

DISCUSSION  
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The Conlisk and Watts application of the principles of optimal allocations under risk to the design of social experiments is most helpful in assuring us that the activity is being conducted efficiently. Their analysis of research design is short one dimension--the timing of experiments. Clearly, a desirable feature of a good research design is completion of the experiment prior to adoption of the program whose effects are being evaluated.

Social experimentation is progress. It has been discussed idly for many years, always until quite recently rejected as unfeasible. But the next step must be to win acceptance for experimentation sufficiently prior to the time that there is general support for the programs that the results of experimentation can be used in program design. The Administration proposed vanishing income supplement for families with children is a case in point.

From a wish to avoid the unknowns of work incentive effects, the President has said that the supplement would be employment conditioned. Given that the Employment Services are State institutions and the responsibility for administration of manpower programs is to be transferred to State governments, the employment conditioning will be at quite local levels. Thus, there will continue to be opportunities as there are now in Public Assistance to use income supplementation as a device for maintaining an exploitable labor force. What sorts of sweated employments will become OJT programs?

Because the Family Assistance System is a program for a demographic category, it will have socially dysfunctional incentives not unlike those of AFDC, as people try to get into the favored category. The first child in a family of two adults is worth \$1300 per annum. Whatever the program's impact in redistributing income, it should work wonders in the redistribution of children. No poor home can afford to be without one. But the program should promote birth control because no poor home can afford to have two.

There are other design features which we can anticipate will make trouble. Hopefully, Congressional consideration will improve the design of the program, although it too frequently has not in the past. So, we seem to be embarked upon social experimentation in the old fashioned sense of adopting a program with the thought that experience with it will suggest appropriate modifications. The difficulty with what we might call institutionalist experimentation is that experience alters the option set. Vested interests are created and expectations generated which effectively foreclose options which experience indicates would be superior except that they are inaccessible politically.

Assuming that an income supplement program essentially similar to that of the Administration is enacted next year, the need for income maintenance experiments will be not less but greater. Only the focus will shift. Experiments with higher guarantees and higher tax rates will be useful in redesign of the income supplement which we can anticipate. A number of experiments on technical features of the program, such as an experiment on income computation periods, should be undertaken. Then there are experiments relating the income supplement to other programs. The Seattle Manpower programs experiment is an example. One of the more important of these is the relationship of health care to poverty and the need for income support.

The work incentive issue is far from settled and will not be settled until much more econometric work has been done on household labor supply functions. Experiments which identify age, sex, region, race, primary and secondary earners, primary occupation, and other possibly relevant dimensions of labor supply must be conducted, if we are ever to have reasonable accurate estimators of the labor supply response to transfers, taxes or grants.