

National Bureau of Economic Research

Social Experimentation

Jerry A. Hausman and David A. Wise



Social Experimentation



A National Bureau of Economic Research Conference Report

Social Experimentation

Edited by Jerry A. Hausman and David A. Wise



JERRY A. HAUSMAN is professor of economics at the Massachusetts Institute of Technology. DAVID A. WISE is John F. Stambaugh Professor of Political Economy at the John F. Kennedy School of Government, Harvard University.

The University of Chicago Press, Chicago 60637 The University of Chicago Press, Ltd., London

© 1985 by The National Bureau of Economic Research All rights reserved. Published 1985 Printed in the United States of America 94 93 92 91 90 89 88 87 86 85 5 4 3 2 1

Library of Congress Cataloging in Publication Data Main entry under title:

Social experimentation.

(A Conference report/National Bureau of Economic Research)

Papers presented at a conference held in 1981 sponsored by the National Bureau of Economic Research. Includes indexes.

1. Evaluation research (Social action programs)—
Congresses. 2. Negative income tax—United States—
Evaluation—Congresses. 3. Electric utilities—United
States—Rates—Time-of-use pricing—Evaluation—
Congresses. 4. Housing subsidies—United States—
Evaluation—Congresses. I. Hausman, Jerry A. II. Wise,
David A. III. National Bureau of Economic Research.
IV. Series: Conference Report (National Bureau of
Economic Research)
H62.S6735 1985 361.6'072 84-8825
ISBN 0-226-31940-7

National Bureau of Economic Research

Officers

Franklin A. Lindsay, chairman Richard Rosett, vice-chairman Eli Shapiro, president

David G. Hartman, executive director and corporate secretary

Charles A. Walworth, treasurer Sam Parker, director of finance and administration

Directors at Large

Moses Abramovitz George T. Conklin, Jr. Jean A. Crockett Morton Ehrlich Edward L. Ginzton David L. Grove Walter W. Heller

Saul B. Klaman

Franklin A. Lindsay Roy E. Moor Geoffrey H. Moore Michael H. Moskow James J. O'Leary Peter G. Peterson Robert V. Roosa Richard N. Rosett

Bert Seidman Eli Shapiro Stephen Stamas Lazare Teper Donald S. Wasserman

Marina v.N. Whitman

Directors by University Appointment

Marcus Alexis, Northwestern Charles H. Berry, Princeton James Duesenberry, Harvard Ann F. Friedlaender, Massachusetts Institute of Technology

J. C. LaForce, California, Los Angeles Paul McCracken, Michigan James L. Pierce, California, Berkeley

Nathan Rosenberg, Stanford James Simler, Minnesota James Tobin, Yale William S. Vickrey, Columbia John Vernon, Duke Burton A. Weisbrod, Wisconsin Arnold Zellner, Chicago

Directors by Appointment of Other Organizations

Carl F. Christ, American Economic Association Robert S. Hamada, American

Finance Association Gilbert Heebner, National Association

of Business Economists Robert C. Holland, Committee for Economic Development

Stephan F. Kaliski, Canadian Economics Association

Douglass C. North, Economic History Association

Rudolph A. Oswald, American Federation of Labor and Congress of Industrial Organizations

G. Edward Schuh, American Agricultural Economics Association

Albert Sommers, The Conference Board

Dudley Wallace, American Statistical Association

Charles A. Walworth, American Institute of Certified Public Accountants

Directors Emeriti

Arthur F. Burns Emilio G. Collado Solomon Fabricant Thomas D. Flynn Gottfried Haberler George B. Roberts

Boris Shishkin Willard L. Thorp Theodore O. Yntema

Frank Fetter Murray Shields

Since this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).



Contents

	Introduction Jerry A. Hausman and David A. Wise	1
1.	The Residential Electricity Time-of-Use Pricing Experiments: What Have We Learned? Dennis J. Aigner Comment: Paul L. Joskow Comment: Lester D. Taylor	11
2.	Housing Behavior and the Experimental Housing-Allowance Program: What Have We Learned? Harvey S. Rosen Comment: John M. Quigley Comment: Gregory K. Ingram	55
3.	Income-Maintenance Policy and Work Effort: Learning from Experiments and Labor-Market Studies Frank P. Stafford Comment: Sherwin Rosen Comment: Zvi Griliches	95
4.	Macroexperiments versus Microexperiments for Health Policy Jeffrey E. Harris Comment: Paul B. Ginsburg Comment: Lawrence L. Orr	145

viii	Contents
V 444	Contents

5.	Technical Problems in Social Experimentation: Cost versus Ease of Analysis Jerry A. Hausman and David A. Wise Comment: John Conlisk Comment: Daniel L. McFadden	187
6.	Toward Evaluating the Cost-Effectiveness of Medical and Social Experiments Frederick Mosteller and Milton C. Weinstein Comment: Joseph B. Kadane	221
7.	The Use of Information in the Policy Process: Are Social-Policy Experiments Worthwhile? David S. Mundel	251
8.	Social Science Analysis and the Formulation of Public Policy: Illustrations of What the President "Knows" and How He Comes to "Know" It Ernst W. Stromsdorfer Comment: Henry Aaron Comment: Laurence E. Lynn, Jr.	257
	List of Contributors Author Index Subject Index	283 285 288