## Economics 590 and Psychology 529

# Decision-making, rationality and the nature of human morality and social behavior

Meeting Time: Monday 1 to 4pm Meeting Place: IBLC Room 157

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#### Final Examination Time and Date: see registrar

#### **Course Description**

Within a broadly evolutionary framework this seminar course will pursue an interdisciplinary inquiry into human decision-making by drawing materials from social and cognitive psychology, behavioral economics and game theory, neuroscience, anthropology, political science, and behavioral genetics. Substantive areas of focus will include (1) rationality, heuristics and biases in decision-making, (2) social preferences and prosocial motivations, (3) inter-temporal choice, (4) risk and uncertainty, (5) religion, (6) culture, institutions and prosocial preferences, (7) adaptive learning and belief formation, (8) in-group, out-group, and ethnicity, and (9) methods for studying decision-making.

#### **Course Materials and Resources**

#### Online, Vista

There is a course website on the new Blackboard UBC Vista system. This system is the main vehicle for delivering the readings. Extended discussions may also occur in the chat room. Vista is at <u>https://www.elearning.ubc.ca/home/index.cfm</u>. Or log directly on at: <u>https://www.vista.ubc.ca/webct/logon/226906602011</u>.

#### Course requirements and weightings for final grade:

Your course grade is based four components: your general participation in seminar, which includes attendance, your effectiveness at leading the some discussions, your presentation of one or more background readings, and your final paper.

#### Participation

Students are expected to do the reading and avidly participate.

Grading Instrument	%
Grading instrument	contribution
<b>General Participation</b>	5%
<b>Discussion leading</b>	20%
Paper Review	10%
Final Paper	65%

# Discussion leading

Students will be assigned or will volunteer to lead one or two discussions over the length of the course. In each class two people will team up to lead the discussion. They will be responsible for presenting the readings, highlighting key insights or concerns, and energizing the discussion. This two-person team will lead off the class with a 15 minute presentation.

Leaders will meet with me on Friday afternoon (ideally).

# Expert Background Paper

For each class there will be one paper that is optional for everyone except one person, who will be the designated expert on that paper. This student will lead off the second half of each class with a review of the highlights from the optional paper (5 to 10 minutes), and discuss how it informs the main readings, the discussion, and the broader questions running through the semester.

#### Final paper:

Each student must submit a final 15-20 page paper due on December 1, 2009, on a topic of their choice. A topic and outline are due on November 10. Any topic within the general realm of decision-making and human sociality is possible, but the most straightforward approach to select one of the topics covered on a given week, or in a particular reading, and go into depth exploring it.

# Schedule

# Foundations of Decision Making and Human Behavior

- How can we construct a fully integrated understanding of human behavior using the available theoretical and empirical tools from across the human sciences?
- What is the best way to model human decision-making?
- Are people rational? (and, what if they are not?)
- What is the place of culture in decision-making?

1	8 Septem ber	IntroductionReview of SyllabusAssignment of discussion leaders for next week.Assignment of optional reading expertReview of paper assignment and gradingInterdisciplinary approaches to human behavior and decision makingReading: Gintis (2007) and Hastie (2001):Discussion leaders Maciek Chudek & Rahul BhuiOptional reading: Lowenstein, Rick and Cohen (2008)Expert on optional reading: Will Gervais
2	15 Septem ber	<ul> <li>Are people rational? What are various conceptions of rationality? If we aren't rational, what are we? Can we still build a (parsimonious) theory of decision-making?</li> <li><i>Readings</i>: Shafir and LeBoeuf (2002) Tversky and Kahnamen (1992) Brandsatter (2006)</li> <li>Discussion leaders Dave Freeman &amp; Mike Stewart</li> <li><i>Optional Reading</i> List (2004) Expert on optional reading: Donna Feir</li> </ul>
3	22 Septem	<b>Intertemporal Choice:</b> How do people tradeoff costs and benefits that are temporarily spaced? Many norms, moral decisions, and altruistic acts

	ber	require deferring benefits to one's future self, so intertemporal choice would seem to part of any approach to morality or altruism.
		<i>Reading</i> : Berns, Laibson, and Loewenstein (2007) Godoy et. al. (2004)
		Who could explain standard approach to time discounting? Nishant
		Discussion leaders Carl Falk & Dan Randles
		<i>Optional Reading</i> Laibson (1997) or Fudenberg and Levine (2006)
		Expert on optional reading: Dave Freeman
		<b>Social learning and the origins of culture:</b> natural selection's solution to decision making in information poor environments.
	29 Septem ber	<i>Reading:</i> Henrich and Henrich: Chapter 2 Richerson and Boyd (2000)
4		Discussion leaders Joe Henrich
		<i>Optional Readings:</i> Culture in non-humans Whiten et al. (1999) Hermann et. al. (2007)
		Expert on optional reading: Maciek Chudek
5		What is the nature of human sociality? What is unique about it? What do we share with other animals? How did humans become so ultrasocial?
	6 October	<i>Reading:</i> Henrich and Henrich: Chapters 3 Andreoni and Miller (2002) Choi and Bowles (2007)
		Discussion leaders Donna Feir & Joey
		Guest lecture on altruism distinctions: Steve Stich

Optional Reading
The Wilson's (2007): group selection

Expert on optional reading: Joey Cheng

# Nature of Human Sociality

- Are people selfish? What are the origins of our social preferences or otherregarding motivations?
- What are norms and institutions? Where do they come from, and have they influenced human evolution?
- Do people internalize intrinsic motivations from the world they live in?
- Are norms "wired" into our brains?
- Do rewards and punishment damage intrinsic motivation
- How are ethnicity groups so important?
- Do people have sacred values that violate transitivity?
- Is there genetic variation in sociality?

6	Some time 14 to 17 Octob er	On the cultural evolution of prosocial norms: why do we treat strangers fairly and seem willing to cooperate with them? <i>Readings</i> : Henrich and Ensminger: Chapters 2 and 4 Fehr and Gächter (2002) Hermann et al. (2008) Discussion leaders Dan Randles & Joe Henrich <i>Optional Reading</i> Heyman and Ariely (2004) Expert on optional reading: Jasmine Carey
7	20 Octob er	<ul> <li>Developmental and cross-species studies of human sociality: what can studies of children and non-humans primates tell us about human sociality? We found <i>Homo economicus</i>, he's a chimp.</li> <li><i>Reading:</i> <ul> <li>Warneken and Tomasello The Roots of Human Altruism</li> <li>Fehr forthcoming Nature</li> <li>Rakoczy et. al. 2008</li> </ul> </li> <li>Discussion leaders: Jason Martens &amp; Jelena</li> <li><i>Optional Readings:</i> <ul> <li>Silk (2005)</li> </ul> </li> </ul>

		Jensen et. al. (2007) Jensen (2006) Expert on optional reading: Damian Murray
8	27 Octob er	Norms, endogenous preferences and other-regarding motivation: Challenge: how do these readings relate to what we've discussed previously? Can the usual approach in Economics of assuming preferences are exogamous be justified? Discussion Leadership: Jason Martens and Mike Stewart <i>Readings:</i> Fehr and Camerer (2007) Tabibnia et. al. (2008) Harbaugh et. al (2006) <i>Optional Reading:</i> Akerlof: The Missing Motivation in Macroeconomics Expert on optional reading: Matias Cortes <i>Second Optional Reading</i> Wallace et. al. (2007) Expert on optional reading: Mike Stewart
9	3 Nove mber	Crowding out of intrinsic motivation and the problem of punishing and rewarding Reading: Buno Frey (2004) Ariely Bracha and Meir (2007) Bowles (2008) Discussion Leader: Lily Lin & Jasmine Carey Optional Reading Ariely et. al. (2006) Expert on optional reading: Rahul Bhui
10	10 Nove mber	Cognitive foundations of moral judgment <i>Reading:</i> Mikhail (2007) Sripada and Stich (2006):

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		www.rci.rutgers.edu/~stich/Publications/Papers/Framework_for_the_Psy chology_of_Norms_7-23-05.pdf
		Guest Lecture: Steve Stitch
		Optional reading Knobe (2006)
		Expert on optional reading: Wanying Zhao
		Paper topics and outlines are DUE
		<b>Moral judgment and decision making:</b> Are certain values special or protected? Do these operate differently from other kinds of values?
11	17 Nove mber	<i>Reading:</i> Bartels and Medin (2007) Tanner et. al. EJSP
		Discussion Leaders: Wanying Zhao
		<i>Optional Reading</i> Ginges et. al. (2007)
		Tanner and Medin (2004)
		Expert on optional reading: Lily Lin
		Why do people care about ethnicity so much? Is it just in-group vs. out-group? Why identity matters.
12	24 Nove mber This is a "doubl e- week"	Henrich and Henrich: Chapter 9 Kinsler et al. (2007)
		How has religion evolved to influence our sociality? Do supernatural beliefs and ritual matter? Does religion make us prosocial?
		Henrich (2007): IPD
		Discussion Leaders Will Gervais and Damian Murray
		Optional Reading Shariff et al. (2007)
		Norenzayan (forthcoming Science)
		Charge of optional reading: Carl Falk
	e-	<i>Optional Reading</i> Shariff et. al. (2007) Norenzayan (forthcoming Science)

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