

**Syllabus for 3 day Seminar
2019**

Morality and Ethical Choice:

A feeling, a calculus or sacred value for Homo-economicus?

Description:

All human action has a moral dimension. “People are motivated by ethical considerations,” Amartya Sen argues, “whether or not they, in practice, wholly abide by what they morally defend.” The recent financial crisis, as well as more historical scandals like Enron, have highlighted the importance of ethics in business and the implications of ethical decision-making for the economy as a whole. To the extent that ethical considerations influence market behavior, they are important to economics and policy.

This course focuses on the individual decision maker. The goal of this course is to give an overview of the most prominent current theories and findings in behavioral economics regarding moral choice. The selected readings are divided into three categories:

- **Foundation of Moral Thinking - A tale of two models**
- **Foundations of Moral Judgment**
- **Current Theory and Evidence in Behavioral Economics (and tiny bit of Psych)**

The deliverables for this course are below and organized by day.

Schedule Overview:

May 28th (Tues) begin at 10am and end at 4pm (with a 1 hour lunch break from 12:30-1:30)

May 29th (Wed) begin at 10am and end at 4pm (with a 2 hour lunch break from 12:30-2:30)

May 30th - HOLIDAY

May 31th (Fri) begin at 10am and end at 1pm.

Course HW and Grading

Prior to class begin

(Required) Students will be expected to have familiarized themselves with all the assigned papers prior to the begin of course.

- Papers are located in the linked to folder and NUMBERED in a suggested order.

(Recommended) Students should already prepare a 10 min. version of a paper of their own research which they will use in the presentation on the last day.

May 28th (Tuesday) - Papers, Papers, Paper!

We will spend the pre-lunch part of our day working in groups to prepare presentations – each group will prepare one of the assigned readings and present that reading to the group in the afternoon. Students are expected to have familiarized themselves with the papers prior to the first day of class, but will not be expected to have worked closely with the text or to have prepared the presentation prior to that.

Each student team will have in-class time to work with one reading more deeply and to prepare a review / summary of that paper for the others.

Students will spend the morning working in groups to create that 7 minute presentation. The second half of the day will be dedicated to presenting the papers to each other.

- o Deliverable - the presentation slides + presentation
- o Grading criteria for the presentation slides. (30 points possible)
 - Make sure to state the research question
 - A short but comprehensive review of underlying theory and derivation of predictions if these are theoretically driven.
 - o spot the main point / take away
 - o Only lay out the environmental and actor characteristics assumed that you require for this (short) presentation!
 - o State the main point you want the audience to take away from this model / discussion of theory.
 - Design: Give a comprehensive and detailed description of the design.
 - o Point out special features or non-standard parts of the experiment.
 - State hypotheses
 - o If explicit, then state
 - o If implicit, then tell us what you think they are
 - Results: Select the single (one!) most important result that you want to spend time on either because it is the KEY result of the paper,
 - Prepare back ups with other results if you have time.

May 29th (Wed) - 2 hour lunch today!

We will spend the first part of the day finishing up any paper presentations and dedicate our morning time to discussing the major themes of the papers. After lunch we will break into groups and work as a class in discussion to identify ideas and open areas for research and dissertation topics. As part of this day, Krupka will also be happy to open up the conversation to talk about academic life (we can just chat).

- o Deliverable – group based document in which we work on organizing major themes, techniques etc. and some ideas for research proposals

- o Grading criteria for this is Pass/Fail

May 30th (Thursday) - HOLIDAY

May 31th (Friday) - Your work with a twist

On Sunday, students will present their own work to the class. The format is outlined below and the presentation should last no more than 10 minutes – imagine you are only able to give an abstract and not a full presentation. They will receive comment and feedback from the instructor and students. As part of the presentation, students will imagine how they might incorporate something newly learned from the course into their research. It will not be required that the student actually incorporate this new item, but rather, that they spend 2 minutes talking about what they might be able to reference, include, be inspired to do if they had unlimited resources etc.).

- o Deliverable - 10 minute presentation of your own research.
- o Grading criteria for this will be (10 point value)
 - Clear statement of the research question (1 slide)
 - Clear brief presentation of the theoretical approach (1 slide)
 - Clear brief presentation of the empirical approach (1 slide)
 - Clear statement of the main – or key – hypothesis being tested (1 slide)
 - (optional) One graph or image or regression with the main result (1 slide)
 - (required) One slide on how you might incorporate something newly learned into this research. (1 slide)
 - No conclusion slide please!

Reading List (all papers will be accessed via google drive. Link to be provided).

Foundation of Moral Thinking - A tale of two models

- Haidt, J. (2001). The emotional dog and its rational tail: A social intuitionist approach to moral judgment. *Psychological Review*, 108, 814-834.
- Schnall, S., Haidt, J., Clore, G. L., & Jordan, A. H. (2008). Disgust as embodied moral judgment. *Personality and Social Psychology Bulletin*, 34, 1096-1109.
- Koenigs, M., Young, L., Adolphs, R., Tranel, D., Cushman, F., Hauser, M., & Damasio, A. (2007). Damage to the prefrontal cortex increases utilitarian moral judgements. *Nature*, 446, 908-911.
- Greene, J. D. (14 September 2001). "An fMRI Investigation of Emotional Engagement in Moral Judgment". *Science*. **293** (5537): 2105–2108.

FoundationS! of Moral Judgment -

- Enke, Benjamin. "Kinship Systems, Cooperation, and the Evolution of Culture." Working paper 2018.
- Wight, Jonathan B. "Economics within a Pluralist Ethical Tradition." *Review of Social Economy* 72.4 (2014): 417-435.

Current Theory and Evidence in Behavioral Economics (and tiny bit of Psych)

- Identity (group norms) Based Model of Moral Choice
 - Akerlof, George A., and Rachel E. Kranton. "Economics and identity." *The Quarterly Journal of Economics* 115.3 (2000): 715-753.
 - Bénabou, Roland, and Jean Tirole. "Identity, morals, and taboos: Beliefs as assets." *The Quarterly Journal of Economics* 126.2 (2011): 805-855.
 - Bénabou, Roland, Armin Falk, and Jean Tirole. *Narratives, imperatives, and moral reasoning*. No. w24798. National Bureau of Economic Research, 2018.
 - Focus on narratives aspect
- Signaling (to self / to others) Model
 - Self
 - (Psych) Sachdeva, Sonya, Rumen Iliev, and Douglas L. Medin. "Sinning saints and saintly sinners: The paradox of moral self-regulation." *Psychological science* 20.4 (2009): 523-528.
 - Brañas-Garza, Pablo, et al. "Moral cleansing and moral licenses: experimental evidence." *Economics & Philosophy* 29.2 (2013): 199-212.
 - Ploner, Matteo, and Tobias Regner. "Self-image and moral balancing: An experimental analysis." *Journal of Economic Behavior & Organization* 93 (2013): 374-383.
 - Gneezy, Ayelet, et al. "Paying to be nice: Consistency and costly prosocial behavior." *Management Science* 58.1 (2012): 179-187.
 - Other
 - (Psych) Monin, Benoit, and Dale T. Miller. "Moral credentials and the expression of prejudice." *Journal of personality and social psychology* 81.1 (2001): 33.
 - Dana, Jason, Roberto A. Weber, and Jason Xi Kuang. "Exploiting moral wiggle room: experiments demonstrating an illusory preference for fairness." *Economic Theory* 33.1 (2007): 67-80.
- Emotion Regulation
 - Gneezy, Uri, Alex Imas, and Kristóf Madarász. "Conscience accounting: Emotion dynamics and social behavior." *Management Science* 60.11 (2014): 2645-2658.