

Nudging Sustainable Behavior

I. TOPIC DESCRIPTION

Sustainability itself has multiple, often heavily interlinked aspects. The economic dimension is concerned with the allocation of resources and capital in order to maintain economic growth. The environmental dimension encompasses the interaction of humans and nature. Destructive exploitation of natural resources, pollution or overfishing are typical examples of environmentally unsustainable behavior. Furthermore, sustainability has a social component. It encompasses labor rights, human rights and as well as social integration of the different segments of a society.

How can we promote sustainability? Is it possible to change people's behavior? The success of the book *Nudge* by Cass Sunstein and Richard Thaler as well as the creation of the Behavioral Insights Unit in the United Kingdom show that the induction of sustainable behavior is of public interest and a political concern. With the support at our chair, students develop their own ideas for the design of an economic experiment or field of study. Examples include nudging climate-friendly eating, reducing waste, E-mobility, or other sustainable behaviors (fostering health, saving for retirement, ...). Nudging also raises the question of long-term versus short-term goals. Not all nudges may feel good to consumers. Some may be too ambitious or too scary. Studies in the lab or field may address these topics as well. See Mariotti, Schweizer, Szech and von Wangenheim (2018) for a theoretical approach as well as for many empirical references.

II. SCOPE OF THE SEMINAR

Please note that no topics will be handed out. Instead, participants will develop their own research question. Using their own creative abilities, students design an economic experimental or field study that addresses their research question. Students will work in groups of two or three. If the process of group formation is unsuccessful, participants will be assigned.

The seminar starts with an introductory meeting on Wednesday, October 16 at 11:30 in building 05.20, room IC-02. Ideas for experiments or field studies will be presented in blocked events on January 20. Each presentation should last max. 20 minutes. Full attendance in all meetings is required for successful participation in the seminar. Seminar papers of 8 – 10 pages are to be handed in by February 20.

For bachelor students, grades will be based on the quality of presentations in the seminar (50%) and the seminar paper (50%). Master students additionally have to hand in two abstracts with their paper. Their grades will be based on the quality of presentations in the seminar (40%), the seminar paper (40%) and the two abstracts (20%) –one with a maximum length of 100 words and one with a maximum length of 150 words. Both Bachelor and Master students can improve their grades by 0.3 for good and constructive discussion contributions or by 0.7 for excellent and constructive discussion contributions.

Please note that we will ask you for a brief description of the topic and research idea you are interested in, in order to ensure a well-balanced variety in the seminar. Prior attendance of the courses “Economics and Behavior” and/or “Auction and Mechanism Design” is recommended but not required. For further questions, please contact David Huber (david.huber@kit.edu).

III. SOURCES OF INSPIRATION

- Allcott, Taubinsky (2013): “The lightbulb paradox: Evidence from two randomized experiments” (No. w19713). National Bureau of Economic Research.
- Cassar, Friedman (2004): “Economics Lab. An Intensive Course in Experimental Economics”. Routledge
- Croson (2002): “Why and how to Experiment”. University of Illinois Review
- Mariotti, Schweizer, Szech, von Wangenheim (2018): „Information Nudges and Self-Control“. Working paper, available at <https://polit.econ.kit.edu/>
- Newell, Siikamäki (2014): “Nudging energy efficiency behavior: The role of information labels”. Journal of the Association of Environmental and Resource Economists, 1(4), 555-598.
- Thaler, Sunstein (2009): “Nudge: Improving decisions about health, wealth, and happiness”.
- VanEpps, Downs, Loewenstein (2016): “Calorie Label Formats: Using Numeric and Traffic Light Calorie Labels to Reduce Lunch Calories,” Journal of Public Policy and Marketing, 35(1), 26–36.