

Behavioral Public Economics

Course concept: This seminar is aimed at Master students interested in Behavioral Economics and Public Economics. Each student will read several articles on a chosen topic and prepare a short literature survey. In addition, you will present one research article at a block seminar.

Registration: (October 4 - October 13)

- You **must** register by **Thursday, October 13**.
- Use the **attached form** and return it via Email: *gert.poenitzsch[at]awi.uni-heidelberg.de*
- Capacity of the seminar is 14 students.

Organizational meeting: (October 20)

- The meeting is on Thursday, October 20, 10 – 11 am, in room 00.028 at the AWI.
- You must attend the organizational meeting in order to participate. If you cannot make it, arrange an appointment with me for the same week.

Requirements

- **until October 28:** Complete *background reading* and browse topics. Send email ranking all topics from favorite (1) to least favorite (7). I will assign topics using a fair algorithm.
- **until November 11:** Complete the **assigned readings** for your topic. Prepare a *short* (1 page, about 400 words) **summary** of each assigned paper.
 - What is the main problem or question it deals with?
 - What method (theoretical, empirical, experimental) is used?
 - What is the main result or conclusion?
 - (Why) is it important or interesting?
 - Upload both summaries to moodle.
- **until January 6:** Conduct **independent research**
 - *Browse* articles related to those you have read.
 - * Start with articles cited by the authors you have read, and which sounded interesting.

- * Use google scholar to conduct backward and forward searches.
(Articles *cited by*, and articles *citing* those you have read.)
- * Look at papers with promising titles that are published in good journals or that are *cited* often.
- * Begin with the abstract. If that looks interesting, *browse* the introduction, related literature, and conclusion. Download and save papers that may be worth reading later.
- * Take special note of recurrent themes, articles that are often cited, etc.
- Identify *at least two* truly interesting articles that are related to one another
 - * One article might present a theory and others may test it experimentally.
 - * One may present experimental results and others may suggest different explanations.
 - * Some articles may explicitly criticize others, or you may discover contradictions yourself.
- Study each of these articles *carefully*.
 - * Read it several times, highlight, take notes.
 - * Ask questions. Read it again.
 - * Write a summary for yourself.
- Turn in brief (10-12 pages, 4000-4800 words) **literature review**
 - * Clearly state the common issue that your articles deal with.
 - * Motivate why this is interesting and important.
 - * *Categorize* articles in a systematic way. (Theory-experiment, pro-contra,...)
 - * Briefly summarize each article.
 - * Explain how the articles relate to one another and to the literature.
 - * Provide a synthesizing conclusion.
 - * Identify at least one interesting question worthy of further research.
 - * refer to <http://www.wikihow.com/write-a-seminar-paper>.
 - * Upload your literature review to moodle.
 - * Upload the paper you want to discuss (see next point) to moodle.
- **until January 12:** Upload your presentation **slides** for the next day to moodle.
- **January 13/14 (Friday/Saturday):** Give a **presentation** (20+10 minutes) at the block seminar
 - Concentrate on *one* of the papers you worked on (20 minutes)
 - Follow the guidelines in the handout ‘presenting a research paper’
 - Lead the subsequent discussion (10 minutes)

LITERATURE

Background readings: (All students must complete this reading)

Chetty, Raj (2015). Behavioral Economics and Public Policy: A Pragmatic Perspective. *American Economic Review Papers and Proceedings* 105(5): 1-33.

Topics and introductory literature

(1) Self-Image

Grossman, Z. & van der Weele, J. (forthcoming). Self-image and willful ignorance in social decisions. *Journal of the European Economic Association*.

van der Weele, J. & von Siemens, F. (2014). Bracelets of pride and guilt? An Experimental Test of Self-Signaling in Charitable Giving. CESifo Working Paper No. 4674.

(2) Charitable Donations

DellaVigna, S., List, J.A., Malmendier, U. (2012). Testing for altruism and social pressure in charitable giving. *Quarterly Journal of Economics* 127(1): 1–56.

Ariely, D., Bracha, A., Meier, S. (2009). Doing good or doing well? Image motivation and monetary incentives in behaving prosocially. *American Economic Review* 99(1): 544–555.

(3) Sin Taxes

O'Donoghue, T. & Rabin, M. (2006). Optimal Sin Taxes. *Journal of Public Economics* 90(10-11): 1825–1829.

Lockwood, B. & Taubinsky, D. (2015). Regressive Sin Taxes. Working Paper.

(4) Energy Conservation

Allcott, H. (2011). Social Norms and Energy Conservation. *Journal of Public Economics* 95(9-10): 1082–1095.

Allcott, H. & Kessler, J.B. (2015). The Welfare Effects of Nudges: A Case Study of Energy Use Social Comparisons. NBER Working Paper No. 21671

(5) Welfare Analysis

Bernheim, D. (2009). Behavioral Welfare Economics. *Journal of the European Economic Association* 7(2-3): 267–319.

Kahneman, D. & Sugden, R. (2005). Experienced Utility as a Standard of Policy Evaluation. *Environmental & Resource Economics* 32: 161–181.

(6) Constructed Preferences

Ariely, D., Loewenstein, G., Prelec, D. (2003). „Coherent arbitrariness“: Stable demand curves without stable preferences. *The Quarterly Journal of Economics* 118(1): 73-106.

Maniadis, Z., Tufano, F., List, J.A. (2014). One Swallow Doesn't Make a Summer: New Evidence on Anchoring Effects. *The American Economic Review* 104(1): 277-290.

(7) Behavioral Public Choice

DellaVigna, S., Kaplan, E. (2007). The Fox News Effect: Media Bias and Voting. *Quarterly Journal of Economics* 117: 1187-1234.

Goeree J., Yariv, L. (2011). An Experimental Study of Collective Deliberation. *Econometrica* 79(3): 893-921.

Registration form

Name:
Matrikelnummer:
Field of study:
Semester:

course completed	Bachelor level	Master level
public economics	<input type="checkbox"/>	<input type="checkbox"/>
experimental economics	<input type="checkbox"/>	<input type="checkbox"/>
behavioral economics	<input type="checkbox"/>	<input type="checkbox"/>

Please **rank all seven topics** from best to worst. If you are indifferent between several topics, indicate this by **drawing a circle** around them. This information is only preliminary. You will have a chance to revise your preferences later (see course requirements).

Rank & Topic Number

1 (best)
2
3
4
5
6
7 (worst)
