



**ADVANCED BUSINESS ETHICS: BEHAVIORAL ETHICS I & II**  
**- MORAL FOUNDATIONS OF BEHAVIORAL ETHICS -**  
SUMMER TERM 2018

**SYLLABUS**

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Instructors:	Arno Appfelstaedt Anastasia Danilov	Tba danilov@wiso.uni-koeln.de
Time & location:	Kick-off meeting	Thursday, 12/04 10:00 – 13:30 SSC 3.206
	6 weekly sessions	Thursdays, 19/04, 26/04, 03/05, 17/05, 07/06, 14/06 10:00 – 13:30 SSC 3.206
	Written exam	21/06 at 10:00, SSC 3.206
	Final block seminar (An additional date may be announced depending on the number of participants)	Thursday, 12/07 08:00 – 17:00 SSC 3.206
Credit points	12 ECTS	

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**OVERVIEW**

What shapes our morality? The topics we will review in this class reflect some of the most important moral categories as considered by moral psychologists. We look at these categories by studying about 20 recent and original research papers from the field of behavioral economics. Doing so, we will reflect on what behavioral economics can teach us regarding morality, how morality is shaped and the role of factors such as social image, incentives, social norms, market structure and culture.

**The first half of the class** is composed of weekly meetings. Here each student chooses one paper from the reading list that he/she will present in the class. After the presentation the paper will be critically discussed in the class among all course participants. Therefore, your attendance is a crucial contribution to the class success! This part of the course will end with a written exam.

**In the second half of the course** students will have to develop their own novel research idea related to one of the topics discussed in the first half of the course. This can be done either in groups of 2 or individually. The developed research idea can be further explored in a Master or PhD Thesis.

**GOALS**

The main aim of the course is to better understand the concepts of moral psychology and how behavioral economics can help to yield new insights into morality and ethics. We will look at topics such as fairness, morality in markets, self- and

social image, norms and culture. The students will have an opportunity to critically discuss existing behavioral economics research on morality, to develop research skills as well as to prepare research projects. For master students, potential projects for master theses could be initiated and for PhD students potential research projects for the dissertation could be discussed and evaluated.

## COURSE STRUCTURE

The course is structured in **two** parts:

**Part I** focusses on theoretical and empirical research papers on moral foundations. During the first half of the semester we meet weekly and students present research papers. For this part, each student selects one research paper, which has to be presented (the paper allocation process will be announced in the first session). After the presentation, the research paper is discussed and evaluated in class. Students are expected to interact, comment and challenge the presented paper. The class is organized in 5 modules, with each module composed of two two-hour classes focusing on one of the topics from the list below. At the end of part I, an exam on the research papers is written.

**Part II** has the goal that students elaborate on their own research project and develop a theoretical/empirical/experimental research design. The first ideas of the research project will be discussed with a supervisor during a consultation session. Part II ends with a one or two-days block seminar at the end of the semester where final project presentations have to be given. The final paper (max. 12 pages) has to be submitted afterwards. There are no weekly meetings during part II.

## REQUIREMENTS AND GRADING

The following table informs about the different requirements and the grading for Master and PhD students:

	Master and Exchange students	PhD students
Credit points	12	6
Course requirement	Part I and part II	
Grading	<ul style="list-style-type: none"> <li>• Presentation and active participation in part I</li> <li>• Written exam</li> <li>• Presentation and participation in seminar blocks of part II</li> <li>Final paper</li> </ul>	

## COURSE REGISTRATION

Exchange and master students register via KLIPS and during the first meeting. PhD students can register via email to [danilov@wiso.uni-koeln.de](mailto:danilov@wiso.uni-koeln.de) until the first of April.

## TOPICS AND RESEARCH PAPERS

### Module 1 – Fairness

Almås, Ingvild, Alexander W. Cappelen, Erik Ø. Sørensen, and Bertil Tungodden, 2010. "Fairness and the Development of Inequality Acceptance." *Science*, 328(5982): 1176–1178.

Cappelen, Alexander W., Astri Trange Hole, Erik Ø. Sørensen, and Bertil Tungodden, 2007. "The Pluralism of Fairness Ideals: An Experimental Approach." *The American Economic Review*, 97(3): 818–827.

Cappelen, Alexander W., James Konow, Erik Ø. Sørensen, and Bertil Tungodden, 2013. "Just Luck: An Experimental Study of Risk-Taking and Fairness." *The American Economic Review*, 103(4): 1398–1413.

Charness Gary and Matthew Rabin, 2002. "Understanding Social Preferences with Simple Tests." *The Quarterly Journal of Economics*, 117(3): 817–869.

### Module 2 – Self- and Social Image

Ariely, Dan, Anat Bracha and Stephan Maier, 2009. "Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially." *American Economic Review*, 99(1): 544–555.

Bénabou, Roland and Jean Tirole, 2006. "Incentives and Prosocial Behavior." *American Economic Review*, 96(5): 1652–1678.

Exley, Christine, 2017. "Incentives for Prosocial Behavior: The Role of Reputations." *Management Science*, Forthcoming.

Francesca Gino, Erin L. Krupka, Roberto A. Weber, 2013. "License to Cheat: Voluntary Regulation and Ethical Behavior." *Management Science* 59(10):2187-2203.

### **Module 3 – Motivated Beliefs**

Bénabou, Roland and Jean Tirole, 2011. "Identity, Morals, and Taboos: Beliefs as Assets." *The Quarterly Journal of Economics*, 126: 805–855.

Dana, Jason, Roberto A. Weber and Jason Xi Kuang, 2007. "Exploiting Moral Wiggle Room: Experiments Demonstrating an Illusory Preference for Fairness." *Economic Theory*, 33: 67–80.

DellaVigna, Stefano, John A. List and Ulrike Malmendier, 2012. "Testing for Altruism and Social Pressure in Charitable Giving." *The Quarterly Journal of Economics*, 127(1): 1–56.

Grossman, Zachary and Joel J. van der Weele, 2017. "Self-Image and Willful Ignorance in Social Decisions." *Journal of the European Economic Association*, 15(1): 173–217.

### **Module 4 – Norms and Culture**

Change, Daphne, Roy Chen and Erin Krupka, 2017. "Rhetoric Matters: A Social Identity Explanation for the Anomaly of Framing". Working Paper. Available here: [http://ekrupka.people.si.umich.edu/wp-content/uploads/2017/08/Rhetoric-matters\\_2017.pdf](http://ekrupka.people.si.umich.edu/wp-content/uploads/2017/08/Rhetoric-matters_2017.pdf)

Falk, Armin, Anke Becker, Thomas Dohmen, Benjamin Enke, David Huffman and Uwe Sunde, 2018. "Global Evidence on Economic Preferences." *The Quarterly Journal of Economics*, Forthcoming.

Henrich, Joseph et al., 2005. "'Economic Man" in Cross-Cultural Perspective: Behavioral Experiments in 15 Small-Scale Societies." *Behavioral and Brain Sciences*, 28: 795–855.

Krupka, Erin, Stephen Leider and Ming Jiang, 2017. "A Meeting of the Minds: Informal Agreements and Social Norms." *Management Science*, 63(6): 1708–1729.

### **Module 5 – Markets**

Bartling, Björn, Roberto A. Weber and Lan Yao, 2015. "Do Markets Erode Social Responsibility?" *The Quarterly Journal of Economics*, 130(1): 219–266.

Deckers, Thomas, Armin Falk, Fabian Kosse, and Nora Szech, 2016. "Homo Moralis: Personal Characteristics, Institutions, and Moral Decision Making." Working Paper. Available here: [https://polit.econ.kit.edu/26\\_472.php](https://polit.econ.kit.edu/26_472.php)

Falk, Armin and Nora Szech, 2013. "Morals and Markets." *Science*, 340: 707–711.

Kirchler, Michael, Jürgen Huber, Matthias Stefan and Matthias Sutter, 2016. "Market Design and Moral Behavior." *Management Science*, 62(9): 2615–2625.

### **Further readings and online materials:**

Levitt, Steven D. and John A. List, 2007. "What Do Laboratory Experiments Measuring Social Preferences Reveal About the Real World?" *Journal of Economic Perspectives*, 21(2): 153–174.

"Moral Foundations Questionnaire" on: <http://www.yourmorals.org/?grp=1c1d2b6e5e67f0be6105da3ae34a6cc8>

Jonathan Haidt's TED Talk on Moral Psychology: [https://www.ted.com/talks/jonathan\\_haidt\\_on\\_the\\_moral\\_mind](https://www.ted.com/talks/jonathan_haidt_on_the_moral_mind) (do the questionnaire before you watch the TED talk)

Haidt, Jonathan, 2007. "The New Synthesis in Moral Psychology." *Science* 316(5827): 998–1002. (do the questionnaire before you read the paper)