

# RUBEN

RESEARCH UNIT IN BEHAVIOURAL ECONOMICS AND NEUROECONOMICS



**CEAR**  
CENTER FOR THE ECONOMIC  
ANALYSIS OF RISK

## Call for Applications

**THE RESEARCH UNIT IN BEHAVIOURAL ECONOMICS AND  
NEUROECONOMICS (RUBEN) AND THE CENTER FOR THE ECONOMIC  
ANALYSIS OF RISK (CEAR)  
PRESENT:**

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**A 5-DAY WORKSHOP AT THE UNIVERSITY OF CAPE TOWN ON THE  
BEHAVIOURAL ECONOMETRICS OF RISK, UNCERTAINTY AND TIME  
PREFERENCE WITH PROFESSOR GLENN HARRISON  
(23 – 27 January 2012)**

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**Deadline for applications: 15 July 2011**

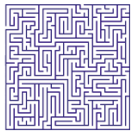
Among the most important variables affecting outcomes in microeconomic development initiatives among vulnerable groups are attitudes to risk and attitudes to the cost of waiting. The evaluation of any proposed policy to help people respond to uncertainty should take into account the aversion that some may have to risk, the subjective beliefs about risk, the manner in which risk-coping strategies might confound expectations of planners and agencies about future outcomes, and the extent to which intended beneficiaries of programs are able and willing to bear costs of waiting. Many of the problems of development in Africa can be attributed, in large part, to (reasonable) aversion to risk, fear of losses, and unwillingness to invest in projects that have higher returns but over longer horizons. Yet, until now, the skills to empirically measure and test the effects of risk and uncertainty on development outcomes have not been generally available to African scholars.

The Research Unit in Behavioural Economics and Neuroeconomics (RUBEN) at the University of Cape Town and the Center for the Economic Analysis of Risk (CEAR) at Georgia State University will be jointly hosting a five day training workshop on cutting edge empirical methods used in estimating individual attitudes towards risk and time. The primary theme of the workshop is the need for tight connections between theory, experimental design, and econometric method. Topics to be covered during the workshop include:

- Maximum Likelihood and the Structural Estimation of Risk Attitudes under Expected Utility Theory (EUT),
- Structural Estimation of Non-EUT Models,
- Identification and Joint Estimation of Risk Attitudes, Subjective Beliefs, and Time Preferences,
- Heterogeneity and Random Coefficients,
- Pitfalls in behavioural econometrics
- Ambiguity and Uncertainty
- Structural Estimation and Reduced Form Estimation.

This workshop is intended to support the training of African researchers in world-class experimental economics research, and at the same time to facilitate research collaboration with leading behavioural and experimental economics researchers on African issues.

The workshop lectures will be given by **Professor Glenn Harrison**, C.V. Starr Chair of Risk Management & Insurance and Director of the Center for the Economic Analysis of Risk (CEAR), Georgia State University. Professor Harrison has conducted experimental research in the estimation of risk attitudes and discount rates for many years, and has been at the forefront of development of many of the methodological tools that are now in widespread use around the world. He has undertaken many field experiments in which these tools have been



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applied and has published research that applies these tools to Ethiopia, Uganda, and Ghana. He has led field research on risk and time preferences of rural and urban populations in other developing countries, including India, Timor Leste, Brazil, Chile, Indonesia, the Philippines, Thailand, Morocco, Tunisia, and Egypt.

In addition, **Professor Warren Bickel**, Wilbur D. Mills Professor, Chair of Alcoholism and Drug Abuse Prevention, and Director, Center for Addiction Research, University of Arkansas for Medical Sciences, a world-renowned expert in behavioural addiction research will discuss the design of experiments in intertemporal discounting, which is key to modeling a wide range of impulsive choice behaviour, including choices of addicts and others who make rash decisions for which they suffer regret.

**DATES:**

23 – 27 January 2012

**VENUE:**

University of Cape Town, South Africa

**WHO SHOULD APPLY:**

The training is intended for an interdisciplinary participant group and applications are welcomed from all individuals who study risk, uncertainty and time preference. Senior graduate students and junior faculty are encouraged to apply.

Applicants must be registered postgraduate students, post-doctoral fellows or faculty members at African academic or research institutions. A background in basic statistics is required. Familiarity with STATA is an advantage, but workshop applicants who lack STATA training could apply to attend a STATA pre-course which will be run in the week preceding this workshop.

**COST:**

RUBEN has funds to cover the travel, accommodation and meal costs of participants. However, places are limited to twenty participants, and selection of participants will be made on a competitive basis.

**APPLICATION PROCESS:**

Interested applicants should submit the following before 15 July 2011:

- A letter of motivation
- A two-page CV of the applicant
- A short (4-page) document outlining current or proposed laboratory or field research incorporating assessments of attitudes to risk and time (attendees will have the opportunity to present their proposals/work to the broader group)
- Two references

**ENQUIRIES AND APPLICATIONS:**

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