

LEARNING TO CONSTRAIN: POLITICAL COMPETITION AND RANDOMIZED CONTROLLED TRIALS



PERG lecture by

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ABSTRACT | This paper provides a political economic analysis of Randomized Controlled Trial (RCT) experiments in international development. We argue that in more politically competitive environments, where incumbents face a higher probability of losing power, governments have stronger incentive to run RCTs to constrain successors' margin of policy discretion. Moreover, the effect of competition on the probability to host RCTs is stronger in more polarized societies since the incumbent's cost of losing power is higher. We propose a formal model and then empirically examine its theoretical predictions using a unique data set on RCTs that we have compiled. Over a cross-national panel and a panel of Indian states, we find that certain RCTs are more likely to occur in electorally competitive jurisdictions, and that the effect is amplified by political polarization. We demonstrate theoretically and empirically how the political context matters for when, where, and with which partners RCTs in development happen.

BIO | Michael Dorsch is an applied economist whose research and teaching interests are mainly in public economics and political economics. Michael's current research program investigates the political economy of distortionary economic policy, with a particular interest in the role of political and economic inequality. His work has appeared in highly ranked journals in the fields of economics, political science, and sociology.

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