

**VISITING POSITIONS at the DEPARTMENT in ECONOMICS and FINANCE
ACADEMIC YEAR 2024-2025**

Teaching Proposal on Behavioural Development Economics

Lecturer: Professor Patricio S. Dalton

1. Overview

I propose to teach three PhD level seminars of two hours each. The seminars will focus on two key questions: first, how insights from psychology and behavioral economics can enhance our understanding of development economics, and second, how poverty can systematically affect behavior. We will explore these questions through applications related to aspirations and self-control issues. The seminars will examine theoretical frameworks used in the literature to model the bidirectional relationship between poverty and these psychological factors. Additionally, we will review existing empirical evidence, primarily from randomized controlled trials (RCTs), and highlight open questions and challenges in the field.

2. Content

Seminar 1: Introduction to Behavioral Development Economics.

Seminar 2: Poverty and Aspirations.

Seminar 3: Poverty and Self-Control.

3. Reading material

The seminars are based on research papers that will be mentioned during the lectures. The following is a preliminary incomplete reading list.

Seminar 1:

- Schilbach, Schofield and Mullainathan (2016) "The Psychological Lives of the Poor," *American Economic Review*, P&P, 106(5): 435-440
- Kremer, Schilbach and Rao (2019) "Behavioral Development Economics," in *Handbook of Behavioral Economics*, vol. 2, Bernheim, Della Vigna, and Laibson (eds.)
- Haushofer and Salicath (2023) "The Psychology of Poverty: Where do we Stand," NBER Working Paper 31977

Seminar 2:

- Dalton, Ghosal and Mani (2016) "Poverty and Aspirations Failure," *Economic Journal*, vol. 128: 609-709.
- Genicot and Ray (2020) "Aspirations and Economic Behavior," *Annual Review of Economics*, Vol. 12:715-746.
- Orkin, Garlick, Mahmud, Sedlmayr, Haushofer and Dercon "Aspiring to a Better Future: Can a Simple Psychological Intervention Reduce Poverty?" WP

Seminar 3:

- Banerjee and Mullainathan (2010) "The Shape of Temptation: Implications for the Economic Lives of the Poor," NBER Working Paper No. 15973
- Kaur, Kremer and Mullainathan (2015) "Self-Control at Work," *Journal of Political Economy*, 123(6): 1227-1277.
- Cettolin, Cole and Dalton "Improving Workers' Performance in Small Firms: A Randomized Experiment on Goal Setting in Ghana" CentER Discussion Paper Series No. 2022-028
- Wicker, Dalton, van Soest (2023) "Helping Cash Transfer Recipients Prosper: Experimental Evidence from a Humanitarian Setting" JDE Pre-analysis acceptance.