

5 credits	30.0 h	Q1
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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.
Aims	<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. <p>-----</p> <p><i>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".</i></p>
Evaluation methods	<p>The final grade consists of three parts:</p> <ul style="list-style-type: none"> • Participation in Discussions in Class (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. • Also outline how you would use a randomised control trial to evaluate the success of the policy. • Write approximately 5-6 pages.
Teaching methods	<p>At the beginning of the class, the teacher will teach the basic concepts. 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>
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 choices. For example, reporting calories in a restaurant menu can induce people to eat less fat 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 more energy they consume than 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	The language of the Seminar is 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		