



## Course and Examination Fact Sheet: Spring Semester 2020

### 8,280: Beyond Homo Oeconomicus: Decision Making and Wellbeing in Economics

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

Central - Written examination (50%, 60 mins.)

Decentral - Group examination paper with presentation (all given the same grades) (50%)

#### Attached courses

Timetable -- Language -- Lecturer

[8,280,1.00 Beyond Homo Oeconomicus: Decision Making and Wellbeing in Economics](#) -- Englisch -- [Kolmar Martin](#)

#### Course information

#### Course prerequisites

none

#### Learning objectives

1. Develop an understanding and ability to critically reflect basic findings from contemporary psychology and neuroscience regarding perception, decision making, and well being.
2. Develop an ability to understand the relationship between models of human wellbeing and decision making and conceptions of society and the economy.
3. Critically reflect the economic mainstream and develop alternatives.
4. Development of presentation and debating skills.
5. Development of skills to effectively organize group work.
6. Development of ability for critical and independent thinking.

#### Course content

The purpose of this course is to better understand how humans make decisions. Decision theory is at the heart of modern economics, political science, and business administration, and it is therefore of uttermost importance to understand how human beings make decisions and how these decisions are related to their wellbeing.

Traditionally, Economics has a very pragmatic approach to explaining individual decisions: the homo-oeconomicus model of preference maximization and instrumental rationality. We will therefore discuss the model in the first part of the course and relate it to "Behavioral Economics," a subfield of economics that challenges some of the assumptions of the homo-oeconomicus model. We will briefly take a history-of-science perspective to better understand how economics evolved and how the mainstream view relates to the social sciences and epistemic and ontological positions on scientific research.

In the main part of the course we take a different perspective. From an evolutionary perspective, decisions are an organisms' way to guarantee its survival and procreation, and the basic challenge is to adapt into an environment in a functional way. Humans have different adaption mechanisms, and it the purpose of this part of the course to understand their functioning the implications of this complex mechanism for decision-making and subjective wellbeing. In order to do so we discuss material from evolutionary biology, affective and cognitive neuroscience, affective psychology, narrative psychology, and artificial intelligence.



In the third part of the course we try to reconcile the picture that we have developed in the second part with standard economics and behavioral economics views on decisions.

Having identified the similarities and differences between the two different views we discuss implications for promoting wellbeing, the view on the state and economic policy.

Overview

## I. Homo Oeconomicus

- I.1. Anybody home? Revealed preferences and mindless economics
- I.2. Rational-choice theories of decision-making
- I.3. Behavioral Economics
- I.4. From the bird's-eye view: Skinner's doves, subjectivism, and positivism in the social sciences of the 20. century

## II. Humans as multi-layered adaption mechanisms

- II.1. Ultimate and proximate causes and the homunculus fallacy
- II.2. Genetic and epigenetic adaption
- II.3. Affective calibration
- II.4. Consciousness, learning, and the narrative self
- II.5. The predictive-brain hypothesis

## III. Towards a unified theory of decision making and wellbeing?

## IV. Implications for economics

- IV.1. Some remarks on normative criteria
- IV.2. Mismatch Theories of environment and adaption
- IV.3. Hooked? Persuasive technologies
- IV.4. Machiavelli versus Aristotle: competing visions of the good state

## Course structure

The course will take place on a weekly basis. During the first half of the semester we will discuss key concepts and theories, whereas the second half of the semester is devoted to the discussion of more specific topics in the form of term papers and presentations. The idea is to have a relatively open format that allows for open discussions and creativity.

## Course literature

The mandatory reading list will be available on Canvas/StudyNet by January 15, 2020.

## Additional course information

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## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/2)

##### Examination time and form

Central - Written examination (50%, 60 mins.)

##### Remark

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## Examination-aid rule

Open Book

Students are free to choose aids but will have to comply with the following restrictions:

- At such examinations, all the pocket calculators of the Texas Instruments **TI-30 series** are admissible. Any other pocket calculator models are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as electronic dictionaries, notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

## Supplementary aids

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## Examination languages

Question language: English

Answer language: English

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## 2. Examination sub part (2/2)

### Examination time and form

Decentral - Group examination paper with presentation (all given the same grades) (50%)

### Remark

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## Examination-aid rule

Term papers

- Term papers must be written without anyone else's help and in accordance with the known quotation standards, and they must contain a declaration of authorship.
- The documentation of sources (quotations, bibliography) has to be done throughout and consistently in accordance with the APA or MLA standards. The indications of the sources of information taken over verbatim or in paraphrase (quotations) must be integrated into the text in accordance with the precepts of the applicable quotation standard, while informative and bibliographical notes must be added as footnotes (recommendations and standards can be found, for example, in METZGER, C. (2017), *Lern- und Arbeitsstrategien* (12th ed., Cornelsen Schweiz).
- For any work written at the HSG, the indication of the page numbers both according to the MLA and the APA standard is never optional.
- Where there are no page numbers in sources, precise references must be provided in a different way: titles of chapters or sections, section numbers, acts, scenes, verses, etc.
- For papers in law, the legal standard is recommended (by way of example, cf. FORSTMOSER, P., OGOREK R. et SCHINDLER B. (2018), *Juristisches Arbeiten: Eine Anleitung für Studierende* (6. Auflage), Zürich: Schulthess, or the recommendations of the Law School).

## Supplementary aids

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## Examination languages

Question language: English

Answer language: English

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## Examination content

The final grade depends on the written exam, the term paper and the oral presentation. The topic of the term paper and the presentation can be negotiated individually, and I will provide a list of potential topics plus basic literature.

The written exam covers the following material:

I. Homo Oeconomicus

I.1. Anybody home? Revealed preferences and mindless economics



- I.2. Rational-choice theories of decision-making
- I.3. Behavioral Economics
- I.4. From the bird's-eye view: Skinner's doves, subjectivism, and positivism in the social sciences of the 20. century
- II. Humans as multi-layered adaption mechanisms
  - II.1. Ultimate and proximate causes and the homunculus fallacy
  - II.2. Genetic and epigenetic adaption
  - II.3. Affective calibration
  - II.4. Consciousness, learning, and the narrative self
  - II.5. The predictive-brain hypothesis
- III. Towards a unified theory of decision making and wellbeing?
- IV. Implications for economics
  - IV.1. Some remarks on normative criteria
  - IV.2. Mismatch Theories of environment and adaption
  - IV.3. Hooked? Persuasive technologies
  - IV.4. Machiavelli versus Aristotle: competing visions of the good state

## Examination relevant literature

The mandatory reading list will be available on the Studynet by January 15, 2020.

### Please note

Please note that this fact sheet alone is binding and has priority over any other information such as StudyNet (Canvas), personal databases or faculty members' websites and information provided in their lectures, etc.

Any possible references and links within the fact sheet to information provided by third parties are merely supplementary and informative in nature and are outside the University of St.Gallen's scope of responsibility and guarantee.

Documents and materials that have been submitted no later than the end of term time (CW21) are relevant to central examinations.

Binding nature of the fact sheet:

- Information about courses and examination time (central/decentral) and examination type starting from the beginning of the bidding on 23 January 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for decentral examinations after the 4th semester week on 16 March 2020
- Information about examinations (examination aid regulations, examination content, examination-relevant literature) for central examinations as from the starting date for examination registration on 6 April 2020

Please consult the fact sheet again after these deadlines have expired.