Social Experiments

SS 2011

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Social Experiments

Burtless (1995) and Heckman/Smith (1995) Both in JEconPersp
Summarized in Cameron/Trivedi (2005), pp. 48
Example:

Introduction of a care budget
(Arntz/Michaelis/Spermann, Swiss Journal 2006):

7 sites in East and West Germany

goal: 2000 participants; assigned randomly to

1000 in the program &
1000 in the control group

duration: 2005-2008
Social Experiments

**Treatment:**

Matching transfer plus case management

**Outcome:**

- Duration in home care
- Life satisfaction
- Quality of care
- Home Care arrangements
Discussion of biases:

• Randomization bias
• Treatment group dropout bias
• Control group substitution bias
• Attrition bias
• General equilibrium effects
No randomization bias

\[ Y_1 = Y_1^* \]
\[ Y_0 = Y_0^* \]
\[ D = D^* \]

No structural change of participants and non-participants due to the fact that they participate in a social experiment
No Treatment Group Dropout Bias

$R=1 \Rightarrow T=1$

$R=0$ indicator variable for control group
$R=1$ indicator variable for program group
$T=0$ indicator variable for non-receipt of program
$T=1$ indicator variable for program receipt

Persons who were assigned to the program group have to receive the program
III) No Control Group Substitution Bias

\[ R = 0 \rightarrow T = 0 \]

Persons of the control group do not participate in comparable programs.
No General Equilibrium Effects

No indirect effect of the program that could change the direct effect of the program
No Attrition Bias

Program or control group members may not get lost during the experiment
Latest Publications on the Care Budget

Arntz/Thomsen 2008 a,b: ZEW Discussion Paper