This dissertation presents three independent chapters highlighting the integral role of behavioral factors in the success of development policies. Each of the three chapters provides experimental-based evidence on the complex conceptualization of development that goes beyond equal access to financial resources, information and job opportunities. The first two chapters present two types of internal biases that encourage women to conform to the existing discriminatory social norms. The third chapter examines the unintended behavioral implications of information-based interventions on decision making.

The first chapter of this dissertation studies women’s willingness to retain decision rights over joint resources with a partner. The paper sheds light in to the gray box of intra-household bargaining and challenges a key assumption of the mainstream economic models of bargaining. Using an experimental approach, this paper shows that women experience psychological costs for deviating from the existing culturally set household structures that govern the process of decision making. These findings indicate that women have high preference for delegating decision rights to their spouse even when provided with anonymity and financial resources. The paper highlights the need for policies that in addition to enhancing women’s control over resources, contribute to reducing the psychological costs associated with empowerment. The second chapter tests worker’s response to wage inequality in the labor market taking in to account the role played by the gender identity of the advantaged co-worker. Results show that women have relatively mild reaction to wage discrimination compared to men. Women justify unequal pay through the belief that they possess lower skills and abilities compared to their male colleagues. This finding suggests that inequality that is consistent with the existing social hierarchies has a lower impact on productivity, a fact that encourages the persistence of discriminatory systems. The results emphasize the need for policies that restore the self-confidence and self-worth of disadvantaged groups. The last chapter presented in this dissertation examines the behavioral implications of information-based interventions. This chapter provides experimental evidence on the unintended impact of such interventions on the cognition and individual preferences of beneficiaries. Results show that health awareness campaigns generate cognitive load among participants exposed to the treatment. Heterogeneity analysis shows that participants experiencing high levels of daily stress and participants with low familiarity with the presented information are more prone to being affected by the treatment. Given the above results, we argue for the need to account for cognitive load and its consequences in policies that use information provision as a medium for development goals. The findings emphasize the need for careful targeting and correct timing, in addition to the importance of presenting simplified and carefully framed information.