esade

TEACHING GUIDE - 2025-2026

Behavioural Economics and experiments in Social Sciences

UGRA_016134

Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	6
Teacher responsible	Gianandrea Staffiero - gianandrea.staffiero@esade.edu

Course Goals

By the end of the course, students are expected to be able to:

- Understand the behavioural assumptions made in neoclassical economic models and how these are related to actual human behaviour.
- Design incentive schemes that are consistent with the behavioural traits.
- Understand the concept of causality and the power of experiments in establishing causal relations.
- Design experiments in the context of social sciences and appropriately interpret their results.
- Think about applications of experimental and behavioural economics in business environments and public policy

Previous knowledge

This course is self-contained, with no specific pre-requisites. We do assume basic knowledge of mathematics. During the course we will also use microeconomics and possible some statistics. We will provide explanations of microeconomics and statistics concepts if needed.

Prerequisits

None

Recomended courses

It would be useful (but not strictly necessary) if students have taken a microeconomics course.

Teaching methodology

The teaching method is centered around the concept of active learning.
It will include:

1. Lectures delivered using power-point slides, with references to textbooks and additional source.
2. Discussions during lectures on the points we are exploring. There will be questions by the instructors. Questions and comments from students are encouraged.

3. Presentations of case studies by students will be a key part of the learning experience. Presenters should engage fellow students (and the instructor) into discussions on what we learn from academic articles.
4. Group projects will be the cornerstone of the course. Groups will make the whole classroom participate into experiments design to expand our learning beyond the existing knowledge base learned during lectures.

Description

Course contribution to program

This course explores how behavioural economics helps us understand and predict human decision-making, an essential skill for shaping effective policies in business environments and in global and economic governance. Unlike traditional models, behavioural economics draws on psychology and other social sciences to explain how people and institutions actually behave.

Students will examine key experimental findings on how individuals, firms, and markets respond to incentives, emotions, and social norms. Through interactive games and exercises, they will experience these dynamics first-hand.

The course equips future professionals with practical tools to analyse and design policies that account for real-world behaviour, making it highly relevant across governance, economics, business and public policy contexts.

Short description

This course introduces key insights from behavioural economics, such as reference-dependent preferences, decision-making under uncertainty, social preferences, time discounting, heuristics, learning, and strategic behaviour. Students will explore how these findings were uncovered through influential experiments and will gain hands-on experience in designing, conducting, and analysing experiments themselves.

A central feature of the course is active participation in classroom games and experiments, allowing students to observe behavioural patterns first-hand. We will also examine experimental research across applied fields such as labour economics, law, and political science.

Throughout, the focus will be on how behavioural insights and rigorous experimental design can support better decision-making in organisations and policymaking, providing future professionals with tools to interpret and shape behaviour in complex economic and governance environments.

Bibliography

Kahneman, D, Thinking, fast and slow., New York: Farrar, Straus and Giroux (Book)

Luca, Michael and Bazerman, Max, The Power of Experiments: Decision-Making in a Data-Driven World, MIT Press (Book)

Thaler, R.H., Misbehaving: The making of behavioural Economics, WW Norton & Co (Book)

Activities

In-class discussions and debates
Students will actively participates in discussions and debates on the topics presented.

Group presentations
Experimental project, which includes making all fellow students participate into a game from which we will derive useful insights on our behaviour.

Presentations
Analysis of an academic article, stimulating a discussion in the classroom.

Essays
Experimental project designed by groups of students.

Content

#	Topic
1	Introduction to Behavioural Economics and Experiments in Social Sciences. Introduction and logistics. What is Behavioural Economics? How did the discipline come about? Economics meets Psychology. Experiments: Explaining causal relationships. Anatomy of an experiment. Challenges of design and implementation. Application to real-life situations.
2	Understanding human preferences and choices: Cognitive biases and heuristics. Risk aversion and intertemporal decisions: A behavioural approach. Other-regarding preferences.
3	Experiments in Social Sciences: Field and lab experiments in labour and development economics. Experiments in Political Science, Law and Criminology.

Assessment

Tool	Assessment tool	Category	Weight %
Participation in program activities	Class Participation	Retake and ordinary round	20.00%
Individual or team exercises	Case studies: analysis of academic articles	Retake and ordinary round	30.00%
Group project	Experimental project	Retake and ordinary round	50.00%

PROGRAMS

G114-Global Governance Exchange Program (Undergraduates: Law)
G114 Year 1 (Optative)

G114S-Global Governance Exchange Program (Undergraduates: Law)
G114S Year 1 (Optative)

GEL23-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)
GEL23 Year 2 (Optative)
GEL23 Year 3 (Optative)