



The Social and Psychological Foundations of Development

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Themes

Mainstream economics: Markets and Individual rationality

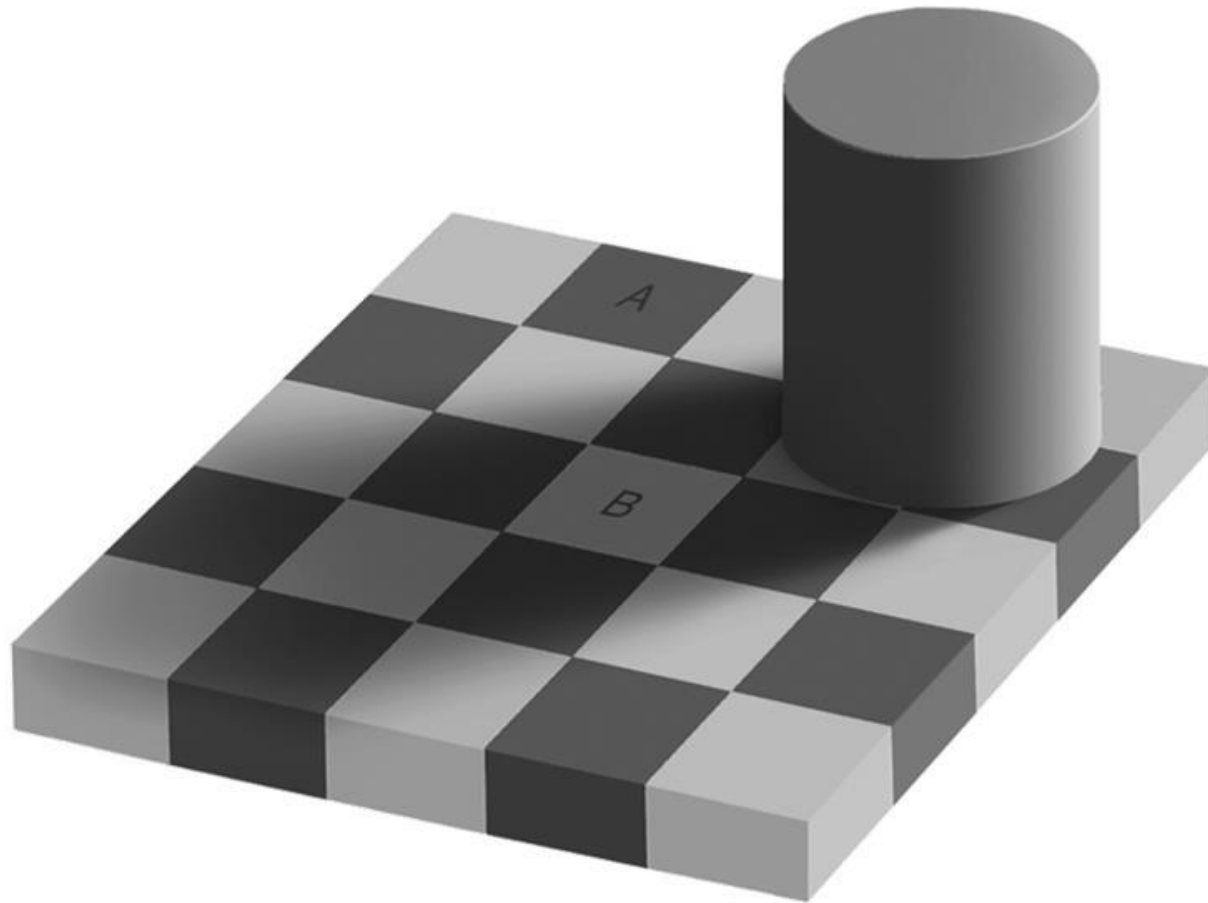
Two critiques:

Complications from Interactive Rationality

Need to view economics as embedded in psychology and sociology



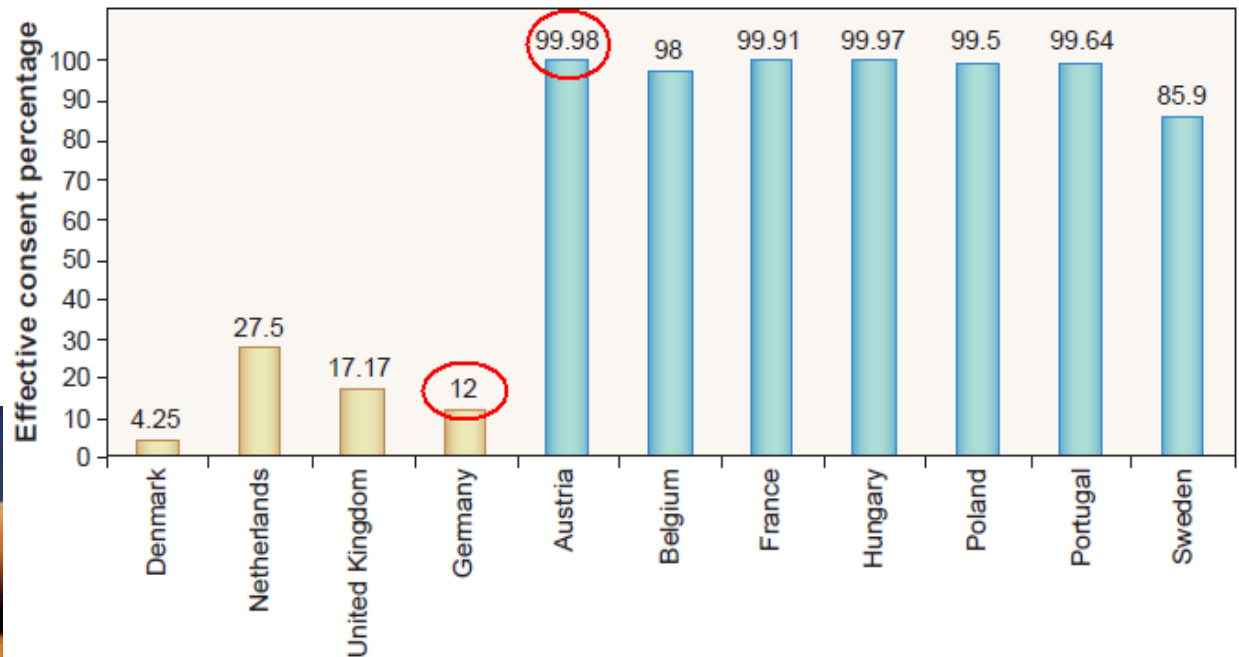
Social Norms and Development



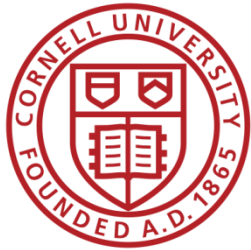
Annual growth in GDP (%) for China (1960 – 2007)



Organ Donation: the Importance of the Default Option



Effective consent rates, by country. Explicit consent (opt-in, gold) and presumed consent (opt-out, blue).



A Small Change of Norm Can Profoundly Change Behavior

10-cent stickers on buses reduced bus accidents by 50%

Don't just **sit** there as he drives dangerously! **STAND UP. SPEAK UP. NOW!**

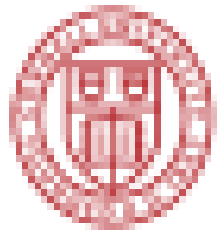
Hey, if he's driving recklessly, will you arrive?
BE AWAKE. BE STEADY. SPEAK UP!

Je, ukiendeshwa **vibaya**, utafika?
KAA MACHO. KAA CHONJO. TEYA!

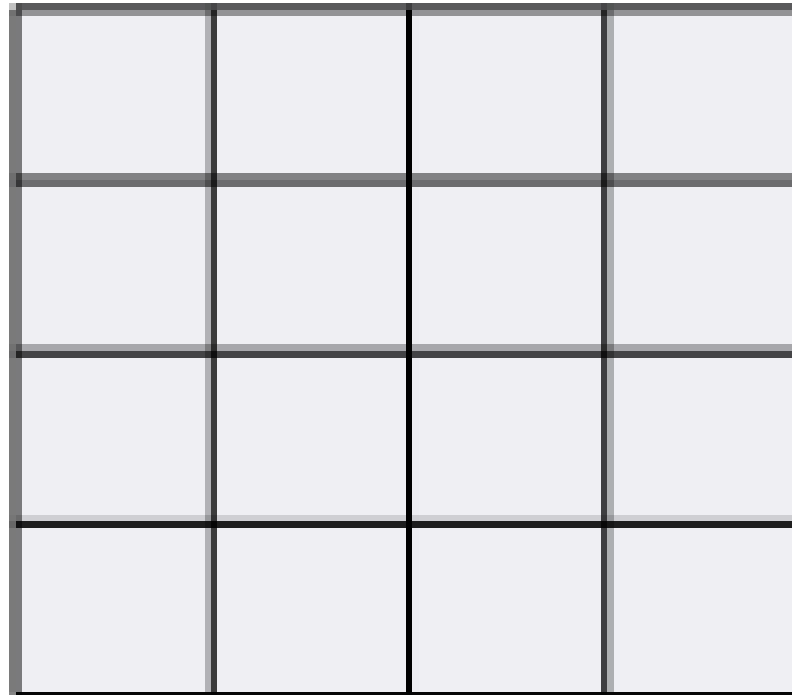
Hey, will you complain after he causes an accident?
BE AWAKE. BE STEADY. SPEAK UP!

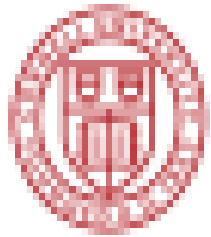


Habyarimana and Jack 2011



The Squares Game





The Squares Game





Focal Point

