UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Behavioral Economics for Decision Making

2425-2-F6302N027

Learning objectives

This course is intended to allow students to become familiar with the literature on behavioral economics and decision making. The major goals will be to enable students to gain an understanding of the main aspects of behavioral decision-making under uncertainty, and applications to economics, politics and society.

Contents

This course aims to acquaint students with the literature on behavioral economics and decision making. Although this approach is based on experimental data on human reasoning (provided by cognitive psychology and neuroscience), students will be led to experimentally test properties and hypotheses about human decision-making. The course also aims to introduce students to the psychological aspects of decision making in the organizational, social and political context. In particular, some special features of decision-making in public policy and international politics will be explored.

Detailed program

1. Reasoning, affect and gut feelings: decision making is also determined by emotional and affective components that are often very adaptive. Neuroeconomics features of affect and emotion in decision making.
2. Social context and group decisions: the social and organizational context variables constraining the results of decisions.
3. Conflicts and negotiations in public organizations: the phenomenology and dynamics of collective decisions and how to avoid paralyzed conflicts and sub-optimal results in negotiation. Cultural variables of reasoning and conflicts.

4. Improving decisions in public policies and services: how to discount the psychological processing of the individual citizens in order to optimize the effect of laws, rules, and norms. Nudge and Beyond Nudge.
5. Decision making in international relations: how the models of reasoning and decision making can be applied to the decisions in international arena.

Prerequisites

None

Teaching methods

The lecturer gives many lectures in which he/she starts with an initial part where concepts are explained (delivery mode) and then opens an interaction with the students that defines the next part of the lecture (interactive mode).

- 9 lectures of 2 hours given in deliverable mode in presence.
- 10 lectures of 3 hours given in deliverable mode in the initial part that is aimed at engaging the students interactively in the next part.
  All activities are conducted in presence.

Assessment methods

Written exam, with open-ended questions to check preparation on the exam syllabus and independent thinking skills on critical points of the program.
There are no in-progress tests.

Textbooks and Reading Materials

1. Gigerenzer, G. (2007). *Gut Feelings.* London: Penguin.

2. Bonini, N., Del Missier, F. e Rumiati, R. (2008). *Psicologia del Giudizio e della Decisione*. Bologna: Il Mulino.
or
Plous, S. (1993). *The Psychology of Judgment and Decision Making*, New York: McGraw-Hill.

3. Thaler, R. and Sunstein, C. (2009) *Nudge: Improving Decisions about Health, Wealth and Happiness*, London: Penguin.

4. Viale R. (2022). *Nudging*, Cambridge Mass: The MIT Press
or
Viale R. (2018). *Oltre il Nudge*. Bologna: Il Mulino.

5. Kahneman, D. (2011). *Thinking Fast and Slow*. New York: Farrar, Straus and Giroux. (optional)
or
Viale, R. (2021). *Routledge Handbook of Bounded Rationality*. London: Routledge (optional)

6. Viale R. e Macchi, L. (a cura di, 2021). *Analisi Comportamentale delle Politiche Pubbliche*. Bologna: Il Mulino (optional)

7. Macchi, L. (2024). *La psicoretorica. Dall'arte del dire alla forma del pensiero*. Raffaello Cortina Editore (optional)

Semester

I semester

Teaching language

English

Sustainable Development Goals

GOOD HEALTH AND WELL-BEING | GENDER EQUALITY | AFFORDABLE AND CLEAN ENERGY | SUSTAINABLE CITIES AND COMMUNITIES | CLIMATE ACTION