

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

By

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see Ilias for appointments

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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 cultural and institutional path dependencies as well as conflict over values and beliefs preventing the emergence of adequate values, norms and institutions. In this course we will also try to approach solutions to changing behavior of individuals and societies.

Students gain an overview of the contributions that behavioral economics can offer to the topic of sustainability. After completing this course, students should understand the benefits and limitations of the homo oeconomicus model, be familiar with key concepts of behavioral economics, and understand major determinants of decision-making and how oneself (and other people) might be influenced towards a more sustainable behavior.

Sustainability analysis is theoretically grounded, empirically informed and solution-oriented. As such, this course deploys theory and rigorous research methods to both design and evaluate strategies to enable sustainability in the real world. 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 assignments (in sufficient quality).

Grading: Students write a research proposal in which they motivate an own (transformative) research idea and lay out how their research question could be implemented. For this research proposal students have to decide on a hypothesis to be tested, the methods to be used, and describe how such a research program could be pulled of (i.e. When? Where? How much?). Students will be guided towards their research proposal writing in the tutorial.

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. However, note that Ariely has been criticized as he is suspected to have manipulated data and forged empirical results.]
- 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]
- Mayer, M., Burger, M., & Vollan, B. (forthcoming). *A behavioral (economics) framework for sustainable transformation*. In A. Bucciol & M. Veronesi (Eds.), *Behavioural Economics and the Environment: A Research Companion*. Routledge. [Guide of how to apply behavioral economics research to sustainability]

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 2022

Week	Lecture Wednesday 12:15 – 13:45 (AP 1)		Tutorial Wednesday 16:15 – 17:45 (AP 1)
20.04.	(1)	L1: Introduction L2: Rationality and the quasi-rational actor L3: Cognition and Context L4: The enculturated actor L5: Social Norms L6: Polarization & Motivated Reasoning	-
27.04.	(2)		(1) T1: Overview and Topic
04.05.	(3)		(2) T2: Research Question
11.05.	(4)		-
18.05.	(5)		(3) T3: Theory
25.05.	(6)		-
01.06.	(7)		(4) T4: Hypothesis
08.06.	(8)		-
15.06.	(9)		(5) T5: Methods
22.06.	(10)		(6) T6: Implementation Plan
29.06.	(11)		(7) T7: Writing a research proposal
06.07.	(12)		-
13.07.	(13)		-
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29.07.	Exam (EMEA): First sit		
27.09.	Exam (EMEA): Second sit and EXAM (rest): Only one date		