

Teacher(s)	Johnen Johannes ;
Language :	English
Place of the course	Louvain-la-Neuve
Main themes	<p>The teacher proposes an issue to be addressed by the students (for example, is the Walloon Marshall Plan effective?).</p> <p>Students</p> <ul style="list-style-type: none"> - 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.
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p>At the end of the activity, students will be able</p> <ul style="list-style-type: none"> - 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.
Evaluation methods	<p>The final grade consists of three parts:</p> <ul style="list-style-type: none"> • Participation in discussions (20%). • Presentation of a research paper (40%). • Write a policy proposal on a Nudge (40%). <ul style="list-style-type: none"> • Work in small groups. • Think of a policy problem of your choice and how a nudge could solve it. • Explain carefully why your nudge would help solve the policy problem. • Outline how you would use an RCT to evaluate the success of the policy. <p>The evaluation during the third exam session will be determined based on the number of enrolled students in that session.</p>
Teaching methods	<p>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.</p> <p>The first class will take place in the classroom in the second week of the first term (Q1).</p>
Content	<p>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. subsidies 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 calorie-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.</p> <p>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.</p>

Inline resources	Available on Moodle: https://moodleucl.uclouvain.be/
Bibliography	<p>A complete reading list will be made available at the beginning of the class. Here is some introductory material.</p> <ul style="list-style-type: none"> • 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	<p>The seminar takes place in English. The seminar starts in the second week of the term.</p>
Faculty or entity in charge	ECON

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