

Lecture and tutorial  
**Behavioral Economics and Sustainability**  
**(Master Students, 6 ECTS)**

By

Prof Dr. Björn Volland  
see Ilias for appointments

Summer term 2021

### **Course overview**

The Anthropocene defines Earth's most recent geologic time period as being human-influenced, or anthropogenic, based on overwhelming global evidence that atmospheric, geologic, hydrologic, biospheric and other earth system processes are now altered by humans. Social change is needed in order to keep the planet inhabitable for future generations but social structures can ultimately only be changed by humans. In this lecture we discuss theories of behavioral change, societal change and barriers to sustainable transformations. Central is a) the understanding of human decision-making and how cognitive biases prevent us from acting in line with our intentions and values and b) the understanding of the emergence of values and norms and how they can change over time.

Students gain an overview of the sustainable development discussion and the contributions that behavioral economics can offer. After completing this course, students should understand the limitations of the homo oeconomicus model, be familiar with key concepts of behavioral economics, and understand major determinants of decision-making and how people can be influenced towards a more sustainable behavior. Students will be able to critically discuss concepts of contemporary empirical methods, to evaluate strengths, limitations, and applicability of different research designs, and to formulate research questions, test hypotheses, and to write their own research proposal.

Students are required to write a research proposal (essay) and submit six assignments in the tutorial.

### **Study achievement and exam**

Study achievement: During the course you will be given 6 assignments to be handed in and discussed during the tutorial sessions. To pass the study achievement, you have to hand in 5 out of 6 assignment (in sufficient quality).

Exam: Students are to come up with a research question of interest and write a research proposal in which they lay out how this research question posed could be answered. For this research proposal students have to decide on a hypothesis to be tested, choose methods to be used, and describe how such a research program could be pulled off (i.e. When? Where? How much?). Students will be guided towards their research proposal by the lecture providing them with the insights necessary and the tutorial giving them the necessary tools.

Further details will be provided at the beginning of the course.

## **Useful Literature** to get started

### 1) Behavioral Economics

#### Bed-time literature (non-technical, easy to read but informative)

- Kahneman, D. (2013). *Thinking, fast and slow* (1st pbk. ed). Farrar, Straus and Giroux.  
[Highly recommended]
- Ariely, D. (2010). *Predictably irrational: The hidden forces that shape our decisions* (Rev. and expanded ed., 1. Harper Perennial ed). Harper Perennial.  
[Creative ways of testing the assumption of rationality]
- Thaler, R. H. (2016). *Misbehaving: The making of behavioural economics*. W. W. Norton & Company.  
[Description of the evolution of BE but somewhat author-centered]

#### General overview (starting point)

- Hoff, K., & Gauri, V. (Eds.). (2015). *Mind, society, and behavior*. World Bank.  
[Extensive description of behavioral economics]

#### More technical reading on behavioral economics

- Cartwright, E. (2018). *Behavioral economics* (3rd Edition). Routledge.

### 2) Sustainability Science

- Matson, P. A., Clark, W. C., & Andersson, K. (2016). *Pursuing sustainability: A guide to the science and practice*. Princeton University Press.

Additional references will be provided throughout the course

Outlook SoSe 21			
Week	Lecture Wednesday 12:00 – 14:00 online meeting on Zoom		Tutorial Wednesday 16:00 – 18:00 online meeting on Zoom
21.04.	(1)	L1: Introduction L2: Rationality L3: Scarcity, cognitive capacity and decision making L4: Aspiration Failures and Self-Affirmation L5: Polarization & Motivated Reasoning L6: Culture L7: Social Norms L8: Reflection	-
28.04.	(2)		(1) T1: Overview and Topic
05.05.	(3)		(2) T2: Research Question
12.05.	(4)		-
19.05.	(5)		(3) T3: Theory
26.05.	(6)		-
02.06.	(7)		(4) T4: Hypothesis
09.06.	(8)		-
16.06.	(9)		(5) T5: Methods
23.06.	(10)		(6) T6: Implementation Plan
30.06	(11)		(7) T7: Writing a research proposal
07.07	(12)		-
14.07	(13)		-
...		...	
15.08		Exam (only one date, <b>no second sit</b> )	