

ABDUL LATIF JAMEEL

Poverty Action Lab



TRANSLATING RESEARCH INTO ACTION

# Impact Evaluation for Social Inclusion

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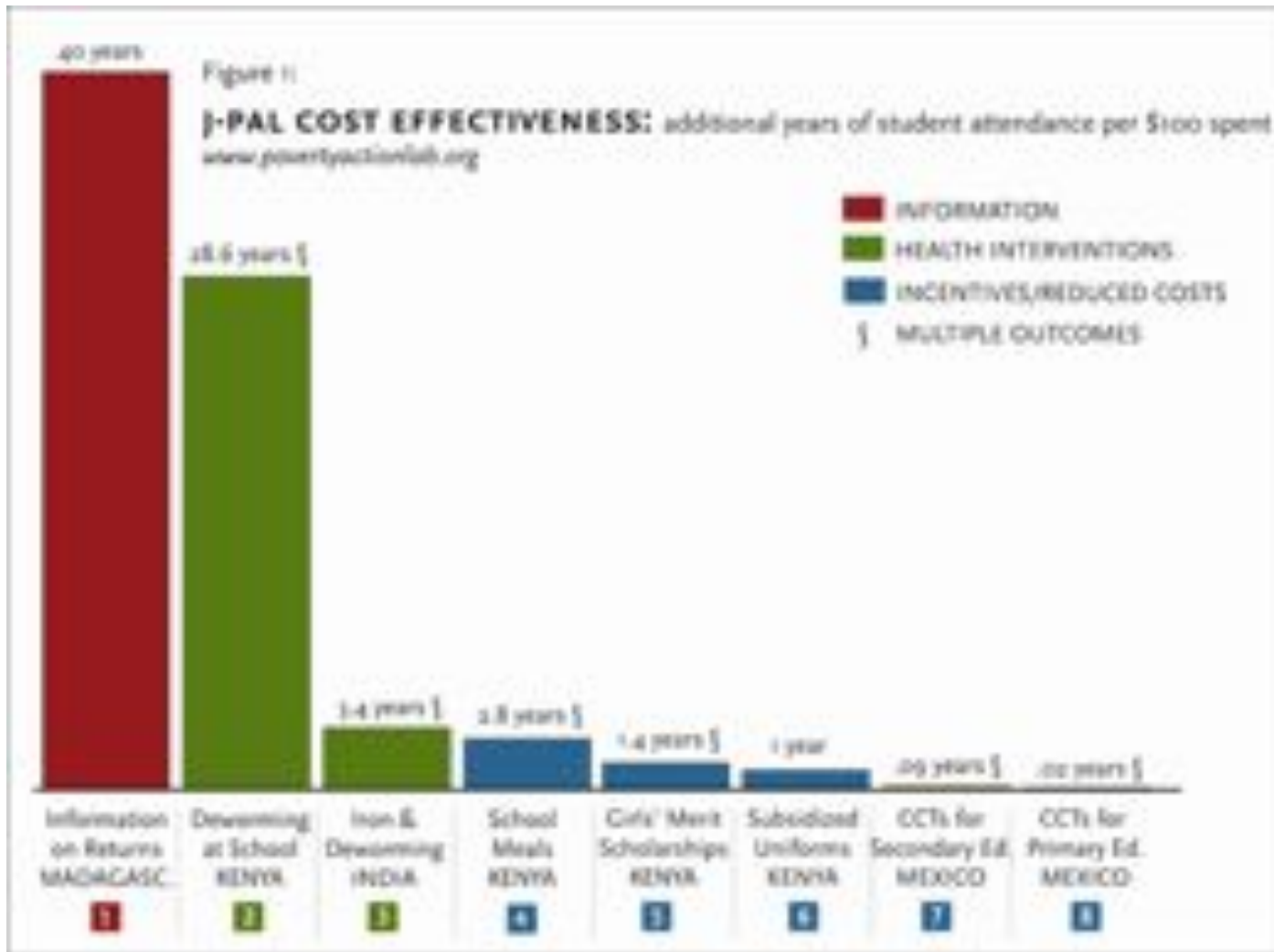
# How do you increase school attendance?

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1. Books for Free
2. Building Improvements
3. Cash Grants for Attendance
4. Community Participation
5. Deworming
6. Lunch for Free
7. Remedial Education
8. School Supplies (Blackboards, Chalk, etc.)
9. Teacher Attendance (Monitoring)
10. Uniforms for Free



# Impact evaluations help answer this question



# The need for evaluation

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- We have little hard evidence on key questions
  - What is the most cost-effective program to reduce unemployment? What is the impact of microfinance?
- Evidence is important for maximizing the impact of limited resources
- Fight donor fatigue: Build the case for resources to combat poverty
- Evidence provides an objective platform for debate
- Evaluations can demonstrate that conventional wisdom needs to be rethought



# Why are programs not evaluated?

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- Partisans want to show their program had an impact
  - Further funding, re-election, promotion, depend on it
- Evaluation is not that easy
  - Participants are often very different from non-participants
    - Often programs are implemented in specific areas, at a specific moment for a specific reason
    - Volunteers are often more motivated or better informed or...
  - But we cannot observe the same person both:
    - exposed and
    - not exposed to the program



# The need for social experimentation

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- Policy needs experimentation...
  - Too many errors are made all the time; too much time is lost; too much money is wasted
  - Without experimentation, the stakes are too high. What has been scaled up cannot afford to be wrong. No incentive to learn and progress
- Experimentation needs to be serious...
  - We need to be rigorous in determining success or failure
  - Otherwise, everyone is free to defend his own pet project



# Types of Evaluation

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- Needs Assessment
  - Program Theory Assessment
  - Process Evaluation
  - Impact Evaluation
  - Cost Effectiveness
- What is the problem?
  - How, in theory, does the program fix the problem?
  - Does the program work as planned?
  - Were its goals achieved?  
The magnitude?
  - Given magnitude and cost, how does it compare to alternatives?



# J-PAL: Jameel Poverty Action Lab

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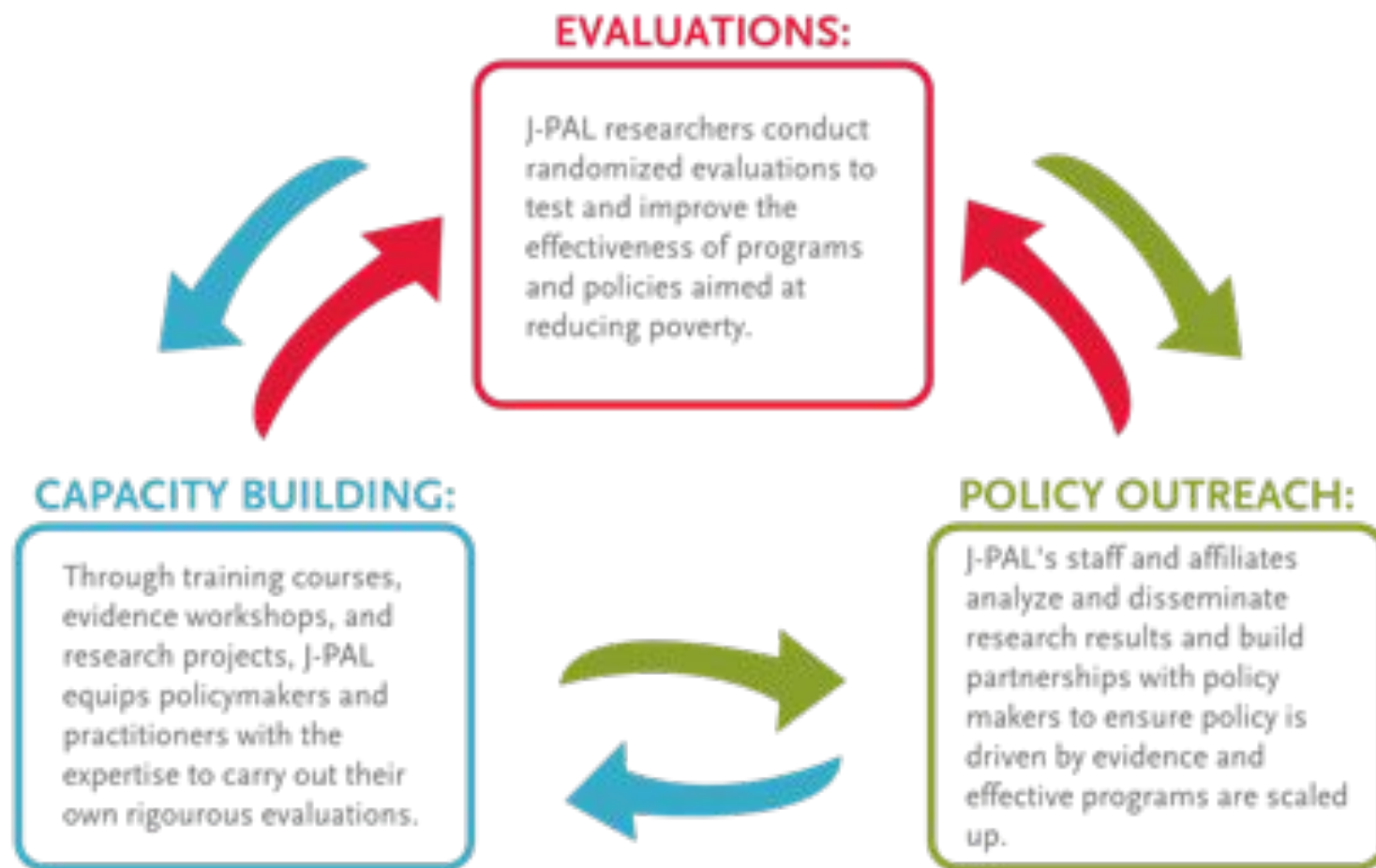
- A network of researchers at universities around the world
- Focused on randomized evaluations
- Founded in 2003 by Esther Duflo and Abhijit Banerjee, MIT Professors of Economics





# J-PAL'S MISSION IS TO ENSURE THAT POLICY IS DRIVEN BY EVIDENCE AND RESEARCH IS TRANSLATED INTO ACTION

[www.povertyactionlab.org](http://www.povertyactionlab.org)



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Poverty Action Lab



TRANSLATING RESEARCH INTO ACTION

# J-PAL today: 5 offices & 70 affiliates



# J-PAL Evaluations around the World

- 380 randomized evaluations in 52 countries
- About 180 are completed



# How to evaluate the impact of an idea?

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- Implement it on the ground in the form of a real program, and see if it works
- To know the impact of a program must be able to answer counterfactual:
  - How would individual have fared without the program
  - But can't observe same individual *with* and *without* the program
- Need an adequate comparison group
  - individuals who, except for the fact that they were not beneficiaries of the program, are similar to those who received the program
- Common approaches:
  - Before and after (But many things happen over time)
  - Participants vs. Non-participants (But are they different? More motivated? Live in a different region?)

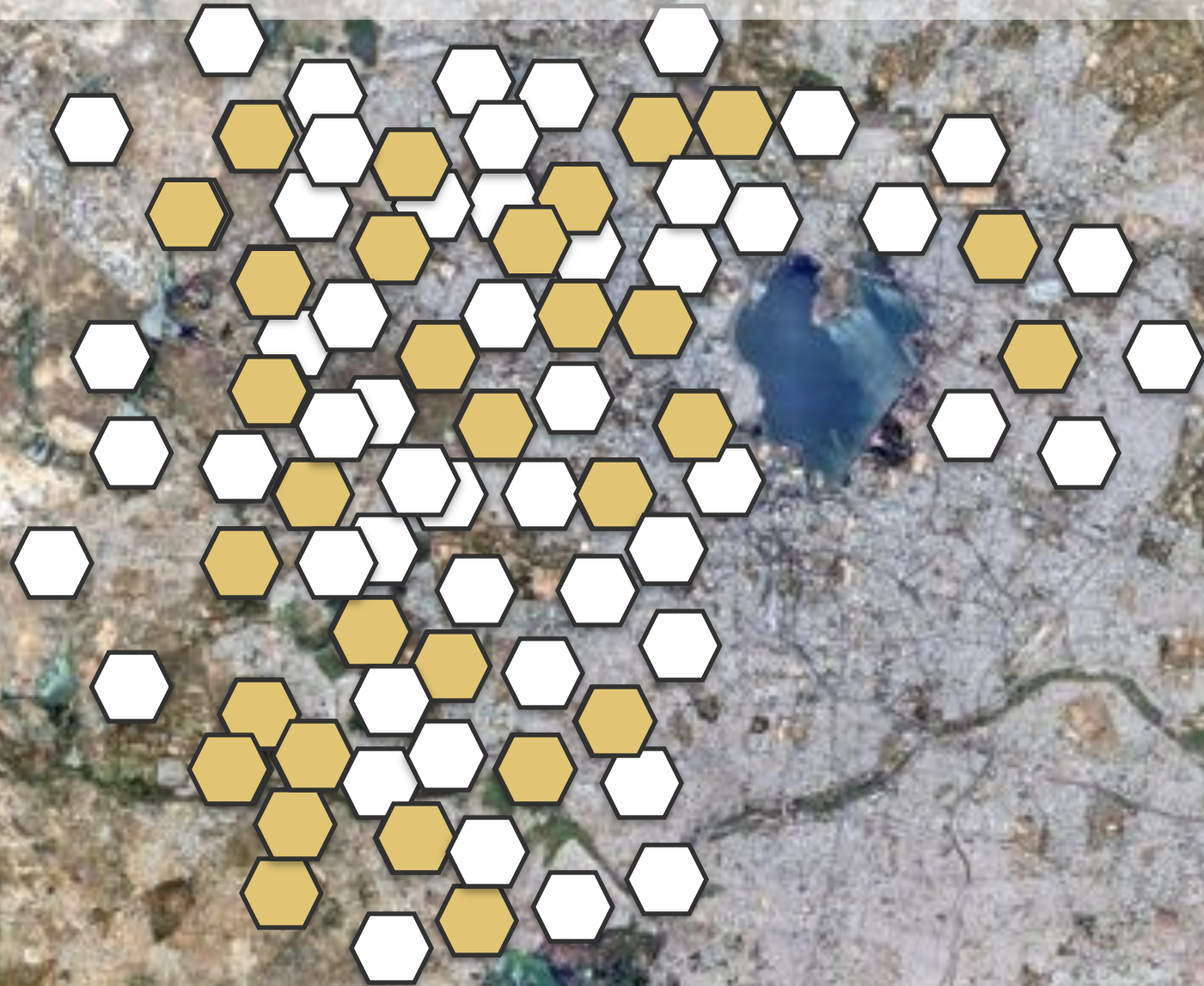


# Randomized assignment

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- Identify a large enough group of individuals who can all benefit of a program
  - Choose randomly half of them who will benefit of the program (the treatment group)
  - The other half - the comparison or control group - will participate later, and in the meantime will be the counterfactual
- This allows the control group to be totally identical to the treatment group

# Sample population



# Randomized assignment in 2 groups

Revenues per person, per month, in rupees

6457      6442

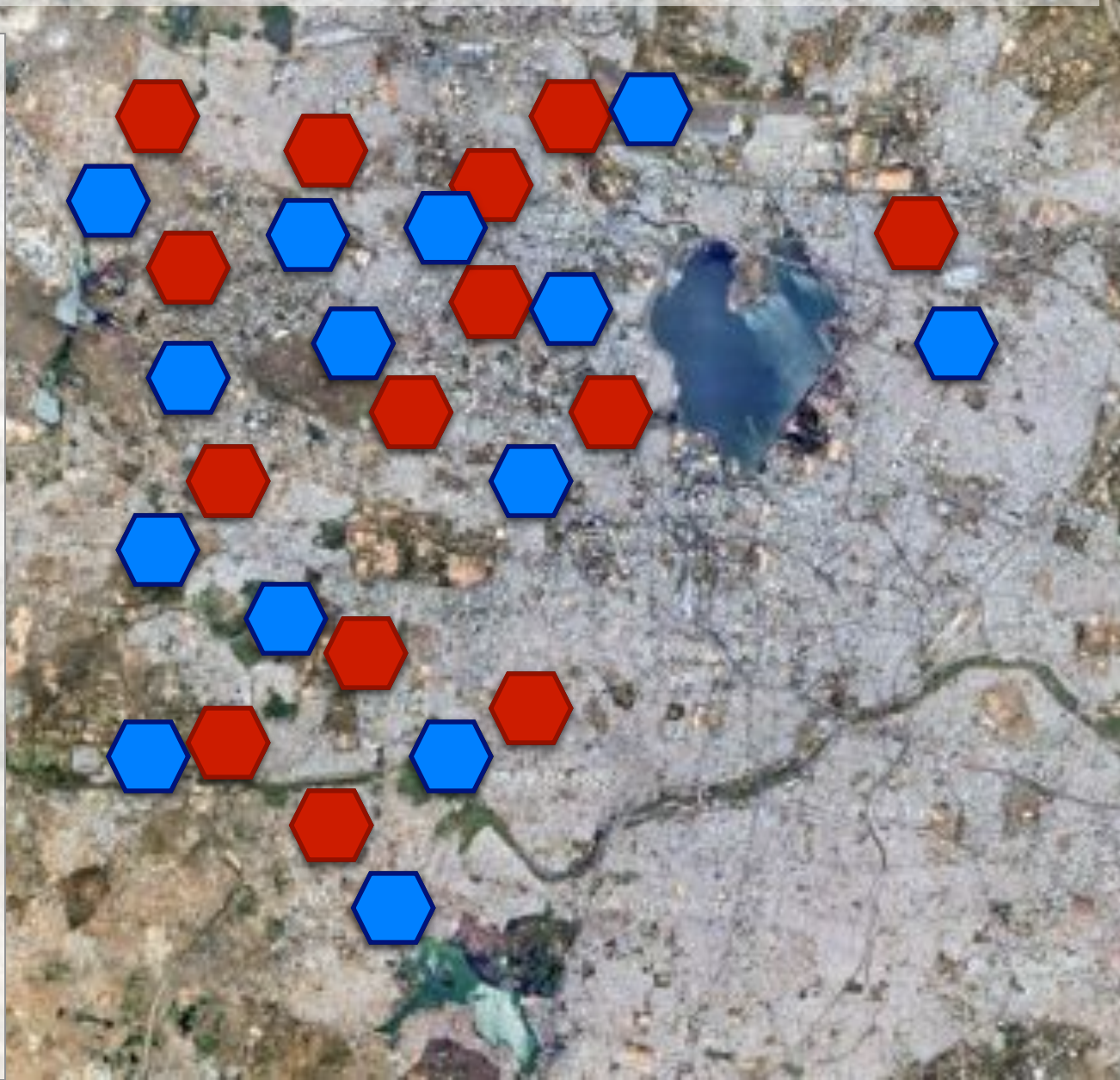
5000

2500

0

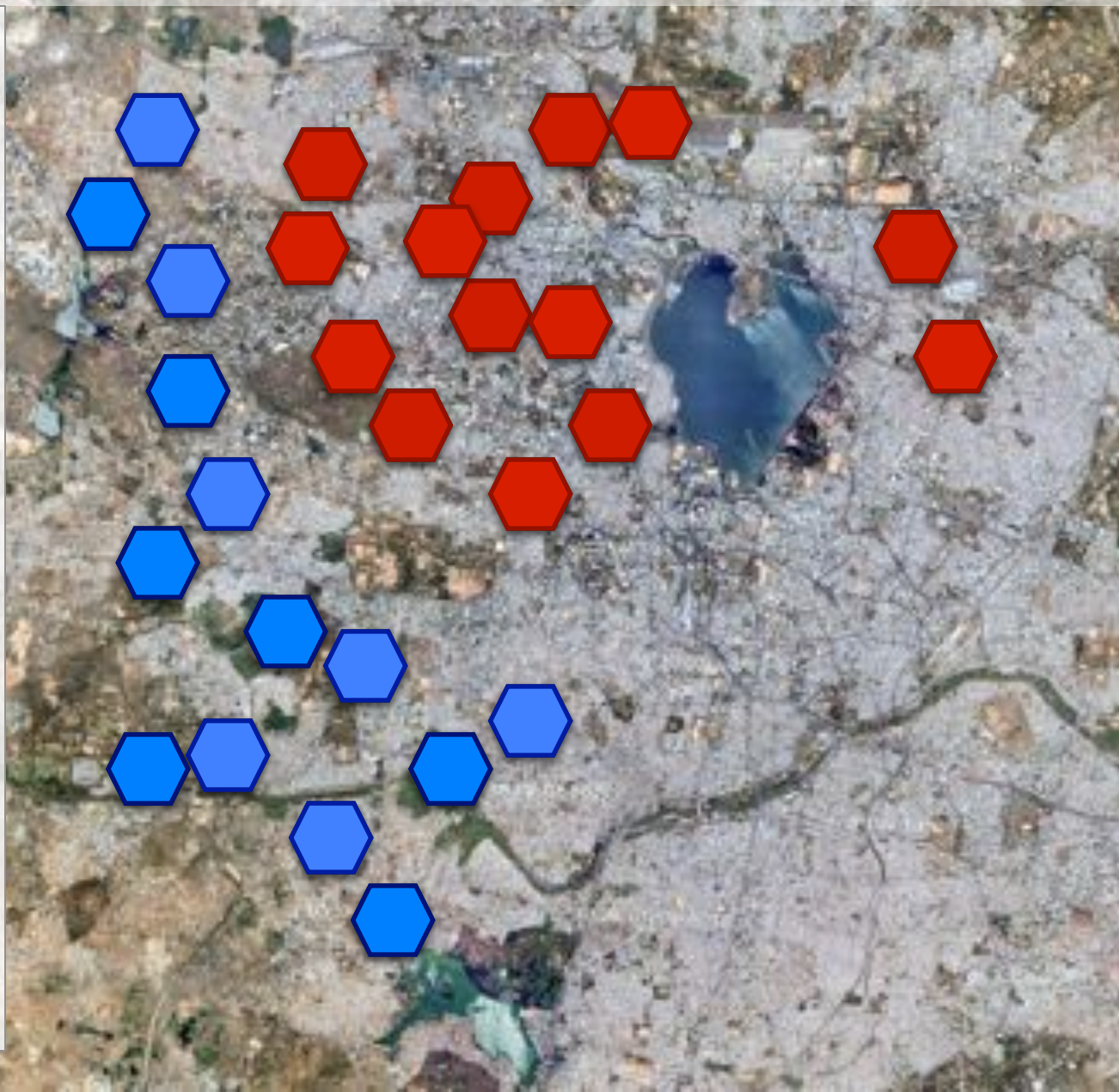
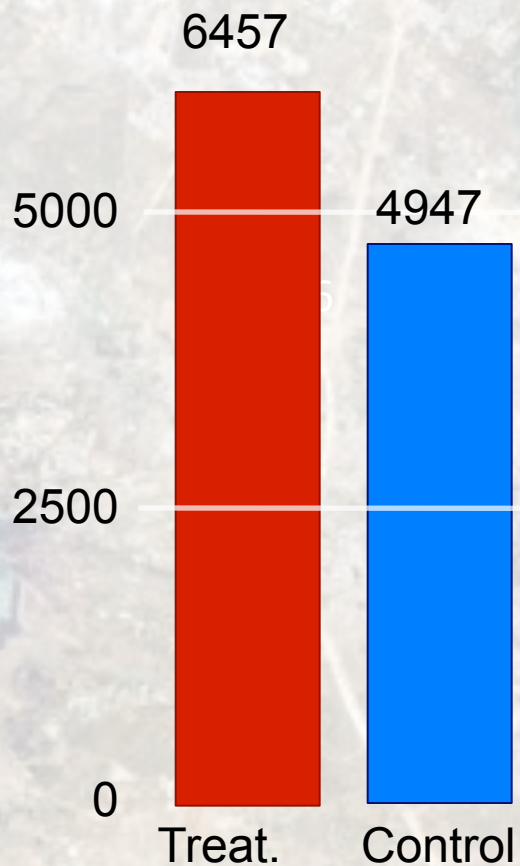
Treat.

Control



# Non randomized assignment

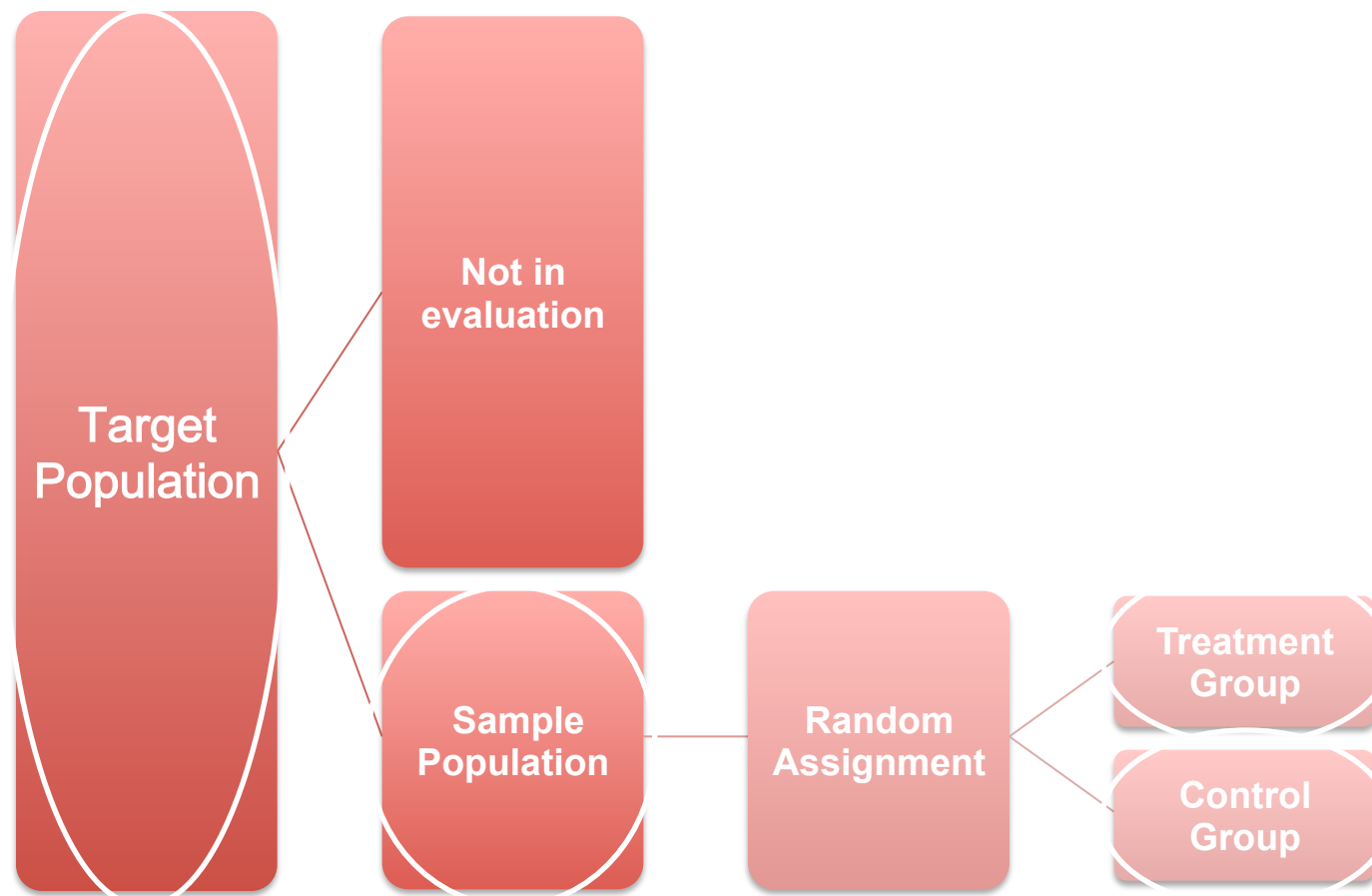
Revenues per person, per month, in rupees





# Basic set up of a randomized evaluation

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Based on Orr (1999)



# Randomized assignment

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- This method works because of the law of large numbers
- Both groups (treatment and control) have the same characteristics, except for the program
- Differences in the outcomes can confidently be attributed to the program

# How to introduce randomness

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- Level of randomization:
  - Person: better to detect very small effects
  - Group: class, clinics, villages. Sometimes easier to organize
- Different ways to randomize
  - Organize a lottery
  - Randomly assign multiple different treatments
  - Randomly encourage some more than others
  - Randomize order of phase-in of a program
  - And more!



# Advantages

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- Changes the research:
  - Researchers and partners have to work close together on the ground
- The results are
  - Transparent
  - easy to understand and to communicate
  - difficult to manipulate
  - avoid long debates
  - help to fight fads
- Very efficient to convince donors and policy makers



# Limits

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- Not appropriate when:
  - the impact to measure is a macro impact
  - the scaling-up of the pilot will modify the impact a lot
  - the experiment modifies the reality
  - the beneficiaries are in a context of urgency
- It takes a lot of time, sometimes difficult to combine with political needs



# When to do a randomized evaluation?

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- As soon as there is an important question and the answer will help fighting poverty
- The program is not too special (can be used in many other contexts)



# When NOT to do a randomized evaluation

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- When it is too early, the program still needs to be ameliorate
- If the program has already started
- If the project is too small (not enough participants)
- If it was already demonstrate that this program has a positive impact. Use the money for more beneficiaries!



# The question of ethic

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- Resources are very limited any way
- This random assignment is usually seen as very fair
- Every project has to go through an ethic committee
- J-PAL never works on projects if the cost of the evaluation means less beneficiaries. After the evaluation is over, if necessary, the control group will also get the program

