"Let's Design and Evaluate Environment, Development and Education Policy in the Field: Insights from Behavioral Economics, Lab Experiments and Randomized Control Trials"

> Blacksburg (USA), Lima and Piura (Peru) July 2nd to 25th, 2018





For many critical problems related to poverty and environmental degradation around the globe "solutions" are already available (we have the technology, or we know what should be done). However we still fail at addressing these issues:

For example, we have the technology and knowledge to make our homes more energy efficient (but we do not adopt them) Action Steps | Personalized tips chosen for you based on your energy use and housing profile

Quick Fixes

Things you can do right now

Adjust the display on your TV New televisions are originally configured to look best on the showroom floor—at a setting that's generally unnecessary for your home.

Changing your TV's display settings can reduce its power use by up to 50% without compromising picture quality. Use the "display" or "picture" menus on your TV: adjusting the "contrast" and "brightness" settings have the most impact on energy use.

Dimming the display can also extend the life of your television.

save up to \$40^{PER TV PER YEAR}

Smart Purchases Save a lot by spending a little

☐ Install occupancy sensors Have trouble remembering to turn the lights off? Occupancy sensors automatically switch them off once you leave a room—saving you worry and money.

Sensors are ideal for rooms people enter and leave frequently (such as a family room) and also areas where a light would not be seen (such as a storage area).

Wall-mounted models replace standard light switches and they are available at most hardware stores.

SAVE UP TO \$30 PER YEAR

Great Investments

Big ideas for big savings

Save money with a new clothes washer

Washing your clothes in a machine uses significant energy, especially if you use warm or hot water cycles.

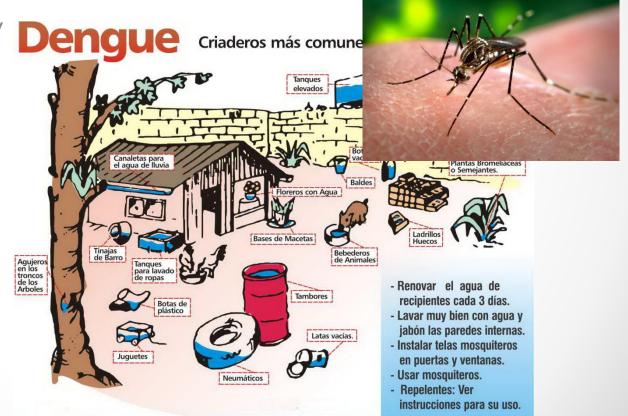
In fact, when using warm or hot cycles, up to 90% of the total energy used for washing clothes goes towards water heating.

Some premium-efficiency clothes washers use about half the water of older models, which means you save money. SMUD offers a rebate on certain washers—visit our website for more details.

\$30 PER YEAR

For many critical problems related to poverty and environmental degradation around the globe "solutions" are already available (we have the technology, or we know what should be done). However we still fail at addressing these issues:

We also know how to prevent dengue, but the disease is still a serious burden in many developing countries

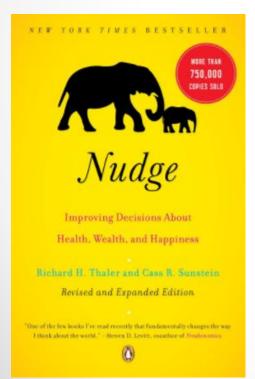


For many critical problems related to poverty and environmental degradation around the globe "solutions" are already available (we have the technology, or we know what should be done). However we still fail at addressing these issues:

Millions of people around the world still suffer the consequences of HAP, despite several alternative technological solutions being available.



So, if solutions are available, why people fail to adopt them?... We need to understand human behavior, human decision making, which is complex (but simple interventions may help)

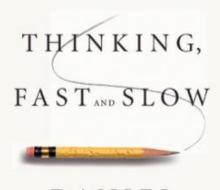


Scarcity

Why having too little means so much

"The finest combination of heart and head that I have seen in our field" Daniel Kahneman, author of Thinking, Fast and Slow





DANIEL KAHNEMAN

WINNER OF THE NOBEL PRIZE IN ECONOMICS

Simple solutions based on a proper understanding of human decision making:

Take household energy consumption Allcott, 2011, showed that sending letters to residential utility consumers comparing their electricity use to that of their neighbours helped reducing energy consumption levels.



Simple solutions based on a proper understanding of human decision making:

Peruvian researchers proposed using SMS reminders to prevent dengue in poor rural communities.





Journal of Health Economics Volume 35, May 2014, Pages 147-161

Preventing dengue through mobile phones: Evidence from a field experiment in Peru 🛠

Ana C. Dammert ^{a, b} A B, Jose C. Galdo ^{a, b} B, Virgilio Galdo ^c B

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https://doi.org/10.1016/j.jhealeco.2014.02.002

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Sure, but how do we know these "simple" solutions work?

Rigorous evidence: interventions tested in the lab and ...



Sure, but how do we know these "simple" proposed solutions work?



Rigorous field based evidence allows us to know what works and what doesn't... we can influence policy!



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Up in Smoke: The Influence of Household Behavior on the Long-Run Impact of Improved Cooking Stoves

Rema Hanna

Esther Duflo

Michael Greenstone

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Our program

- Insights from Behavioral Economics for better policy design and impact.
- Lab exercises to test innovations and behavioral incentives
- Field visits to rural villages in Peru to identify problems and propose solutions.
- Panel of Experts









And of course... Perú!







