

Seminar on behavioral and experimental economics: Economic Development and Field Experiments

In 2020, around 689 million people lived in extreme poverty, surviving on less than 1.9 USD a day. It's not only about income, but poverty also leads to other dire situations such as poor health, poor education, and poor quality of life. Unfortunately, there does not exist a silver bullet to the problem. This seminar aims to break down the big problem into several smaller ones, carefully investigate how they influence people's decisions, and review numerous studies that aim to improve a specific aspect of peoples' lives.

The seminar is intended for both Bachelor's and Master's students in economics. It is also open to students of related fields (e.g., business studies, socioeconomics) and exchange students who possess sufficient knowledge of microeconomics. Topics for the term papers (see list at the end of this document) will be assigned at the organizational meeting on 28th April 2022.

Note that the seminar will be credited as "Seminar Behavioral Economics I and II 29302-20304; 29401-29404" for Masters students, and as "Seminar Verhaltensökonomische Grundlagen (44001-44004)" or "Seminar zur Wirtschaftstheorie (60401-60404)" for Bachelor students. Successful participation in the seminar is one way of qualifying for writing a Master's thesis at the Chair of Economic Theory.

Virtual organizational meeting Thursday, April 28th at 14:00 pm

Participants have to write a seminar paper (15 pages +/-1), present their paper, and participate in the general discussion during the seminar meetings. All seminar-related activities (term papers, presentations, and discussions) will be in English.

The deadline for submitting term papers is **15th July, 23:59 2022**. Seminar presentations and discussions will take place around 25-29 July 2022. The exact date will be announced later. You can also find a document with additional details regarding the requirements for the term paper and general guidelines for writing scientific papers on our homepage.

Please register for the virtual organizational meeting with an email to

Xiaoyu.Zhou@FAU.de

until April 15th at noon

(include your name, student ID, and field of study).

We can only provide you with the necessary information to participate in the organizational meeting by registering in advance. We also advise you to register for this seminar on StudOn to receive important news and updates about the seminar regularly.

Please also send us a list of your (three) preferred topics before the organizational meeting (by April 15th). We will try to match all applicants to the topics according to their preferences as good as possible. Please note that the number of seminar participants is limited. If you have additional questions, please also contact Xiaoyu Zhou directly. The seminar will be credited as "Seminar Behavioral Economics I and II 29302-20304; 29401-29404" for Masters students, and as "Seminar Verhaltensökonomische Grundlagen (44001-44004)" or "Seminar zur Wirtschaftstheorie (60401-60404)" for Bachelor students. Successful participation in the seminar is one way of qualifying for writing a Master thesis at the Chair of Economic Theory.

Rules of the game

Your grade for the seminar will be built from three parts: (1) your paper on the assigned topic, (2) the presentation of your paper at the seminar meeting, and (3) your participation in the general discussions during the meeting.

Students are expected to build on the provided references to conduct independent literature research. The term paper should summarize the main findings and contributions of the existing literature and discuss the underlying research question (formulated by the student) using the provided **and additional** literature. The provided references only constitute guidance for your research. The paper must be written in English, with font size 12, 1½ line spacing, and appropriate margins. The term paper is limited to 15 pages (+/- 1 page), plus a table of contents, a list of figures, a list of tables, the used references, and an appendix. (See also our general guidelines for writing scientific papers, "*Guidelines for the preparation of term papers and bachelor/master theses*", which you can find in the subsection "Thesis" on our English homepage.)

Each student is assigned a supervisor with their topic, who will be the contact person regarding the term paper's exact content (and form). A rough outline of the paper should be discussed with the assigned supervisor before the paper is written. All students are required to meet their supervisor at least once **before 13th May**. A failure to meet the supervisor may result in the exclusion of the student from the seminar.

The deadline for paper submission for all participants is **Friday 15th July, 23:59**. Each student will present their term paper in a presentation. The paper presentations and discussions will take place around 25-29 July. The number of seminar meetings depends on the number of students that submit a term paper. You have to be present at all seminar meetings.

More information regarding the exact dates, times, and place and the exact (time) requirements for the presentations will follow at a later point.

List of Topics

1. How to incentivize teachers?

Duflo, Esther, Rema Hanna, and Stephen P. Ryan. 2012. "Incentives Work: Getting Teachers to Come to School." *American Economic Review*, 102 (4): 1241-78.

De Ree, J., Muralidharan, K., Pradhan, M. and Rogers, H., 2018. Double for nothing? Experimental evidence on an unconditional teacher salary increase in Indonesia. *The Quarterly Journal of Economics*, 133(2), pp.993-1039.

2. Microfinance

Crépon, Bruno, Florencia Devoto, Esther Duflo, and William Parienté. 2015. "Estimating the Impact of Microcredit on Those Who Take It Up: Evidence from a Randomized Experiment in Morocco." *American Economic Journal: Applied Economics*, 7 (1): 123-50.

Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. 2015. "The Miracle of Microfinance? Evidence from a Randomized Evaluation." *American Economic Journal: Applied Economics*, 7 (1): 22-53.

3. How to spread information

Abhijit Banerjee, Arun G Chandrasekhar, Esther Duflo, Matthew O Jackson, Using Gossips to Spread Information: Theory and Evidence from Two Randomized Controlled Trials, *The Review of Economic Studies*, Volume 86, Issue 6, November 2019, Pages 2453–2490,

Conley, Timothy G., and Christopher R. Udry. 2010. "Learning about a New Technology: Pineapple in Ghana." *American Economic Review*, 100 (1): 35-69.

4. Nutrition and productivity

Maluccio, J. A., Hoddinott, J., Behrman, J. R., Martorell, R., Quisumbing, A. R., & Stein, A. D. (2009). The impact of improving nutrition during early childhood on education among Guatemalan adults. *The Economic Journal*, 119(537), 734-763.

Currie, J., & Vogl, T. (2013). Early-life health and adult circumstance in developing countries. *Annu. Rev. Econ.*, 5(1), 1-36.

Gertler, P., Heckman, J., Pinto, R., Zanolini, A., Vermeersch, C., Walker, S., ... & Grantham-McGregor, S. (2014). Labor market returns to an early childhood stimulation intervention in Jamaica. *Science*, 344(6187), 998-1001.

5. The effects of cash transfers

Macours, K., Schady, N., & Vakis, R. (2012). Cash transfers, behavioral changes, and cognitive development in early childhood: evidence from a randomized experiment. *American Economic Journal: Applied Economics*, 4(2), 247-73.

Baird, S., McIntosh, C., & Özler, B. (2011). Cash or condition? Evidence from a cash transfer experiment. *The Quarterly journal of economics*, 126(4), 1709-1753.

6. The effects of insurance

Dercon, S., Hill, R. V., Clarke, D., Outes-Leon, I., & Taffesse, A. S. (2014). Offering rainfall insurance to informal insurance groups: Evidence from a field experiment in Ethiopia. *Journal of Development Economics*, 106, 132-143.

Karlan, D., Osei, R., Osei-Akoto, I., & Udry, C. (2014). Agricultural decisions after relaxing credit and risk constraints. *The Quarterly Journal of Economics*, 129(2), 597-652.

7. Nudging Farmers

Do farmers in developing countries underinvest and can they be nudged?

Duflo, E., Kremer, M. and Robinson, J., 2008. How high are rates of return to fertilizer? Evidence from field experiments in Kenya. *American economic review*, 98(2), pp.482-88.

Duflo, E., Kremer, M. and Robinson, J., 2011. Nudging farmers to use fertilizer: Theory and experimental evidence from Kenya. *American economic review*, 101(6), pp.2350-90.

8. Poverty and Cognitive Function

Mani, A., Mullainathan, S., Shafir, E. and Zhao, J., 2013. Poverty impedes cognitive function. *science*, 341(6149), pp.976-980.

Carvalho, L.S., Meier, S. and Wang, S.W., 2016. Poverty and economic decision-making: Evidence from changes in financial resources at payday. *American economic review*, 106(2), pp.260-84.

9. Preventative Health Care

Dupas, P., 2009. What matters (and what does not) in households' decision to invest in malaria prevention?. *American Economic Review*, 99(2), pp.224-30.

Kremer, M. and Glennerster, R., 2011. Improving health in developing countries: evidence from randomized evaluations. In *Handbook of health economics* (Vol. 2, pp. 201-315). Elsevier.