

Overcoming The Corona Crisis

I. TOPIC DESCRIPTION



The Corona crisis is no longer a stranger to us. It has had and still has a huge impact on our daily life and our global economy since the outbreak in December 2019. In response to the pandemic, many countries have adopted different measures to prevent the spread of the virus, from social distancing to stay-at-home order. With different degrees of lockdown being imposed, the way we live our lives has changed drastically. For instance, remote working and remote learning has become a normal state for many people. Though it may offer greater flexibility and generate efficiency gains, working or studying at home without direct contacts to other people may have a negative impact on individual performance and well-being (eg. Möhring et al., 2021). How can students live and work best when social interactions are restricted? What could be done to mitigate the problems that may arise from working remotely? How do habits and preferences evolve during the pandemic and in the long run? These are some of the questions one could think about in the seminar.

An effective approach to overcome the Corona pandemic is through mass vaccination, which can facilitate the process of herd immunity. However, vaccine hesitancy remains a challenge in many countries (Troiano and Nardi, 2021). Safety concerns, a lack of accurate information on the vaccine and the pandemic, and a mistrust in the information sources are among the key reasons to refuse vaccine (Murphy et al., 2021; Troiano and Nardi, 2021). Different approaches have been discussed to increase vaccine take-ups. For instance, nudges (Thaler and Sunstein, 2008) show promise. Milkman et al. (2021) demonstrate in a mega-study that some text-based nudges work specifically well to motivate people to take a flu vaccine. Relatedly, implementation intentions prompts also help to increase influenza vaccination rates (Milkman et al., 2011). The hope is that these measures could also help increase Corona vaccine demand. In a similar spirit, Serra-Garcia and Szech (2021) show that both choice architecture and compensation increase Corona vaccine intentions. What else could be done to boost vaccine take-ups? How economic preferences and personal traits affect vaccine intention? And how can people be informed in good ways, preventing the spread of fake news or conspiracy theories? These are some of many questions your seminar paper could focus on. An investigation into neoclassical approach and behavioral approach (e.g. Nudges) can both be fruitful.

Since the vaccine rollouts, many countries witness a decreasing case number, and some have lifted strict lockdown interventions this summer. Yet, with the downward trend of the case number, health experts expressed increasing concerns about the threat imposed by the new Delta variant, and they worry the vaccine take-ups might not be fast enough to contain the new variant. In order to avoid a new wave of the pandemic, it is still very necessary for the general public to be committed to infection prevention measures such as wearing face masks, social distancing and good hygiene. How might vaccine take-ups affect people's intention to participate in non-pharmaceutical safety measures? How to motivate people to continue following safety measures in the absence of strict lockdowns? These are some of the essential questions one could ask.

The reliance on digital technology has grown tremendously during the pandemic and digital security in time of crisis has become an increasingly important issue. Research shows that there is an increase in the reports of cyber-attacks during the pandemic, and frauds related to online shopping and the hacking of social media and emails have witnessed the largest increases in the number of incidents (Buil-Gil et al, 2020). How to better design digital platforms which could improve people's awareness of digital frauds and to limit the spread of cyber-attacks during the pandemic could also be a potential topic of your seminar paper.

Containing the Corona pandemic is a global public good, which calls for international cooperation in many key areas. For instance, it is of great significance to increase cooperation in the production and the allocation of testing kits, vaccines, personal protective equipment and ventilators. It is also of vital importance to regulate these markets so that the pricing for life-saving equipment remains within a reasonable range when there is very high demand. In their working paper, Serra-Garcia and Szech (2020) investigates the demand for COVID-19 antibody testing kits in the US. They found that most people want an antibody test if it were offered free, but the demand drops sharply as price increases. Cramton et al. (2020) proposes that we could draw lessons from the electricity markets to design the market for medical equipment and PPE. They suggest that governments should pool resources on a national level or even on an international level, which will help us better allocate resources to places where need them the most. Along the line, one might find it interesting to investigate mechanism and methods to foster cooperation in times of Covid-19.

II. SCOPE OF THE SEMINAR

Please note that no topics will be handed out. Instead, participants will develop their own research question in the broad field of Overcoming the Corona Crisis. Using their own creative abilities, students design an economic experimental or field study that answers their research question. Students will work in groups of up to four, depending on the total number of participants. If the process of group formation is unsuccessful, participants will be assigned.

The seminar starts with an introductory meeting via Zoom on 20.10.2021. Ideas for experiments or field studies will be presented in a blocked event on 17.01.2021. Each presentation should last max. 20 minutes. Full attendance in all meetings is required for successful participation in the seminar. Group seminar papers of 8 – 10 pages, as well as two individual abstracts (one with 75 to 100 words and another with 150 to 200 words) are to be handed in at the end of the semester.

Application will be possible via the centralized platform until 05.07.2021.

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 Lixuan Zhao (lixuan.zhao@kit.edu).

III. RELATED LITERATURE

A. GENERAL INTRODUCTION

- Cassar, Friedman (2004): Economics Lab. An Intensive Course in Experimental Economics. *Routledge*
- Croson (2002): Why and how to Experiment. *University of Illinois Review*
- Kagel, J. H. (2020). *The Handbook of Experimental Economics*, Volume 2. Princeton University Press.
- Thaler, R. H., & Sunstein, C. R. (2009). *Nudge: Improving decisions about health, wealth, and happiness*. Penguin.

B. SOURCES OF INSPIRATION

1. Study, Work and Well-being in Times of COVID-19

- Aucejo, E. M., French, J., Araya, M. P. U., & Zafar, B. (2020). The impact of COVID-19 on student experiences and expectations: Evidence from a survey. *Journal of public economics*, 191, 104271.
- Brodeur, A., Clark, A. E., Fleche, S., & Powdthavee, N. (2021). COVID-19, lockdowns and well-being: Evidence from Google Trends. *Journal of public economics*, 193, 104346.
- Linardi, S., & Camerer, C. (2021). Worker-firm relational contracts in the time of shutdowns: experimental evidence. *Experimental Economics*, 1-27.
- Möhring, K., Naumann, E., Reifenscheid, M., Wenz, A., Rettig, T., Krieger, U., ... & Blom, A. G. (2021). The COVID-19 pandemic and subjective well-being: longitudinal evidence on satisfaction with work and family. *European Societies*, 23(sup1), S601-S617.
- Schmelz, K., & Ziegelmeyer, A. (2020). Reactions to (the absence of) control and workplace arrangements: experimental evidence from the internet and the laboratory. *Experimental Economics*, 23(4), 933-960.

2. Compliance with Covid-19 Prevention Measures

- Andersson, O., Campos-Mercade, P., Meier, A., & Wengström, E. (2020). Anticipation of COVID-19 vaccines reduces social distancing. Available at SSRN 3765329.
- Bargain, O., & Aminjonov, U. (2020). Trust and compliance to public health policies in times of COVID-19. *Journal of Public Economics*, 192, 104316.
- Campos-Mercade, P., Meier, A. N., Schneider, F. H., & Wengström, E. (2021). Prosociality predicts health behaviors during the COVID-19 pandemic. *Journal of public economics*, 195, 104367.

- Falco, P., & Zaccagni, S. (2020). Promoting social distancing in a pandemic: Beyond the good intentions. Available at SSRN 3696804.
- Gozzi, N., Bajardi, P., & Perra, N. (2021). The importance of non-pharmaceutical interventions during the COVID-19 vaccine rollout. *medRxiv*.
- Seres, G., Balleyer, A. H., Cerutti, N., Danilov, A., Friedrichsen, J., Liu, Y., & Süer, M. (2020). *Face masks increase compliance with physical distancing recommendations during the COVID-19 pandemic* (No. 253). Discussion Paper.

3. Increasing Antibody Testing and Vaccine Take-ups

- Lim, W., & Zhang, P. (2020). Herd immunity and a vaccination game: An experimental study. *PloS one*, 15(5), e0232652.
- Milkman, K. L., Beshears, J., Choi, J. J., Laibson, D., & Madrian, B. C. (2011). Using implementation intentions prompts to enhance influenza vaccination rates. *Proceedings of the National Academy of Sciences*, 108(26), 10415-10420.
- Milkman, K. L., Patel, M. S., Gandhi, L., Graci, H. N., Gromet, D. M., Ho, H., ... & Duckworth, A. L. (2021). A megastudy of text-based nudges encouraging patients to get vaccinated at an upcoming doctor's appointment. *Proceedings of the National Academy of Sciences*, 118(20).
- Murphy, J., Vallières, F., Bentall, R. P., Shevlin, M., McBride, O., Hartman, T. K., ... & Hyland, P. Psychological characteristics associated with COVID-19 vaccine hesitancy and resistance in Ireland and the United Kingdom. *Nature Communications*, 12(1), 1-15.
- Rieger, M. O. (2020). Triggering altruism increases the willingness to get vaccinated against COVID-19. *Social Health and Behavior*, 3(3), 78.
- Serra-Garcia, M., & Szech, N. (2021). Choice architecture and incentives increase COVID-19 vaccine intentions and test demand. Available at SSRN 3818182.
- Serra-Garcia, M., & Szech, N. (2020). Demand for COVID-19 antibody testing, and why it should be free. *CESifo Working Paper* No. 8340, Available at SSRN: <https://ssrn.com/abstract=3623675>
- Troiano, G., & Nardi, A. (2021). Vaccine hesitancy in the era of COVID-19. *Public Health*.

4. *Fighting Misinformation and Cybercrimes*

- Buil-Gil, D., Miró-Llinares, F., Moneva, A., Kemp, S., & Díaz-Castaño, N. (2020). Cybercrime and shifts in opportunities during COVID-19: a preliminary analysis in the UK. *European Societies*, 1-13.
- Pennycook, G., McPhetres, J., Zhang, Y., Lu, J. G., & Rand, D. G. (2020). Fighting COVID-19 misinformation on social media: Experimental evidence for a scalable accuracy-nudge intervention. *Psychological science*, 31(7), 770-780.

5. *Regulating Markets and Fostering Cooperation in Times of Covid-19*

- Balliet, D. (2010). Communication and cooperation in social dilemmas: A meta-analytic review. *Journal of Conflict Resolution* 54 (1), 39–57
- Cramton, P., Ockenfels, A., Roth, A. E., & Wilson, R. B. (2020). Borrow crisis tactics to get COVID-19 supplies to where they are needed.
- Dannenberg, A., & Gallier, C. (2019). The choice of institutions to solve cooperation problems: A survey of experimental research. *ZEW-Centre for European Economic Research Discussion Paper*, (19-021).
- Falk, A., Szech, N. (2013). Morals and markets. *Science*, 340(6133), 707-711.
- Fischbacher, U., Schudy, S., and Teyssier, S. (2013). Heterogeneous reactions to heterogeneity in returns from public goods. *Social Choice and Welfare* 43, 195-217.
- Guido, A., A. Robbett, and R. Romaniuc (2019). Group formation and cooperation in social dilemmas: A survey and meta-analytic evidence. *Journal of Economic Behavior & Organization* 159, 192 – 209.