| lecon2486
2020 | Economic Analysis Seminar III - UCL |

Due to the COVID-19 crisis, the information below is subject to change, in particular that concerning the teaching mode (presential, distance or in a comodal or hybrid format).

| 5 credits | 30.0 h | Q1 |

Teacher(s)	Johnen Johannes ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	The teacher proposes an issue to be addressed by the students (for example, is the Walloon Marshall Plan effective?). Students - identify the theoretical elements that address the issue. They identify the logic that guides the economic question; - They identify empirical methods that would answer the question; - They collect data relevant to the empirical analysis; - They perform the empirical analysis; - They interpret the results and explain the problems and the underlying statistical limits.
Aims	1 At the end of the activity, students will be able - to synthesize the elements that are essential to the understanding of a generic economic problem, - to collect, select and analyze relevant data and information using rigorous and state-of-the-art methods - to express a message in a clear, concise and structured way, both orally and in writing, - to manage their work: set priorities, anticipate and plan all the relevant steps, - to work in team. - - - - *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*

Evaluation methods	**Due to the COVID-19 crisis, the information in this section is particularly likely to change.**
	The final grade consists of three parts:
	• Participation in discussions (20%).
	• Presentation of a research paper (40%).
	• Write a policy proposal on a Nudge (40%).
	
	  • Work in small groups.
	  • Think of a policy problem of your choice and how a nudge could solve it.
	  • Explain carefully why your nudge wuld help solve the policy problem.
	  • Outline how you would use an RCT to evaluate the success of the policy.
	
	Depending on the health situation, either the presentations will be held online on TEAMS, or students have to write a blog post on their research paper in a forum on Moodle. In case of blog posts, participation will be evaluated based contributions to the discussion in the forum.
	
	The policy proposals are part of the evaluation independently of the health situation.
	
	The evaluation during the third exam session will be determined based on the number of enrolled students in that session, and based on which part of the evaluation (Presentation, Policy Proposal) they failed.

Teaching methods	**Due to the COVID-19 crisis, the information in this section is particularly likely to change.** At the beginning of the class, the teacher will teach the basic concepts of behavioral economics and RCTs. Afterwards, students will present a research paper on Nudges. Students can choose which paper to present from a list supplied by the teacher. The papers are on a wide range of policy issues such as Retirement Savings, Health Policy, Education, Development Policy, Environmental Policy, and many more. Active discussions of students during these presentations is strongly encouraged. The first class will take place in the class room in the second week of the first term (Q1). Afterwards, depending on the health situatuation, we will continue in the classroom or move to distance teaching via TEAMS and Moodle.
Content	Since the publication of the book "Nudge" by Cass Sunstein and Richard Thaler, these nudges received a lot of attention from policy- and decision makers. They are widely applied by authorities all over the world, and make their way into the corporate culture in many countries. Nudges are attempts to influence decisions of individuals not

by classic economic incentives (e.g. subsidizes for retirement saving, taxes on unhealthy products such as alcohol and cigarettes, discounts to attract consumers) or bans. Instead, nudges try to push people in a direction without changing their options or incentives. For example, reporting calories in a restaurant menu can induce people to eat less calory-rich food, changing default rules on retirement-savings decisions can induce people to save more, or reporting your exercising to friends can help people to do more sports. Similarly, telling households how much energy they consume relative to their neighbors can significantly reduce their energy consumption and help fight climate change.

This seminar introduces the behavioral-economic concepts behind nudges, and introduces a powerful empirical tool that becomes increasingly relevant for policy evaluation - randomized control trials. These RCTs are frequently used to evaluate policies in general, but nudges in particular.

Inline resources	Available on Moodle: https://moodleucl.uclouvain.be/
Bibliography	A complete reading list will be made available at the beginning of the class. Here is some introductory material. • Sunstein – Nudging: A Very Short Guide. Journal of Consumer Policy. 583(2014). • Thaler, R. H., & Sunstein, C. R. Nudge: Improving Decisions About Health, Wealth, and Happiness. (Very good introduction into the topic. Highly entertaining!) • Halpern, D. (2016). Inside the Nudge Unit: How small changes can make a big difference. Random House. • Kahneman, D. (2011). Thinking, fast and slow. Macmillan. (for more details on cognitive biases) • Angrist, Joshua D., and Jörn-Steffen Pischke. Mostly harmless econometrics: An empiricist's companion. Princeton university press, 2008.
Other infos	The seminar takes place in English.
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Economics: General	ECON2M	5		🔍