Notes on Kasy: "Dynamic experiments for policy choice"

notes David Reinstein 20 Jul 2018

Pitch document

DR: Slightly too stripped-down for my liking. You make statements that surely depend on some underlying assumptions/conditions, and you should at least refer to these.

The approach is interesting and difficult and perhaps controversial questions! The best design for optimizing a *particular* policy, as you propose here:

1. may not achieve the levels of scientific significance required for publications; thus it may be hard to get academics to work on it given the current incentive structure.
2. there is some justification for the above, namely, a greater standard of evidence may be more useful for generating knowledge that will be useful across a range of policies and environments. (I magine that one could consider an optimal design also using such a Bayesian approach for this, but it would be hard to define.)

Rule of thumb recommendations

DR: For the fourth step, choose the policy which "performed best on average across the two waves" in W1 – please clarify?

Language: "Such tests do, however, not provide" –> "However, such tests do not provide"

In the 'numerical example' it is unclear what welfare function you are using"

It is quite surprising that it is optimal to sign such an imbalance treatment in the second wave when we had equal performance in the first wave! conditions this and how general such result might be?

Considering this for the 'sponsor charity' experiment

I see some relevance to the issue of optimizing 'how and when to spur on social fundraising', particularly considering the outcome 'total amount raised by the page.' It is less clear to me how this will inform our decision of how to assign units to controls/treatment based on the initial observables and historical data on how similar pages performed.

Also, the theory here seems to be based on a categorical treatment and a binary outcome, whereas are considering a binary (or categorical) treatment and a continuous outcome.

Notes on main document (not fully read yet)

Social welfare is something like outcome minus costs

DR: You haven't defined θ here.

Units are also indexed by wave (t).

For repeated cross-sections, iid draw from the population each wave

DR: 'independent draw across time' is a bit confusing here

Allows treatment assignment to depend on previous outcomes