



PubPol 534 Presentation

Using Cognitive Behavioral Therapy to Reduce Market Failures in Crime and Violence: An Experiment in Liberia

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Contextualize Liberia in 2009



Contextualize Liberia in 2009

STYL Program

- Modified from the Western standard cognitive behavior therapy (CBT)
- Goals:
 - 1) to foster future orientation over present-biased behavior by teaching non-cognitive skills of self-controlling
 - 2) to accept anticriminal, anti-violent values, identities, and habits by persuading them self-identify as normal members in the society rather than outcasts.
- Group discussion therapy + one-on-one counseling
- Introduce social norms and noncognitive skills + practice in real society environment as homework
- No compensation for participating this therapy except for lunch

Market Failures-Asymmetric Information



Job opportunities
in labor market



Inequivalent knowledge
of penalties



Banking

Market Failures-Externalities of Crime and Violence

- Loss of life and injury
- Direct costs to investigate, arrest, and penalize
- Fear of becoming a victim
- Slows down democratic process
- Prevent possible entrepreneurial investment and economic growth
- recruitment into the war in Côte d'Ivoire in the years 2010 and 2011



Study Design

Sampling

- Targeted high-risk Liberians actively involved in crime or were poor
- Selected five mixed-income neighborhoods with large markets and populations of about 100,000 in Monrovia
- Recruiters directly looked for and talked with targeted populations on the streets for recruitment.
- 999 men, estimated to represent 0.6% of the adult males in the neighborhoods
- Sample average demographic information: age of 25, 8 years of education, made 68 dollars in the past month, worked 46 hours per week, and had 34 dollars informally
- 41% were a former member of an armed group

Study Design (Cont'd)

Hypotheses

- Behavior changes of time preferences (present versus future orientation, time inconsistency) and several noncognitive skills are feasible to adults.
- Improvement in the behavioral traits of poverty, present bias, low executive function, and low perseverance, will lead to more forward-looking economic decisions and decrease poverty and poverty-rooted aggressions.
- Cash windfalls will result in increased investment and lower poverty and violence due to the increase in initial ability, future-oriented time preferences, and initial credit constraints.

Study Design (Cont'd)

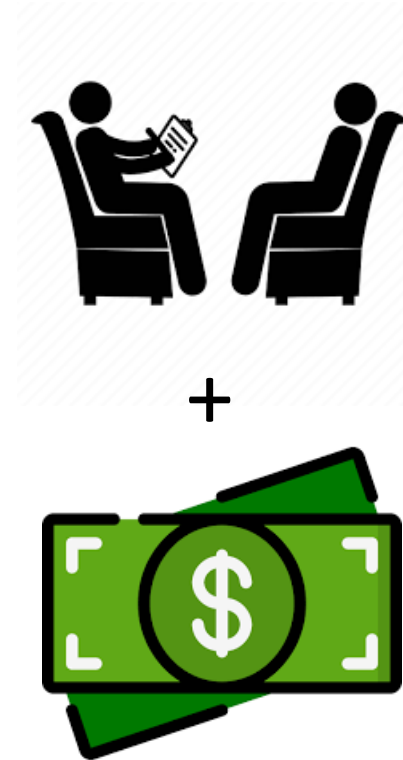
Treatment Groups



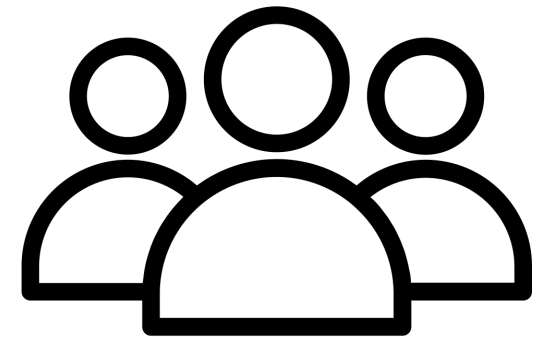
25%



28%



25%



22%

Results-reducing anti-social behaviors

- Short-term
 - Therapy was statistically significant or sustained reduction in anti-social behaviors
- Long-term
 - Only the combination of therapy followed by cash succeeded

Results-economic status and activities

- Short-term
 - receiving cash alone or cash following therapy
 - little of the grant seems to have spent on non-socially desired products
- Long-term
 - Did not last

Results-applying non-cognitive skills

- Short-term
 - All are statistically significant except for self-control skills
 - time preferences, identity/values, mental health, substance abuse, and social networks
- Long-term
 - Did not last

Lessons Learned



Grants saved

But!



Behavior changed



Generalization of the therapy program

- Possible for other developing countries suffering from high crime and poverty rates
 - Adapted from US-based CBT programs
 - Many countries have higher levels of education and more social workers
- The most anti-social men stay and the program is most effective with them
- Hint: develop close cooperation between researchers and local talents or local organizations who have similar experience

Thank you

Q & A