

# EC 902. Issues in Economic Systems and Institutions

## Suggested papers for class presentation

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## 1 Advice and Instruction

Students have to present in teams of three. Each presentation will last 30 minutes. Since a paper cannot be presented more than once, they will be allocated on a first-come-first served basis. You are also encouraged to coordinate among yourselves in the matter of paper selection. I will be available for consultation and help in selecting papers and planning for your presentation. Time slots for presentation will be randomly allocated and will be announced later.

Though the lectures focused more on theoretical models and results, the list below contains several papers which test these ideas in laboratory experiments or field data. These studies are useful complements to the theory, and you are encouraged to pick them up.

## 2 Presentation Guideline

A presentation should have three main parts: (1) What are the motivating questions of the study and why are they important? (2) What are the main results and findings, and what is their significance? (3) What reasoning (theoretical arguments or empirical exercises) justifies the results claimed by the authors?

Emphasize all three aspects. This means you should try not to get bogged down in the technicalities too much. It is much more important that your audience understands what the paper is about and what the results *mean*, than grasp the exact proof of each lemma or the entire table of regression coefficients. Remember too that you will have limited time and presenting every detail of the paper will be beyond the scope of your talk. Be selective, and do not miss the forest for the trees. Try to present the intuition and argumentative outline of a proof rather than the formal proof itself.

It would be nice to have your own critique of the paper's ideas at the end. Do you think there were flaws in the conception and execution of the research? If so, how can they be remedied? Is there some innovation that is especially nice? Does the analysis throw up additional questions that merit further exploration? Can similar analytical techniques throw light on other questions? Did the paper give you some research ideas of your own?

One way to think of your task is that of intellectual marketing. If a paper seems sufficiently interesting, we will eventually read it for ourselves. Your job is to convince us that it *is* interesting (or alternatively, tell us why we shouldn't waste our time on it).

Last, but not the least, do not be stressed out over it. The purpose is to encourage you to think independently. We want to go beyond exams and mechanical reproduction of pre-digested material. Both myself and your classmates know that you are new to the art of academic presentation, so nobody expects the polish of a practiced veteran. You should enjoy your assignment above all else. I also encourage questions and discussion from the class, all in a friendly spirit of course.

### 3 Theoretical Papers

1. Ruffle, B. (1999): "Gift Giving with Emotions." *Journal of Economic Behavior and Organization*, Vol 39, 399 - 420.
2. Van den Steen (2004): "Rational Over-optimism (and Other Biases)." *American Economic Review*, Vol 94, 1141 - 1151.
3. Besley, T. and M. Ghatak (2005): "Competition and Incentives with Motivated Agents." *American Economic Review*, Vol 95, 616 - 636.
4. Tabellini, G. (2008): "The Scope of Cooperation: Values and Incentives." *Quarterly Journal of Economics*, Vol 123, 905 - 950.
5. Dewatripont, M. and J. Tirole (1999): "Advocates." *Journal of Political Economy*, Vol 107, 1 - 39.

6. Morgan, J. and P. Stocken (2003): "An Analysis of Stock Recommendations." *RAND Journal of Economics*, Vol 34, 183-203.
7. Ottaviani, M. and P. Sorensen (2006): "Reputational Cheap Talk" *RAND Journal of Economics*, Vol 37, 155 - 175.
8. Li, H. (2001): "A Theory of Conservatism." *Journal of Political Economy*, Vol 109, 617 - 636.
9. Durbin, E. and G. Iyer: (2009): "Corruptible Advice." *American Economic Journal: Microeconomics*, Vol 1, 220 - 242.
10. Morris, S. and H. Shin (2002): "Social Value of Public Information." *American Economic Review*, Vol 92, 1521 - 1534.
11. Effinger, M. and M. Polborn (2001): "Herding and Anti-Herding: A Model of Reputational Differentiation." *European Economic Review*, Vol 45, 385 - 403.
12. Coughlan, P. (2000): "In Defense of Unanimous Jury Verdicts: Communication, Mistrials and Sincerity." *American Political Science Review*, Vol 94, 375 - 393.
13. Suk-Young Chwe, M. (1999): "Minority Voting Rights Can Maximize Majority Welfare." *American Political Science Review*, Vol 93, 85 - 97.
14. Klein, B. and K. B. Leffler (1981): "The Role of Market Forces in Assuring Contractual Performance." *Journal of Political Economy*, Vol 89(4), 615-641.
15. Shapiro, C. and J. Stiglitz (1984): "Equilibrium Unemployment As A Worker Discipline Device." *American Economic Review*, 74(3), 433-444.
16. Milgrom, P., D. North and B. Weingast (1990): "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges and Champagne Fairs." *Economics and Politics*, Vol 2, 1-23.

## 4 Experimental/Empirical/Historical Papers

1. Frey, B. and F. Oberholzer-Gee: (1997): “The Cost of Price Incentives: An Empirical Analysis of Motivation Crowding-Out.” *American Economic Review*, Vol 87, 746-55.
2. Falk, A. and M. Kosfeld (2006): “The Hidden Costs of Control.” *American Economic Review*, Vol 96, 1611 - 1630.
3. Gerber, A., D. Green and C. Larimer (2008): “Social Pressure and Voter Turnout: Evidence from A Large Scale Field Experiment.” *American Political Science Review*, Vol 102, 33 - 48.
4. Anderson, L. R. and C. Holt (1997): “Information Cascades in the Laboratory.” *American Economic Review*, Vol 87, 847 - 862.
5. Conley, T. and C. Udry (2010): “Learning About A New Technology: Pineapple in Ghana.” *American Economic Review*, Vol 100, 35-69.
6. Guarnaschelli, S., R. D. McKelvey and T. R. Palfrey (2000): “Experimental Study of Jury Decision Rules.” *American Political Science Review*, Vol 94, 407 - 423.
7. Cooper, R., D. DeJong, R. Forsythe and T. Ross (1989): “Communication in the Battle of the Sexes Game: Some Experimental Results.” *RAND Journal of Economics*, Vol 20, 568 - 587.
8. Palfrey, T. and H. Rosenthal (1991): “Testing for Effects of Cheap Talk in A Public Goods Game With Private Information.” *Games and Economic Behavior*, Vol 3, 183 - 220.
9. Goldin, C. and C. Rouse (2000): “Orchestrating Impartiality: The Impact of Blind Auditions on Female Musicians.” *American Economic Review*, Vol 90, 715-741.
10. Schotter, A. and K. Weigelt (1992): “Asymmetric Tournaments, Equal Opportunity Laws and Affirmative Action: Some Experimental Results.” *Quarterly Journal of Economics*, Vol 107, 511 - 539.

11. Banerjee, A. and E. Duflo (2000): "Reputation Effects and the Limits of Contracting: A Study of the Indian Software Industry." *Quarterly Journal of Economics*, Vol 115, 989-1017.
12. Resnick, P., R. Zeckhauser, J. Swanson and K. Lockwood (2006): "The Value of Reputation on eBay: A Controlled Experiment." *Experimental Economics*, Vol 9, 79-101.
13. Fehr, E. and S. Gächter (2000): "Cooperation and Punishment in Public Goods Experiments." *American Economic Review*, Vol 90, 980-94.
14. McMillan, J. and C. Woodruff (1999): "Interfirm Relationships and Informal Credit in Vietnam." *Quarterly Journal of Economics*, Vol 114(4), 1285-1320.
15. Fafchamps, M. and B. Minten: (1999): "Relationships and Traders in Madagascar." *Journal of Development Studies*, 35(6), 1-35.
16. Machiavelo, R. and A. Morjaria (2015): "The Value of Relationships: Evidence from A Supply Shock to Kenyan Rose Exports." *American Economic Review*, 105(9), 2911-2945.