

1st PODER Summer School

"Behavioural and Experimental Economics in Development"

7-10 July 2014, University of Cape Town

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Course Objective:

This course develops the role and place of experiments in economic development.

There are four goals for the course. First, we want to illustrate the connection between theory development and experimental design. Second, we want stress key components of experimental design (simplify, simplify, simplify). Third, we want to provide a sense of the kinds of problems facing various types of experiments (from randomized control treatments to field experiments). Fourth, we illustrate these concepts using experiments on a particular topic.

To learn about experiments there is no substitute for doing. Many of you have research designs that we will discuss.

COURSE OUTLINE: READINGS (Note, readings with a * should be read before class)

Monday – July 7th

8.30-9.00 Coffee and registration

9:00 – 12:30 pm. Causation and Experimental Design.

OBJECTIVES: Classic experimental designs (canonical experiments) . Rationale for the laboratory. Internal and external validity.

*Duflo, Esther, Rachel Glennerster, and Michael Kremer. "Using Randomization in Development Economics Research: A Toolkit." In *Centre for Economic Policy Research*. London, 2007. Focus on sections 1, 2, 5, 8 (but read the entire paper).

*Chaudhuri, Ananish. "Sustaining Cooperation in Laboratory Public Goods Experiments: A Selective Survey of the Literature." *Experimental Economics* 14, no. 1 (2011): 47-83.

*Cardenas, Juan Camilo, and Jeffrey Carpenter. "Behavioral Development Economics: Lessons from Field Labs in the Developing World." *Journal of Development Studies* 44, no. 3 (2008): 311-38.

*Herrmann, Benedikt, Christian Thöni, and Simon Gächter. "Antisocial Punishment across Societies." *Science* 319 (2008): 1362-67. (Plus Supplemental Material)

*Rustagi, Devesh, Stefanie Engel, and Michael Kosfeld. "Conditional Cooperation and Costly Monitoring Explain Success in Forest Commons Management." *Science* 330 (2010): 961-65. (Plus Supplemental Material)

Henrich, Joseph, et al. "Markets, Religion, Community Seize and the Evolution of Fairness and Punishment." *Science* 327, 1480-1484 (2010). (Plus Supplemental Material)

Barr, Abigail. "Trust and Expected Trustworthiness: Experimental Evidence from Zimbabwean Villages." *Economic Journal*, 614: Blackwell Publishing Limited, 2003.

Banerjee, Abhijit V., and Esther Duflo. "The Experimental Approach to Development Economics." *Annual Review of Economics* 1, no. 151-178 (2009).

Karlan, Dean. "Using Experimental Economics to Measure Social Capital and Predict Financial Decisions." *American Economic Review* 95 (2005): 1688-99.

Schechter, Laura. "Theft, Gift-Giving, and Trustworthiness: Honesty Is Its Own Reward in Rural Paraguay." *American Economic Review* 97, no. 5 (2007): 1560-82.

1:30 – 5:30 pm. Discussion of Participant Projects

Guilhem Cassan, Travers Barclay Child, Renate Hartwig, Kenneth Hounghedji

OBJECTIVES: Presentation and discussion of individual participant projects.

Tuesday – July 8th

9:00 -12:30 pm. Experimental Design. Doing Experiments. Nuts and Bolts.

OBJECTIVES: Conducting experiments. Practical design considerations.

*Henrich, Joseph, Steven J. Heine, and Ara Norenzayan. "The Weirdest People in the World?" *Behavioral and Brain Sciences* 33, no. 2-3 (2010): 61-83.

*Cameron, Lisa A. "Raising the Stakes in the Ultimatum Game: Experimental Evidence from Indonesia." *Economic Inquiry* 37, no. 1 (1999): 47-59.

*Cardenas, J. C., and E. Ostrom. "What Do People Bring into the Game? Experiments in the Field About Cooperation in the Commons." *Agricultural Systems* 82, no. 3 (2004): 307-26.

Findley, Michael, Daniel Nielson, and J. C. Sharman. "Causes of Non-Compliance with International Law: A Field Experiment on Anonymous Incorporation." *American Journal of Political Science* (forthcoming) (2014).

Barr, Abigail, and Danila Serra. "Corruption and Culture: An Experimental Analysis." *Journal of Public Economics* 94 (2010): 862-69.

Humphreys, Macartan, Raul Sanchez de la Sera, and Peter van der Windt. "Fishing, Commitment, and Communication: A Proposal for Comprehensive Nonbinding Research Registration." *Political Analysis* 21, no. 1 (2013): 1-20.

1:30 – 5:30 pm. Discussion of Participant Projects

OBJECTIVES: Presentation and discussion of individual participant projects.

Maria Kuecken; Anand Shrivastava; Tetyana Surovtseva; Diego Ubfal; Mũthoni Ngatia

Wednesday – July 9th

9:00 -12:30. Laboratory Experiments in the Field

OBJECTIVES: Leaving the lab

*Carpenter, Jeffrey, and Erika Seki. "Do Social Preferences Increase Productivity? Field Experimental Evidence from Fishermen in Toyama Bay." *Economic Inquiry* 49, no. 2 (2011): 612-30.

*Habyarimana, James, Macartan Humphreys, Daniel N. Posner, and Jeremy M. Weinstein. 2007. "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review* 101 (4):709-25.

*Barr, Abigail, and Andrew Zeitlin. "Conflict of Interest as a Barrier to Local Accountability." In *CSAE Working Paper*. Oxford, 2011.

*Eckel, Catherine, Cathleen Johnson, and Claude Montmarquette. "Human Capital Invest by the Poor: Informing Policy with Laboratory Experiments." *Journal of Economic Behavior and Organization* 95 (2013): 224-39.

Attanasio, Orazio, Abigail Barr, Juan Camilo Cardenas, Garance Genicot, and Costas Meghir. "Risk Polling, Risk Preferences, and Social Networks." *American Economic Journal: Applied Economics* 4, no. 2 (2012): 134-67.

Blair, Graeme, Kosuke Imai, and Jason Lyall. "Comparing and Combining List and Endorsement Experiments: Evidence from Afghanistan." *American Journal of Political Science* (forthcoming).

Bahry, Donna P., and Rick K. Wilson. "Confusion or Fairness in the Field? Rejections in the Ultimatum Game under the Strategy Method." *Journal of Economic Behavior & Organization* 60, no. 1 (2006): 37-54.

Whitt, Sam, and Rick K. Wilson. 2007. "Public Goods in the Field: Katrina Evacuees in Houston." *Southern Economic Journal* 74 (2): 377-87.

de Oliveira, Angela CM, Catherine Eckel, and Rachel TA Croson. "The Stability of Social Preferences in a Low-Income Neighborhood." *Southern Economic Journal* 79, no. 1 (2012): 15-45.

Pande, R. "Can Informed Voters Enforce Better Governance? Experiments in Low-Income Democracies." *Annual Review of Economics*, 3 (2011): 215-37.

Fafchamps, M., and P. C. Vicente. "Political Violence and Social Networks: Experimental

Evidence from a Nigerian Election." *Journal of Development Economics* 101 (2013): 27-48.

Duflo, Esther, Rema Hanna, and Stephen P. Ryan. "Incentives Work: Getting Teachers to Come to School." *American Economic Review* 102, no. 4 (2012): 1241-78.

1:30 – 5:30 pm. Discussion of Participant Projects

OBJECTIVES: Presentation and discussion of individual participant projects.

Asmus Zoch; Frikkie Booysen/Sevias Guvuviro; Reshma Hussam; Bridget Hoffmann; Grant Smith;

Thursday – July 10th

9:00 -12:30.

OBJECTIVES: Explore range of experimental approaches on one topic: Group disparities & Discrimination.

*Bertrand, Marianne, and Sendhil Mullainathan. "Are Emily and Greg More Employable Than Lakisha and Jamal: A Field Experiment on Labor Market Discrimination." *American Economic Review* 94 (2004): 991-1013.

*Beaman, Lori, Raghavendra Chattopadhyay, Esther Duflo, Rohini Pande and Petia Topalova. "Powerful Women: Does Exposure Reduce Bias?" *Quarterly Journal of Economics* 124 no 4 (2009): 1497-1540.

*Rao, Gautam (2014). "Familiarity does not breed contempt: Diversity, Discrimination and Generosity in Delhi Schools." Working paper, University of California-Berkeley.

Azmat, Ghazala and Petrongolo, Barbara (2014). "Gender and the Labor Market: What Have We Learned from Field and Lab Experiments?" *IZA Discussion Paper* No. 8135.

Hanna, Rema and Leigh Linden (2012). "Discrimination in Grading." *American Economic Journal: Economic Policy*, 4(4): 146-68.

Beaman, Lori and Jeremy Magruder (2012). "Who Gets the Job Referral? Evidence from a Social Networks Experiment." *American Economic Review*, vol 102 (7) pp. 3574-3593.

Bertrand, Marianne. "New Perspectives on Gender", in Orley Ashenfelter and David Card eds, *Handbook of Labor Economics*, 2011, volume 4B, pp. 1545-1592.

Buser, Thomas, Muriel Niederle, and Hessel Oosterbeek (2014). “*Gender, competitiveness and career choices.*” Forthcoming, *Quarterly Journal of Economics*.

1:30 – 5:30 pm. Discussion of Participant Projects

OBJECTIVES: Presentation and discussion of individual participant projects.

Elwyn Davies; Laura Litvine; Western Cape Government