Prerequisites: Officially none, though at least technically what one learns probably rises with experience in economics. In terms of all the key points for this class, everything we read can be absorbed while skipping the technical modeling. Cross-listing has occurred as students with varied disciplinary or technical backgrounds can engage the same material (from introductory undergraduates through various masters programs and non-economics as well as economics PhDs).

Overview: Many have pushed for the inclusion in policy decision processes of representatives of affected groups. From the US EPA to the World Bank, at least officially various decision processes are changing. The expected and the actual impact of such changes on outcomes deserve and require evaluation. Are participatory decisions better? Always? Even when technical details are involved? What does “participatory” mean in theory? And in practice? Whose definition of “better”? Empirical evidence on group decision processes that is relevant for these questions is growing in various forms and it is a focus of this course. Some evidence suggests powerful social sharing norms, although not universal, will constrain such group processes. Other evidence suggests that self-interested strategies can dominate in these settings too (and may appear to be unselfish). We draw on many case settings, most within developing countries. Water decisions (both quantity and quality issues) provide many examples. Concepts of and behavior regarding equity are foci. The impact of providing scientific information to decision bodies is also a focus.

Given this motivation, we start with two literatures other than “the participatory development literature”. First we introduce the tools of experimental economics, which for our purposes permit researchers to face groups (meaning two or more) with relevant decisions in a variety of decision situations / structures / institutions that the researcher can control. This ‘false world’, in which people are earning money based on the decisions they all make, is a way to do empirical work when finding and learning from existing real-world institutions is daunting (or worse).

Then we look at works from the common property resources literature, starting with the famous tragedy of the commons (ala Hardin’s article) and the conditions under which it might be expected to occur. Ostrom’s work is central, with that of others, to thinking about the conditions under which groups are able to self-organize in order to monitor resource use, punish deviations from agreements even when punishment is costly, and improve outcomes. Such literature is heavy on cases to start but also includes examinations of institutions in economic experiments. In particular we draw on a suite of analyses of group members’ contributions to public goods in differing situations.

With these tools and pieces of empirical evidence in mind, we return to experimental work within the area of behavioral economics, now focusing on evidence concerning motivations for behavior that is not solely selfish. Can one show that having been trusted by somebody else matters? Or that other-regarding action is reciprocated? What motivational framework explains why external regulation to monitor resource use could lower conservation? Which definition of ‘equity’ seems to best explain how people make choices that affect the outcomes of the group?

Finally we turn to the participatory literature per se. We cover the standard claims of the potential benefits from participation though we focus to some extent on papers asking what exactly are all the incentives for people to participate and what exactly are the reasons participation might be beneficial. These questions are easier to ask with the literatures previously covered now in the background. Some authors make explicit connections to thinking in an Ostrom-like style while others are easily connected to some of the theory and cases from the experimental research.


Tasks / Grading
Tasks: attend class and participate; complete regular assignments; complete some form of midterm & final exercises.
Grading: the weights for grading are 25% Class, 25% Regular Assignments, 20 % Midterm, 30% Cumulative Final.

Communication: will use Blackboard (whichever capacities seem useful) for communication among the class group.
1. EXPERIMENTAL ECONOMICS (false controlled worlds)

Week 01 -- Wed 08/26
Week 02 -- Wed 09/02

1A. Brief Overview Of Tool(s)


1B. Sharing-Bargaining Example(s)


Henrich et al. extensions – J. Ensminger’s powerpoint about “Phase II” (which includes response to prior criticisms)

ASSIGNMENT #1 (due 9/09): read critiques in the Beh&BrainSciences PDF (including responses) & summarize

2. THE COMMONS (groups & resources settings)

Week 03 -- Wed 09/09

2A. Tragedy (at least without beneficent coercion)


2B. Collective (people can organize to self-coerce)


Week 04 -- Wed 09/16

Week 05 -- Wed 09/23


ASSIGNMENT #2 (due 9/23?): find two (approved) articles cited in later readings above & summarize them

Week 06 -- Wed 9/30 (class format likely to be different this day, e.g. 1st midterm)

2C. Public Goods (another form of collective)


[Note: ‘Tiebout sorting’ is an important concept here -- endogenous membership of PG-varied communities; but lacking time I will just provide some papers: the original, an experiment paper, and a Duke prof’s paper]
**Week 07 -- Wed 10/07**

**ASSIGNMENT #3 (due 10/07?): think of a game variation (on something we have read) that you would like to see**

2D. Exogenous with Collective (clash of the frameworks)


**Week 08 -- Wed 10/14**


**3. BEHAVIORAL ECONOMICS (if beyond self interest, how?)**

**Week 09 -- Wed 10/21**

3A. Other-Regarding Preferences (distinguishing particular motives)


**Week 10 -- Wed 10/28**


3B. Trust (what does it take to show a given motivation?)


3C. Social Norms (esp. their evolution with varied types)


*ASSIGNMENT #4 (due 11/4): presentations from articles below or from finding related situations in the world


*Week 11 -- Wed 11/04*

3D. Information (setting for inference if varied types)


4. PARTICIPATION


Week 12 -- Wed 11/11


ASSIGNMENT #5 (due 11/18): presentations from articles below or from finding related situations in the world

Conservation Biology, special issue section with six articles on the relationship between parks and people’s welfare: volume 14, number 5, pp.1351-1374, articles by Schwartzmann, Terborgh, Redford, Colchester, and Chicchon.

Three types of analysis of forms of decentralization of decision power in development (incl. resources):
- decentralization of water basin management, overview by World Bank (Kemper et al.)
- decentralization of forest management in the Himalayas (Somanathan et al.)
- decentralization of budget authority (Heller et al.)


Week 13 -- Wed 11/18  (class format likely to be different this day, e.g. 2nd midterm)

Week 14 -- Thanksgiving Recess (no class Wed 11/25 )


