

A Comparative Analysis of the Nuclear Power Policy between Korea and Germany from the Perspective of Behavioral Economics

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The limit of policy analysis and mainstream economics is incompleteness in the postulate of perfect rationality. Humans are governed by bounded rationality and irrationality. This means that public policy is also influenced by bounded rationality and irrationality with regard to policy contents and processes. Behavioral economics is interested in investigating the causes and patterns of irrationality, which are known as heuristics and biases; some examples are the “framing effect heuristic,” the “affect bias,” the “availability heuristic,” and the “anchoring effect.” My study illuminates the patterns of irrationality in the area of nuclear power policy through a comparison of the nuclear power policies in Korea and Germany from the perspective of behavioral economics (BE). The goal of this research is to establish policy instruments (nudges) to improve rationality in public policies, and the resulting implications, reducing the degree of irrationality in the area of energy policy in Korea.

The title of my study is “A Comparative Analysis of the Nuclear Power Policy between Korea and Germany from the Perspective of Behavioral Economics.” In order to achieve the goals of my project, I aim to do following:

- (1) Review related literature;
- (2) Interview related experts and public officers;
- (3) Investigate the related biases and heuristics, which explain the causes and patterns of human decision making, in the area of nuclear power through the lens of BE;
- (4) Analyze comparatively the two policy cases in Korea and Germany in the area of nuclear power;
- (5) Present policy alternatives (nudges) and establish the policy implications of improving the rationality of energy policy in Korea.