Chabé Ferret et al., 2017

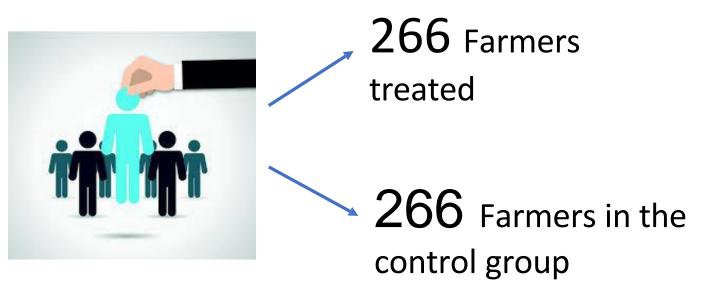
Method: Randomized controlled Trial



Method: Randomized Controlled Trial

Stratification by

- Surface (na; <7ha; >7ha)
- 4 different zones



Method: Randomized Controlled Trial

Same age (60 ans) Same suface(6 ha) Same distribution in the 4 areas







Une innovation technique dans vos parcelles via une mise en œuvre collective et conviviale Contact : Caroline Lefebvre au 06 86 41 52 45



Une innovation technique dans vos parcelles via une mise en œuvre collective et conviviale Contact : Caroline Lefebvre au 06 86 41 52 45





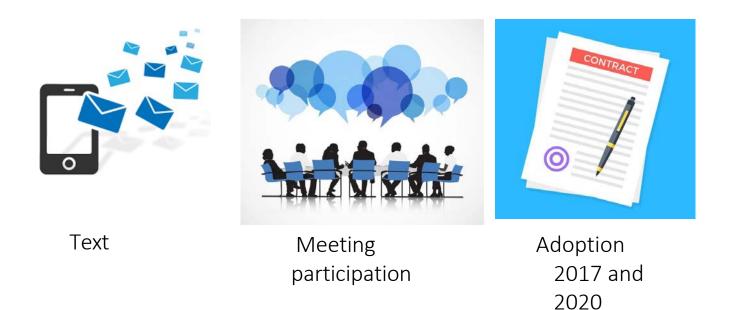




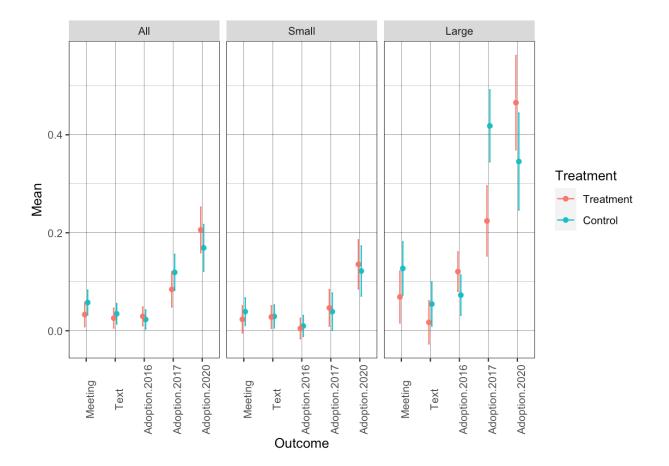
Cont



Method: Outcome variables



Results



What might have triggered the negative result?

- Large adoption = no effort is needed
- Reactance to the Puicheric reference group
- Maybe simple rationality
 - Farmers have to share gains from adoption of the technique with the co-op
 - They might interpret the social comparison as signalling that the co-op is not wishing to share gains with them by buying their grapes at a higher price ("see, other farmers did it for free in the other co-op.")
 - They respond by withdrawing their participation

A simple model of a nudge backfiring

- An Agent interprets a costly proposal by the Principal as signaling that the Principal has a private interest in the project
- The Agent rejects the Principal's offer because she expects to have a better offer in a later round

Principal	Learns its value v for the project v1 with prob m1 v2 with prob m2 v2>v1>0	Chooses design of the nudge x, with cost c(x) Proposes project to the Agent	Proposes transfer t to the Agent
Agent	1	2	3 Stages
	Learns its value u for	If Agent accepts, payoffs are	If Agent accepts, payoffs
	the project	v-c(x) and u	are v-t-c(x) and t+delta*u
	u follows F on [ul,uh],	If Agent refuses, move to	If Agent refuses, payoffs
	with ul<0 <uh< td=""><td>stage 3</td><td>are -c(x) and 0</td></uh<>	stage 3	are -c(x) and 0

Conclusion

- Nudges are attractive alternative to monetary incentives
- Nudges also rely on very fragile features of agents' decision-making
- The context in which the nudge is sent might completely alter its intended impact
- Post-doc concludes on caution on the use of social comparison nudges with farmers:
 - Limited potential effect but boomerang effect on low consumer for social comparison nudge on water use (Chabé-ferret et al, 2019)
 - Positive effect of information letters but potential negative effect of adding testimonies/social comparison nudge (Chabé-ferret et al, 2023)