

Viewpoint



Interview with ZEF- senior fellow Devesh Rustaghi about his work on behavioral development economics

You started your doctoral research at ZEF but graduated at the ETH in Zürich. In 2013 you were appointed Assistant Professor of Applied Microeconomics at the Goethe University in Frankfurt as well as Associate Director of the Frankfurt Laboratory of Experimental Economics (FLEX) at the same university. What is your research focus nowadays? And what kind of research is being conducted at the Laboratory?

I am primarily working in the area of behavioral development economics and behavioral political economy. Within this area, I am interested in the foundations of human moral and cooperative behavior and its implications for economic outcomes. Some of my exciting projects include cheating in milk markets in India, diffusion of cooperative behavior in Ethiopia, differences in cooperative behavior in Switzerland, and transmission of cooperating and moral behavior by parents and society to children. Besides these, FLEX members are engaged in a wide gamut of research, from financial markets to trust in organizations. These projects involve both laboratory and field research.

You won a prize for your doctoral thesis and have published articles in prestigious journals like Science and American Economic Review. What makes your research so prize and publication-worthy?

Well, I guess we were able to show convincingly outside the lab in a natural environment that people's intrinsic motivation to be either cooperative or envious matters – especially for economic outcomes of general interest like forest commons management or teamwork in organizations. The previous view on these topics thus far was that we needed extrinsic motivations like bonuses to make people overcome these problems. We showed that



sometimes people's intrinsic motivation to abide by moral values and norms is enough to solve such problems.

Your doctoral thesis was one of the milestones in behavioral commons management. What attracted you to this field of economics?

As a child I was already fascinated by forests and wildlife, the sounds within and their management by individuals. During my master's thesis, I eventually got the opportunity to study forest management in India as well as in Tanzania. I did this from an economic point of view, building on a self-regarding foundation of human behavior. During my PhD, I accidentally stumbled upon the theoretical and laboratory research of Ernst Fehr and Urs Fischbacher. They build their research on the behavioral foundation of human behavior. The idea is that not all individuals are self-regarding; some care about other people either positively or even negatively. I thought we should test the implications of this theory for commons management - but outside the lab, in a natural domain. That's how the idea was born. Academically, it was also a good way to bridge the gap between the lab and the field.

I wanted to conduct this research in the forests that form the habitat of the great apes in Africa and approached ZEF for funding. However, ZEF only had funds for research on wild coffee in the rain forests of Ethiopia. But ZEF liked my proposal and suggested that I should strike off the apes



Behavioral economics found out that people's motivation to be cooperative is not only driven by incentives.

and replace them with coffee forests. How can inanimate forests match the apes, I thought, and politely refused. But, after two months of futile trying to get funds I reluctantly agreed to go to Ethiopia. To my surprise, Ethiopia turned out to be a wonderful country and I do not regret my decision at all.

You are still affiliated with ZEF and you teach in its doctoral program on a regular basis. What would you recommend ZEF students who are interested in pursuing a successful career like yours?

I know this sounds cliché but motivation, dedication and persistence pay off, so you should not give up easily. Also, develop a habit of reading papers in top journals early on so that you can learn at an early stage about high standards in your discipline. You may also use them as a guideline to set your own standards and assess what is expected from you.



The pictures in this article show game theory in practice.

Imprint

Publisher: Center for Development Research (ZEF)
University of Bonn | Walter-Flex-Straße 3 | 53113 Bonn | Germany |
phone: +49 (0)228 / 73 6124 | fax: +49 (0)228 / 73 1889 |
e-mail: presse.zef@uni-bonn.de | www.zef.de

ISSN: 1438-0943

Editors: Irit Eguavoen, Julia Matz, Bernhard Tischbein and Alma van der Veen (resp.); Lynn Benstead (language editing)

Layout: Sebastian Eckert

Photos: ZEF

Printers: Druckerei Paffenholz

Number of copies: 1,100.

ZEF news is published in English twice a year and can be ordered free of charge at presse.zef@uni-bonn.de



Facts & news

Maria del Pilar Tejada Ocampo tragically died in the German Wings airline accident en route from Barcelona to Dusseldorf on March 24, 2015. Maria was a 33-year old doctoral student from Colombia who joined ZEF's Department of Economic and Technological Change in August 2014.

ZEF-Director Anna-Katharina Hornidge has been appointed full professor at the University of Bremen and the Leibniz-Center for tropical Marine Ecology (ZMT) as of May 1, 2015.

ZEF will support a new program of the German Federal Ministry for Economic Cooperation and Development (BMZ) on "Green Innovation Centers" in Africa and Asia. Together with its African partners, ZEF will support this initiative with science policy. **Contact:** Detlef Virchow, d.virchow@uni-bonn.de. See http://bit.ly/ZEF_nohunger

ZEF and Global Hort will coordinate a new German-African research project launched and financed by the German Federal Ministry of Agriculture (BMEL). "NutriHAF" and its African partners will investigate options to combat malnutrition in Ethiopia and Madagascar by intensifying multi-storey fruit and vegetables cultivation. **Contact:** Christine Husmann, husmann@uni-bonn.de. See http://bit.ly/ZEF_NutriHAF

The Right Livelihood Campus Bonn (RLC), which is located at ZEF, will organize a workshop on "Food security and sustainable agriculture: The future of smallholder farmers" at ZEF in Bonn from May 30-June 4, 2015. **Contact:** Till Stellmacher, stellmacher@rlc-bonn.de. More information at www.rlc-bonn.de

The FOODSECURE project met in Bratislava from March 24-27, 2015, to take stock of scientific achievements and plan the upcoming project phase until Autumn 2016. **Contact:** Nicolas Gerber, ngerber@uni-bonn.de. See www.foodsecure.eu



Stay in touch with ZEF

[facebook.com/zefunibonn](https://www.facebook.com/zefunibonn)

twitter.com/zefbonn

[youtube.com/zefbonn](https://www.youtube.com/zefbonn)

you can subscribe to our e-newsletter by sending an email to: presse.zef@uni-bonn.de