ABDUL LATIF JAMEEL
Poverty Action Lab

J-PAL EUROPE

The Importance of Impact Evaluation

Ilf Bencheikh

Deputy Director / J-PAL Europe
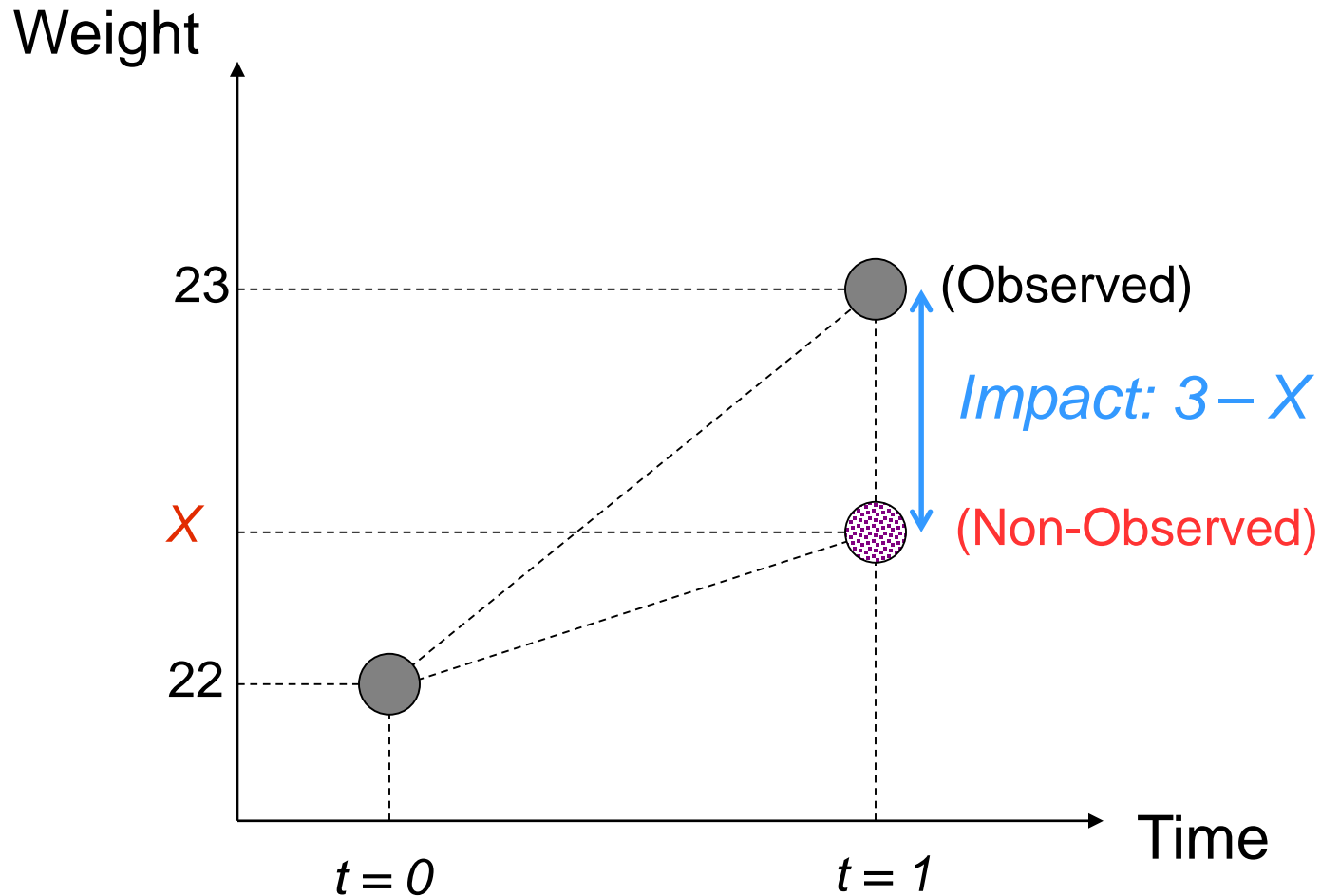
Milan, October 2015

WHY EVALUATE?

The need for evaluation

- A huge need for anti-poverty programs and social policies all around the world

- Different kinds of institutions and people engaged

- Little hard evidence on key questions

- Evidence is important for maximizing the impact of limited resources

=> Importance of impact evaluation

The difficulty of measuring impact

Weight

23 ⚫ (Observed)

$Impact: 3 - X$

X ⚫ (Non-Observed)

22 ⚫

Time

$t = 0$ $t = 1$

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What is impact?

- Impact is the difference between

what happened (with the program)

−   what would have happened (without the program)

_____

=   IMPACT of the program

Biased methods…

- Most of the time, people « evaluate » impact using:
- Pre-post analysis (before vs. after)
- Simple difference (beneficiaries vs. non beneficiaries)

=> Huge risk of bias!

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A variety of methods

I. Quasi-experimental and non-experimental methods

– Regression Discontinuity Design

– Difference-in-Difference

– Statistical Matching

– Multivariate Regression

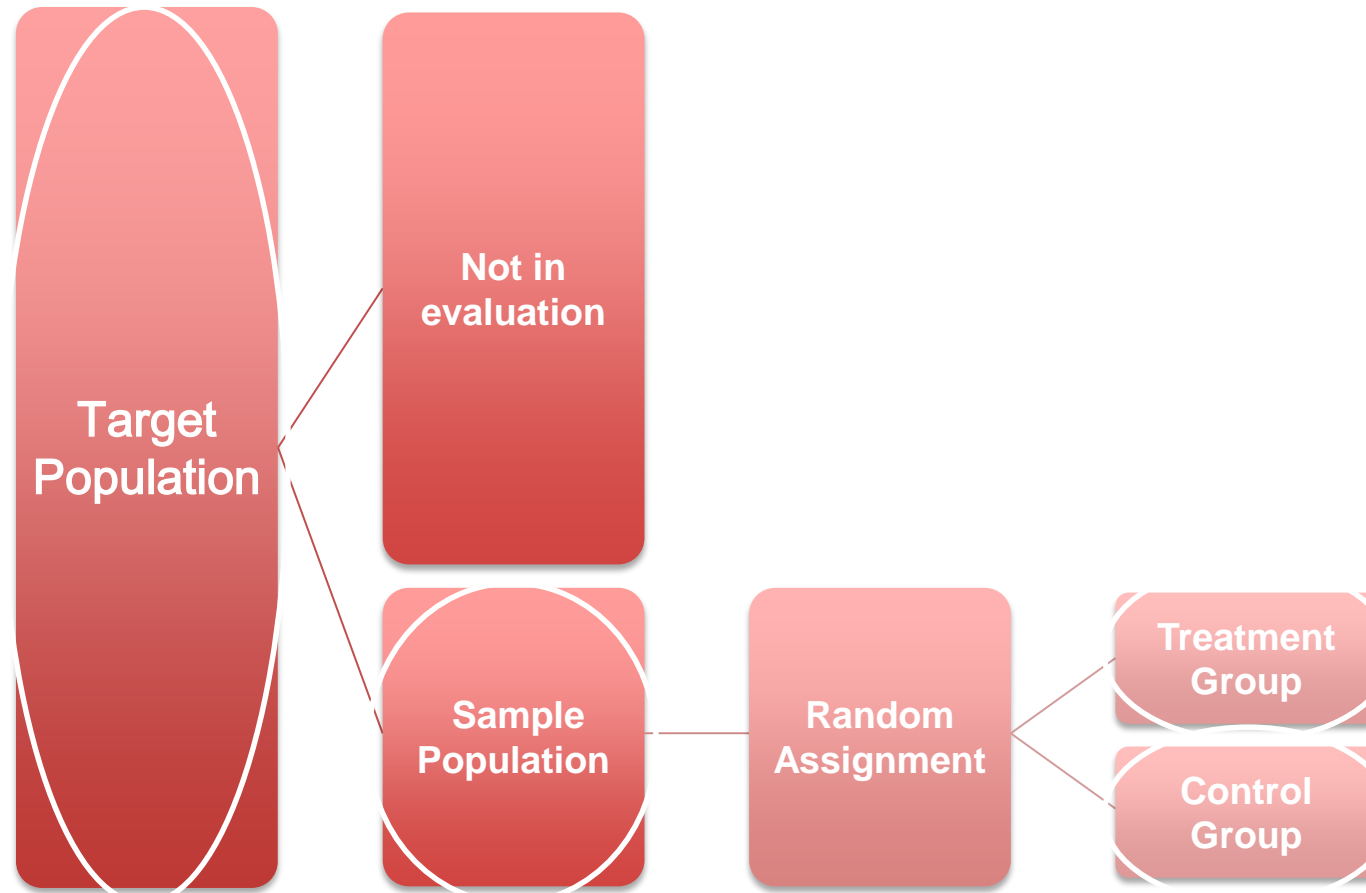**II. Experimental methods**

- Randomized Evaluations

Randomized evaluations

- Also known as:

  - Random Assignment Studies

  - Randomized Field Trials

  - Social Experiments

  - Randomized Controlled Trials (RCTs)

  - Randomized Controlled Experiments

WHY RANDOMIZE?
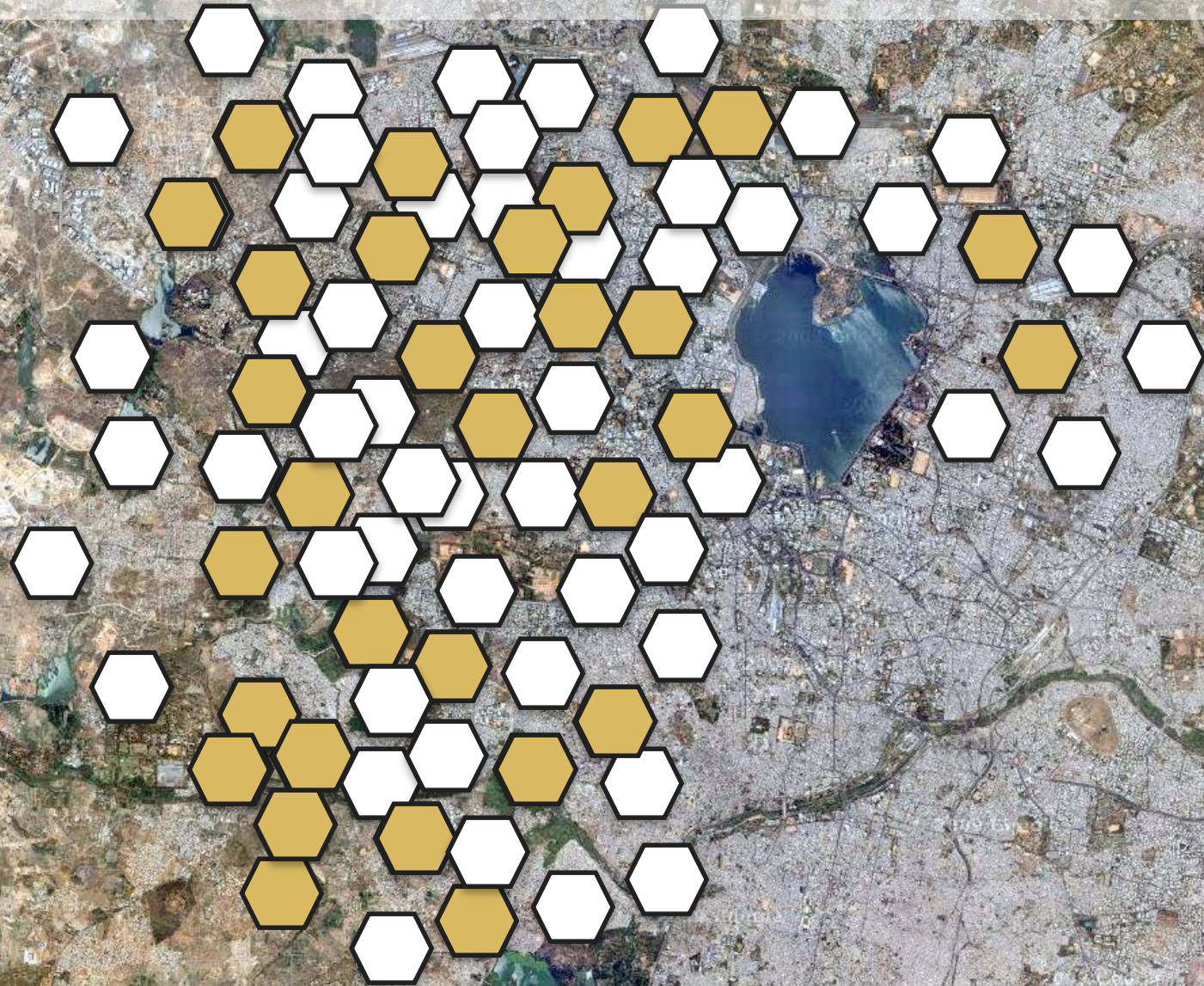
Basic set-up of a randomized evaluation

Based on Orr (1999)

Sample population

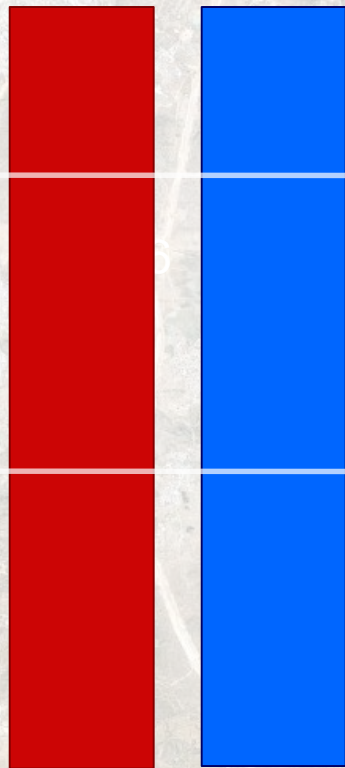# Random assignment in 2 groups

Revenues per person, per month, in rupees
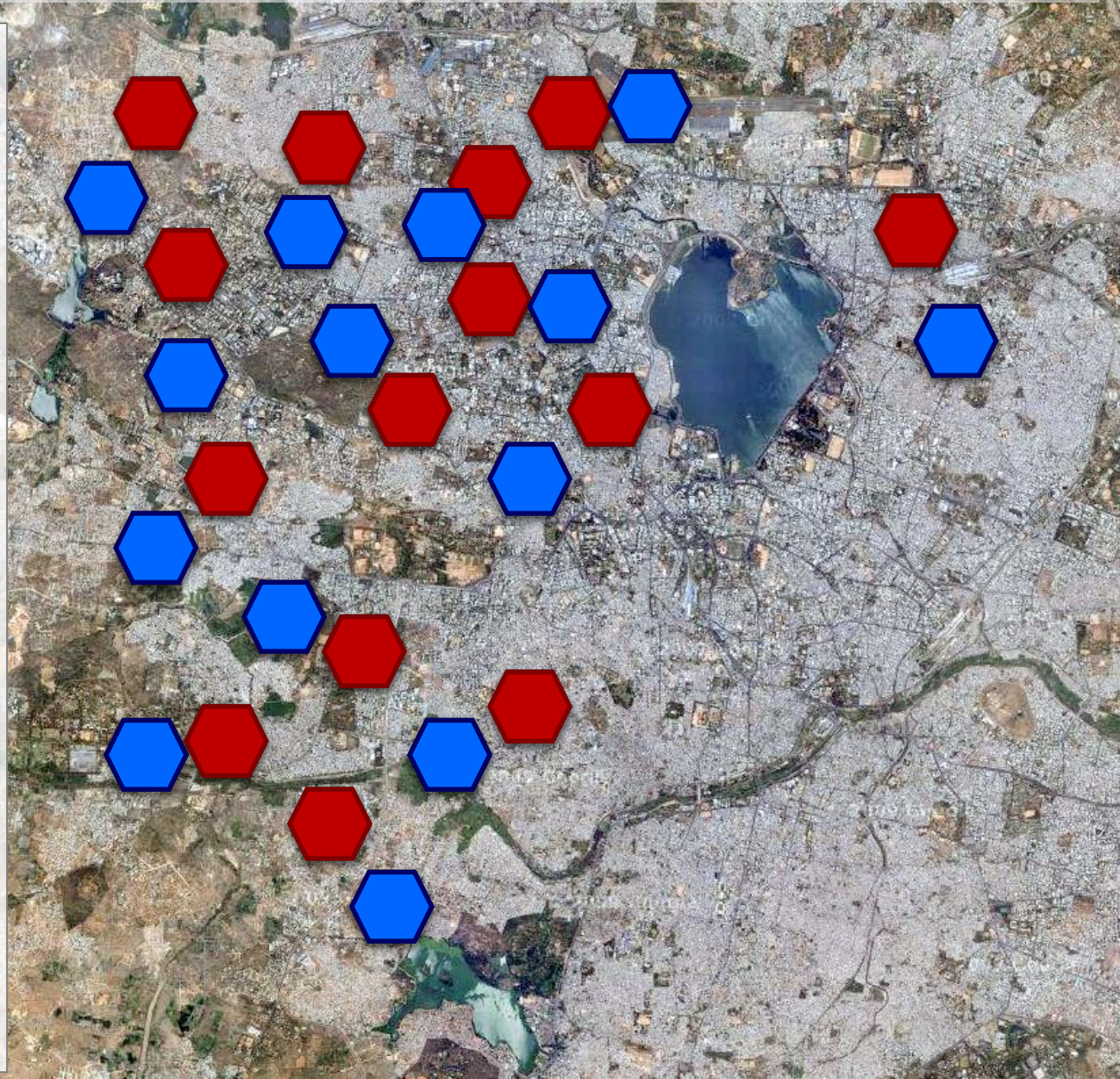
Non random assignment

Revenues per person,
per month, in rupees
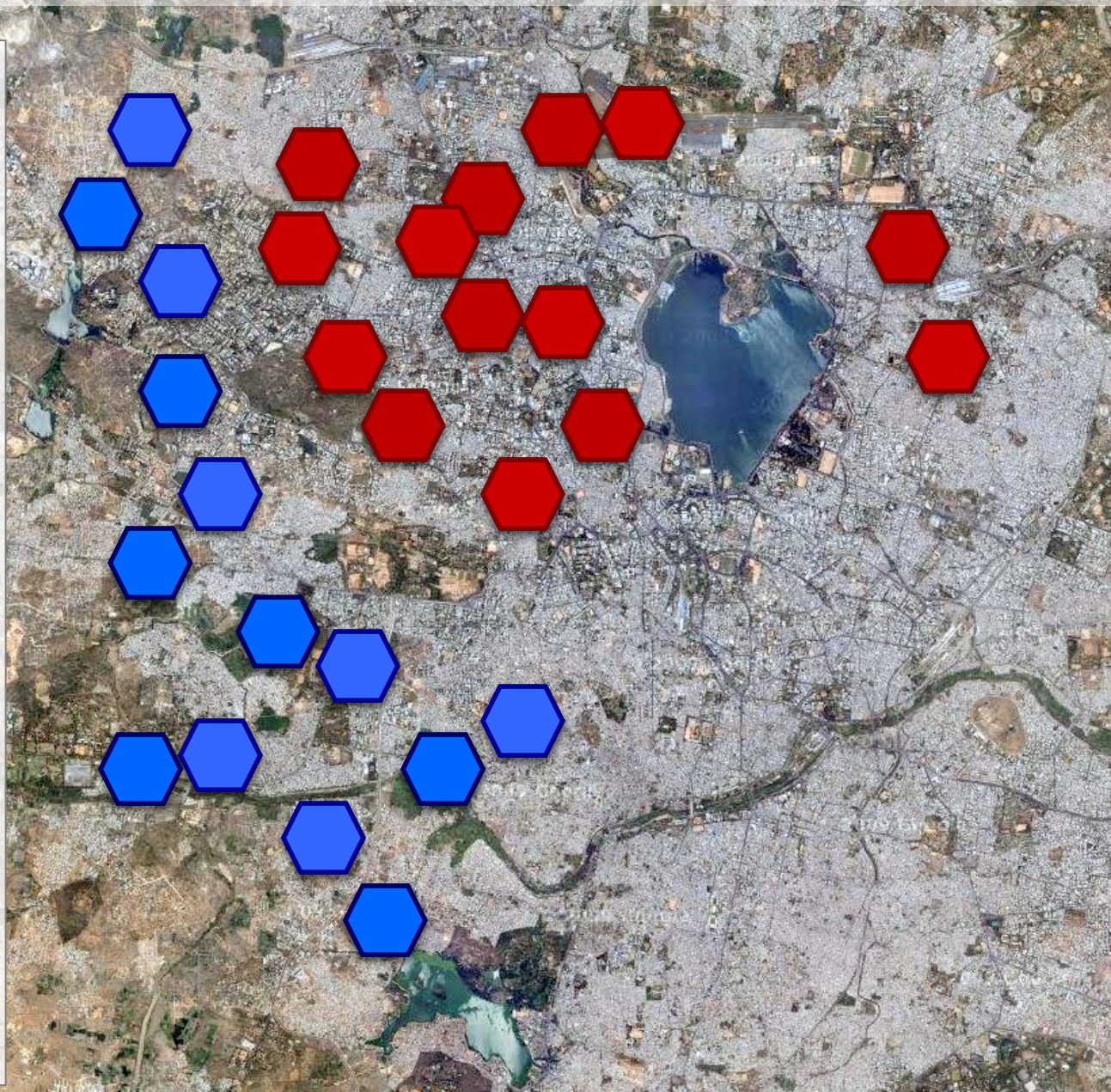
Random assignment

- 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

REs: a long history in social sciences

- Experimental psychology (late 19th century)
- Education (early 20th century)
- Experimental sociology (early 20th century)
- From the mid 60's: huge and sharp increase of randomized evaluations in the U.S (subsidized work, income maintenance, job search counseling)
- Since mid 1990s, rapid surge in experiments in developing countries (J-PAL)

WHY J-PAL?

J-PAL: Abdul Latif Jameel Poverty Action Lab

- A network of 127 researchers at universities around the world

- Founded in 2003 by Esther Duflo and Abhijit Banerjee, MIT Professors of Economics

- Focused on randomized evaluations to improve the effectiveness of anti-poverty programs and policies

J-PAL Evaluations

- 680 randomized evaluations in 66 countries
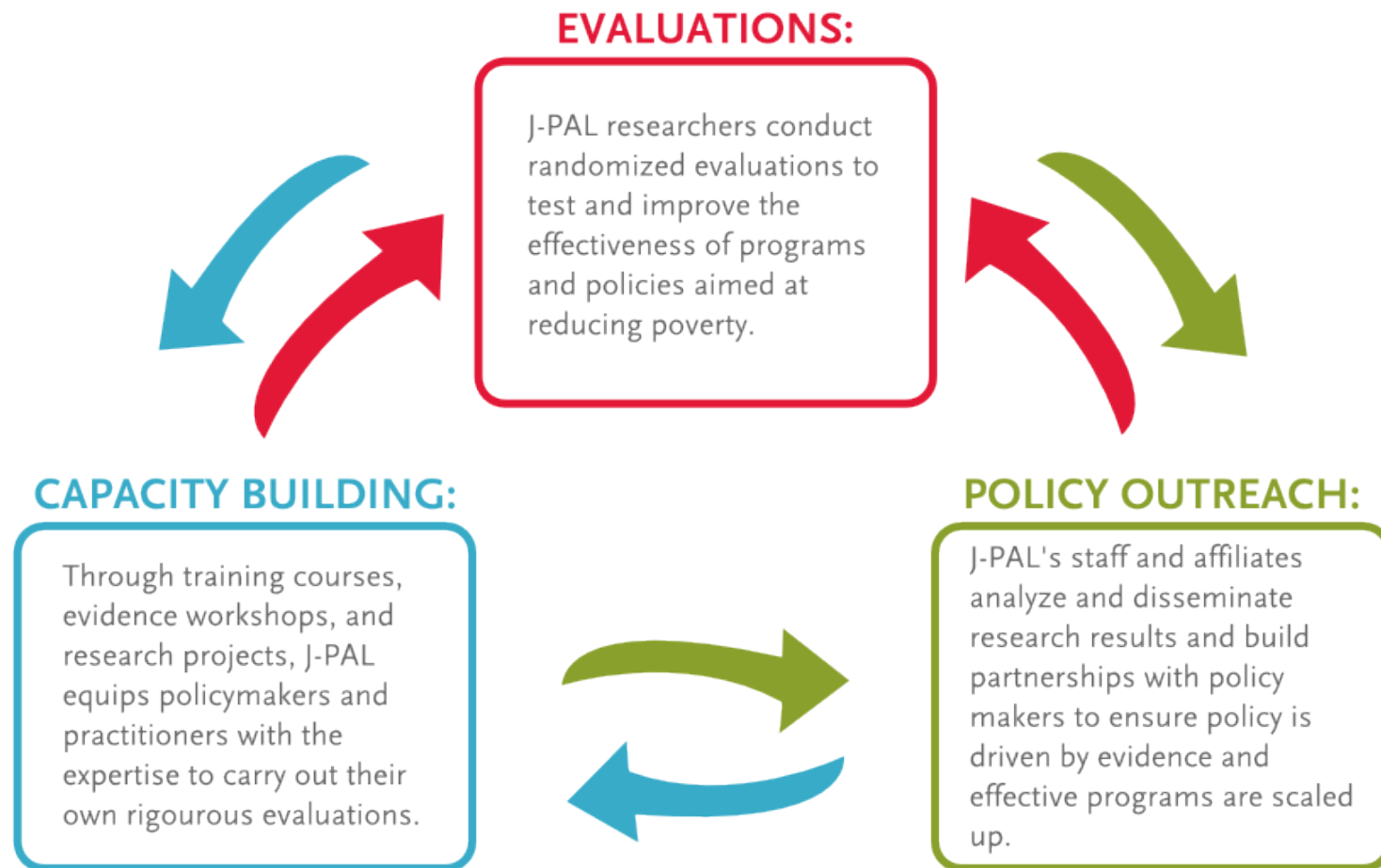

■ Education		■ Finance & Microfinance	
■ Environment & Energy		■ Health	
■ Political Economy & Governance		■ Labor Markets	
		■ Agriculture	

J-PAL Today: 7 offices

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

www.povertyactionlab.org

EVALUATIONS:

J-PAL researchers conduct randomized evaluations to test and improve the effectiveness of programs and policies aimed at reducing poverty.

CAPACITY BUILDING:

Through training courses, evidence workshops, and research projects, J-PAL equips policymakers and practitioners with the expertise to carry out their own rigourous evaluations.

POLICY OUTREACH:

J-PAL's staff and affiliates analyze and disseminate research results and build partnerships with policy makers to ensure policy is driven by evidence and effective programs are scaled up.

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RESULTS IN NUTRITION

1.Anemia and school participation

- ***Question***: what does better nutrition change?
- Study in Delhi, India
- 2001-2002
- Partner: Pratham
- Bobonis, Miguel, Charu

Results

Package of iron, vitamin A and deworming drugs to children, aged 2-6 years old, at preschool:

- Impact on weight: + 0,5 kg on average *relative to comparison schools*

- Impact on school attendance: increase participation from 70% to 76% (= one fifth reduction of absenteeism)

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The devil is in the details…

- Good intentions are not enough…
- The way programs are implemented on the ground matters tremendously
- Very important to understand how people *really* behave and react

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2.Food subsidies and nutrition

- **Question:** Does subsidizing staple food improves nutrition?
- Study in Hunan, China
- 2006-2007
- Partner: Hunan province
- Jensen & Miller

Results

Vouchers entitling people to a price reduction on rice (between 10% and 25% of the price):

$\Rightarrow$ Negative effect! Shift to better-tasting food (seafood), which is less nutritious

3.Incentives for anemia reduction

- **Question**: how to convince school principals to fight against anemia?
- Study in Northwest China
- 2009-2010
- Partner: 3ie
- Miller and al.

Results

Three interventions:

- Information campaign
- Information + Subsidies
- Information + Subsidies + Incentives

$\Rightarrow$ Only the latter had an impact, except for schools with pre-existing incentives for educational performance.

$\Rightarrow$ Follow-up study on different incentives schemes

CONCLUSIONS

Building knowledge

These three examples illustrate the usefulness of randomized evaluations. They help to:

- Answer key questions

- Understand how people *really* behave

- Shape better policies and programs

=> Long way to go, need for a partnership between researchers, policy-makers, practitioners, and funders

Existing resources

- J-PAL Website:

www.povertyactionlab.org

- Innovations for Poverty Action (IPA):

www.poverty-action.org/

- International Initiative for Impact Evaluation (3ie):

www.3ieimpact.org

- The World Bank: Development Impact Evaluation (DIME) & Strategic Impact Evaluation Fund (SIEF)

www.worldbank.org

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Thank you!

Any question on existing evidence? Any idea of a new impact evaluation?

$\Rightarrow$ Contact us!

www.povertyactionlab.org

ibencheikh@povertyactionlab.org