

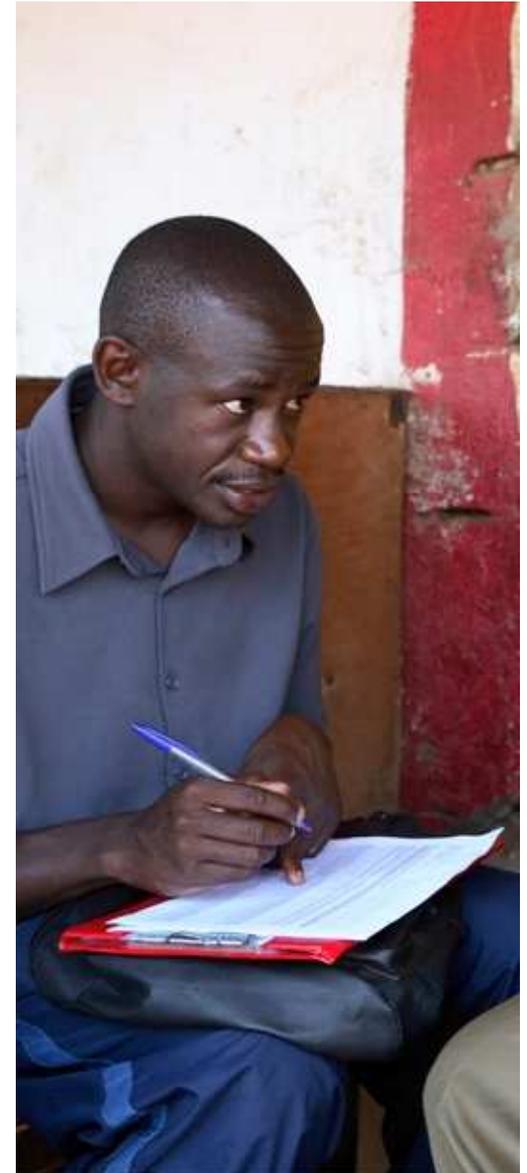
# Good Development Policy(?)

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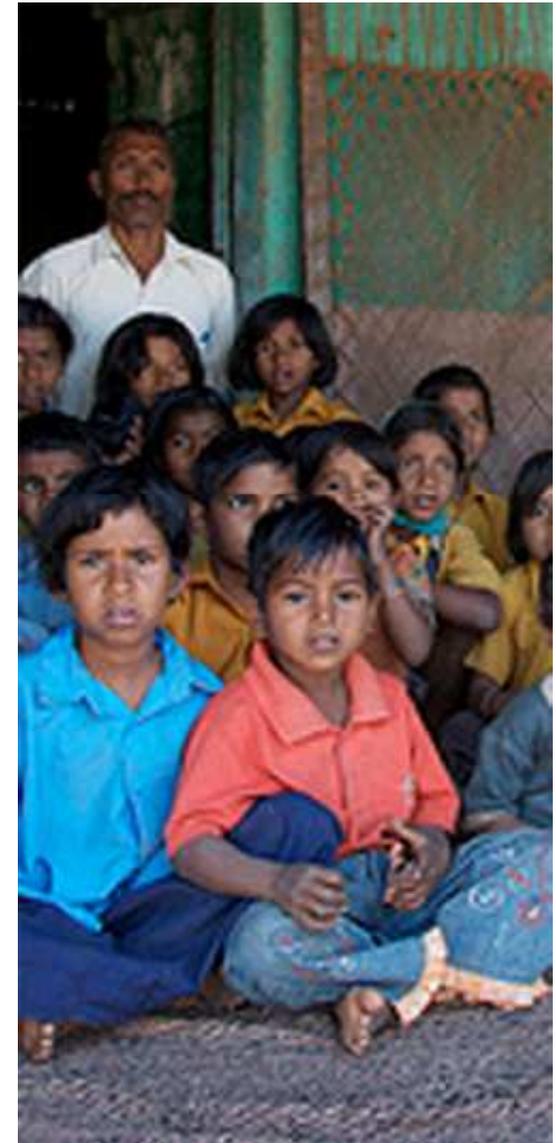
# The Need for Evaluation

- 50 years of global aid. \$65 billion per annum. But too little change.
- Surprisingly little hard evidence on best policies for addressing the needs of the poor.
- Sometimes conventional wisdom needs to be rethought.
  - Example: Best buy for primary school attendance.



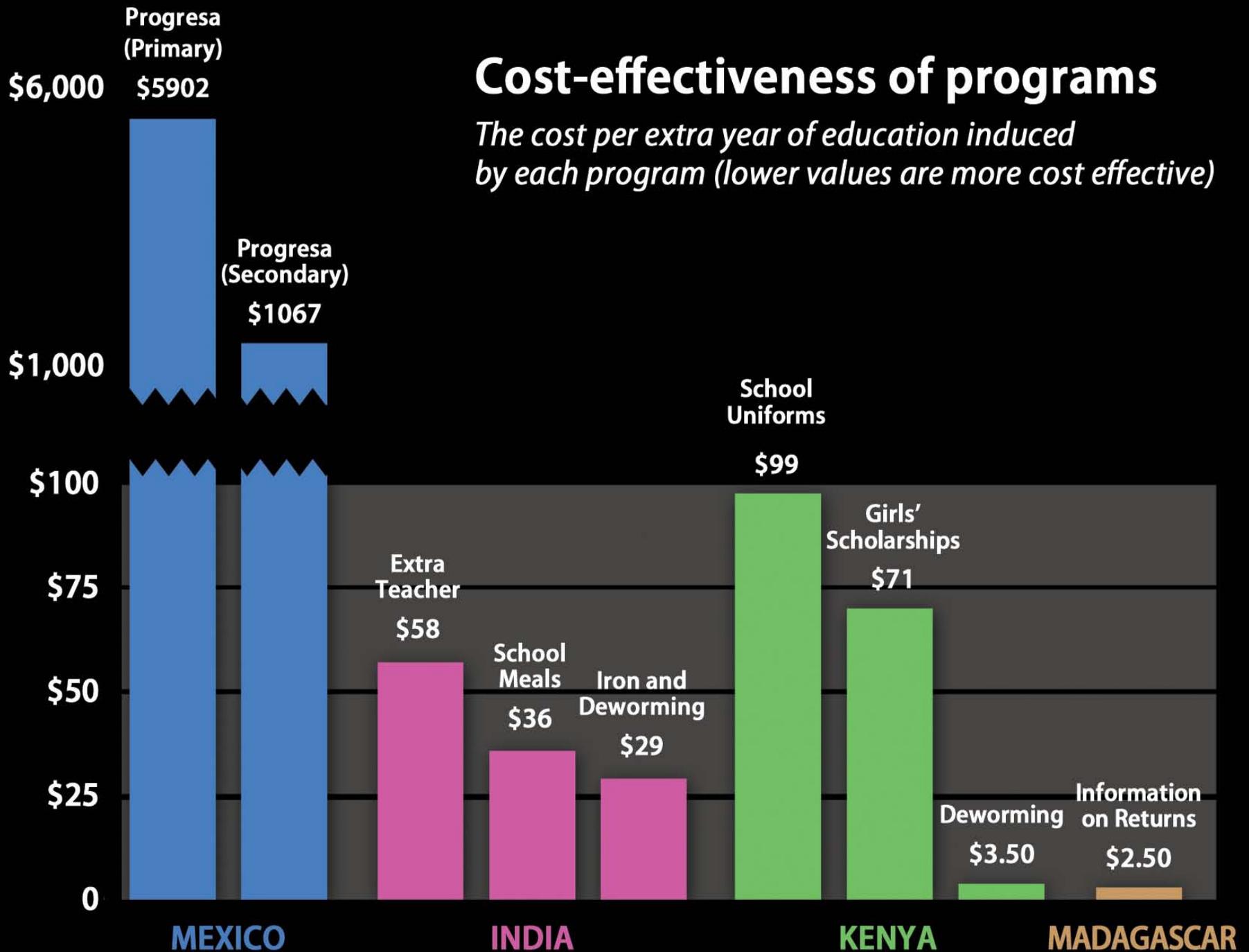
# How best to get kids to go to school?

1. School buildings
2. Free textbooks
3. Free uniforms
4. Iron tablets
5. Extra teacher
6. Free school meals
7. Information about returns to education
8. Deworm
9. Community oversight
10. Cash for participation



# Cost-effectiveness of programs

*The cost per extra year of education induced by each program (lower values are more cost effective)*

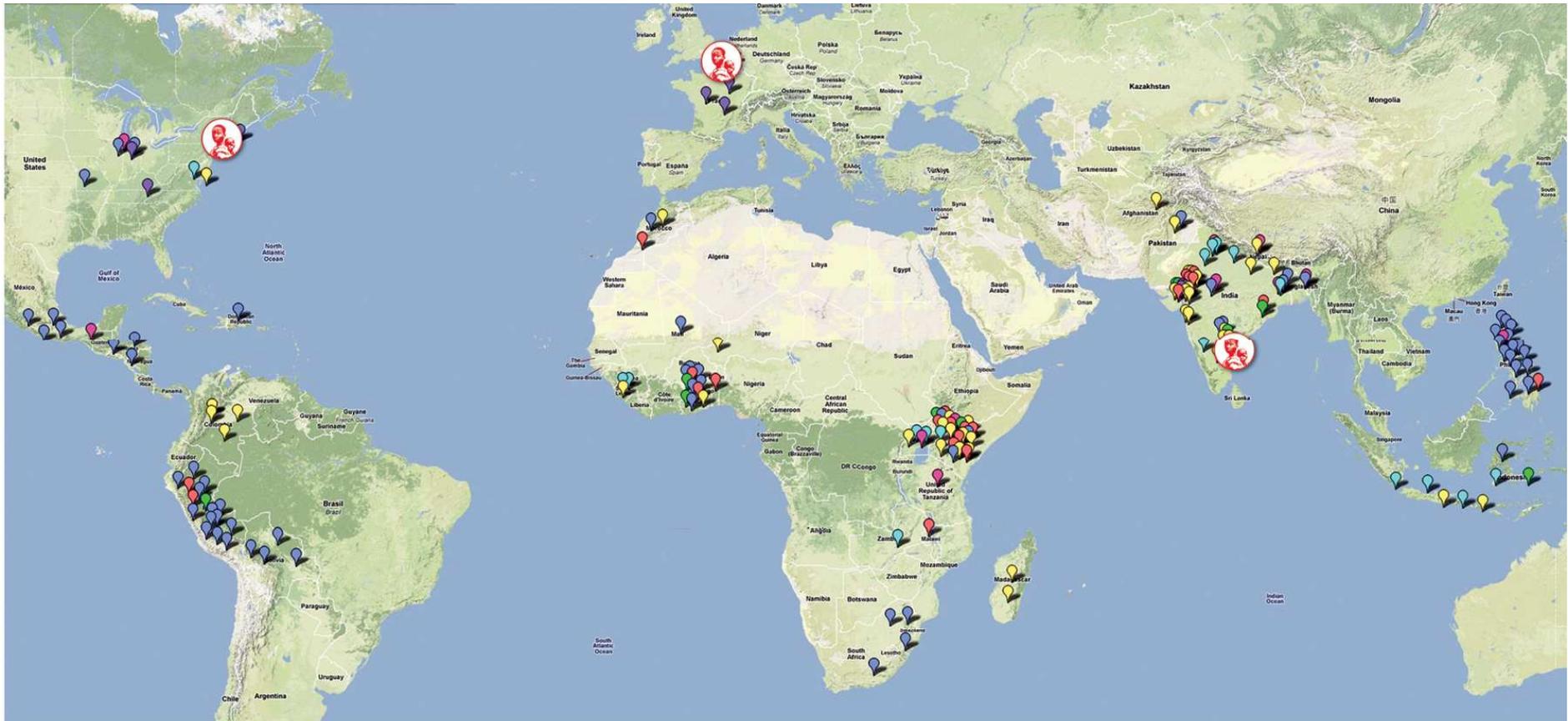


# Abdul Latif Jameel Poverty Action Lab

- A network of 39 economics professors in US, Europe, Latin America, and South Asia
- Aims to reduce poverty by ensuring that policy decisions are based on scientific evidence, by
  - Running randomized evaluations of anti-poverty programs
  - Encouraging and training others to rigorously evaluate their programs
  - Disseminating results to policy makers



# 181 trials, 30 countries



Education

Health

Agriculture

Governance

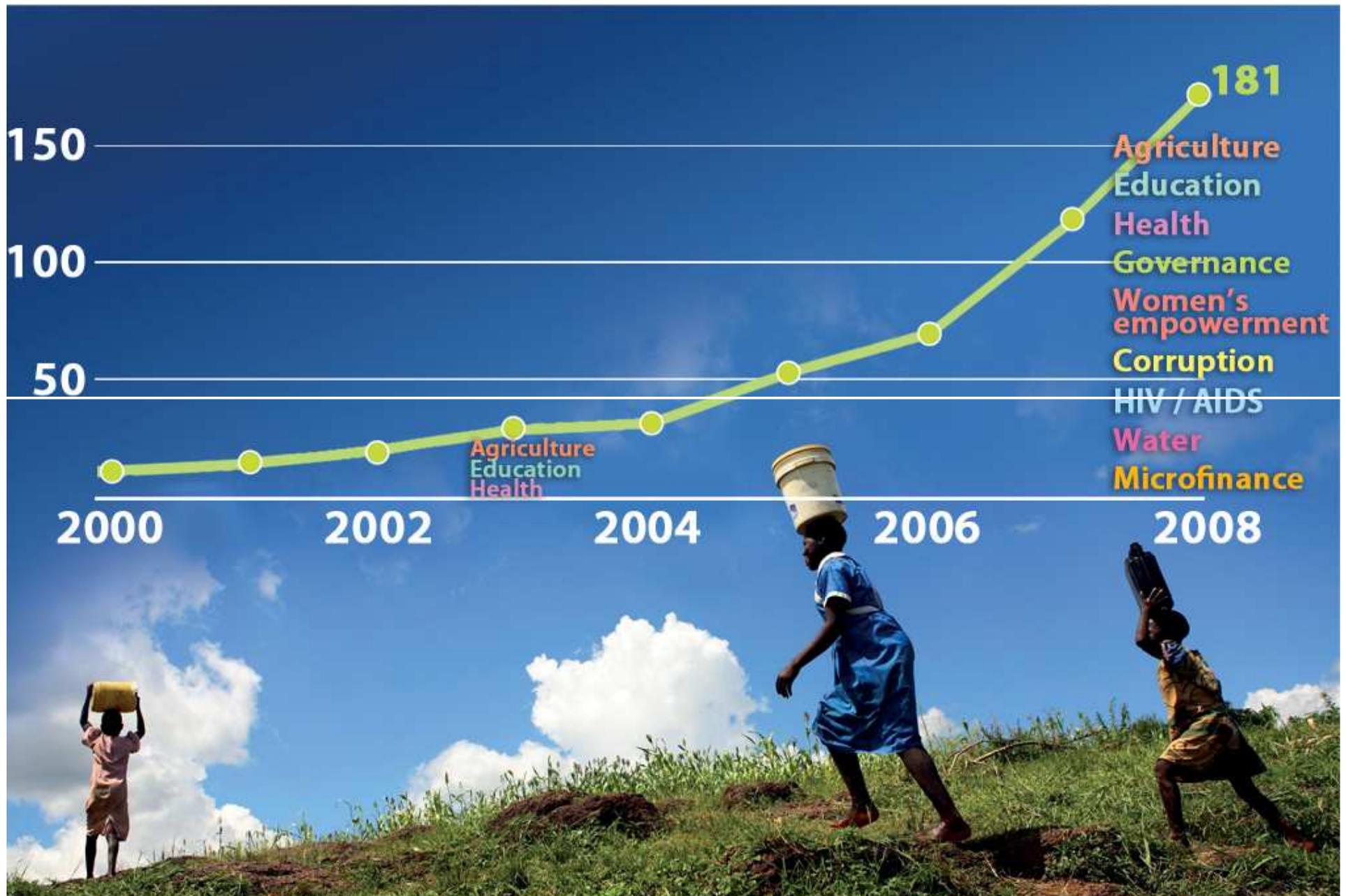
Microfinance

Discrimination

Other

J-PAL Office

# Sectors we work in



# Rigorous evidence

- Correlation is not causation.
  - Example: Education and health, microfinance
- Ask hard questions about outcome measures, data.
  - Example: Corruption.
- Comparative cost effectiveness.
- Delivery matters.



# Best Buys



# In-School Deworming



## 1: EXTREME POVERTY & HUNGER

- Halve proportion whose income is less than \$1 a day.
- Halve proportion who suffer from hunger.

## 2: UNIVERSAL PRIMARY EDUCATION

- Ensure boys and girls complete a full course of primary education.

## 3: GENDER EQUALITY

- Eliminate gender disparity.

## 4: CHILD MORTALITY

- Reduce under-five mortality.

## 6: HIV, MALARIA

- Halt spread of HIV/AIDS.
- Halt spread of malaria.

## 7: SUSTAINABILITY

- Halve proportion without safe drinking water.

# Incentives to Immunize



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- Halve proportion without safe drinking water.



# Smart Incentives



## 1: EXTREME POVERTY & HUNGER

Halve proportion whose income is less than \$1/day.

Halve proportion who suffer from hunger.

## 2: UNIVERSAL PRIMARY EDUCATION

Ensure boys and girls complete a full course of primary education.

## 3: GENDER EQUALITY

Eliminate gender disparity.

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Reduce under-five mortality.

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Halt spread of HIV/AIDS.

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Halve proportion without safe drinking water.

# Free Bednets



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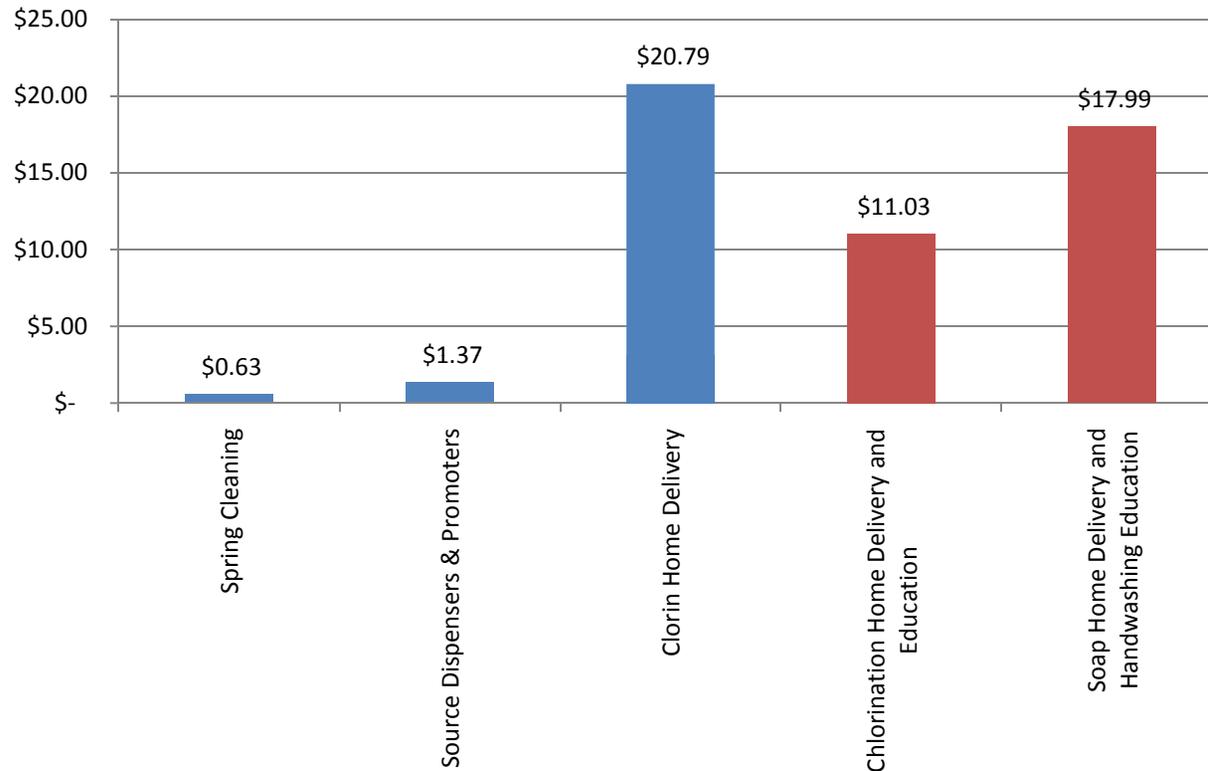
- Halve proportion without safe drinking water.

# Yunus challenge

- 2 million children die from diarrhea every year.
- Piped water and sanitation facilities is effective but expensive solution.
  - Watson, 2006.
  - Cutler and Miller, 2005.
- Dirty hands is key part of diarrhea challenge.



# Dollars per avoided case of diarrhea



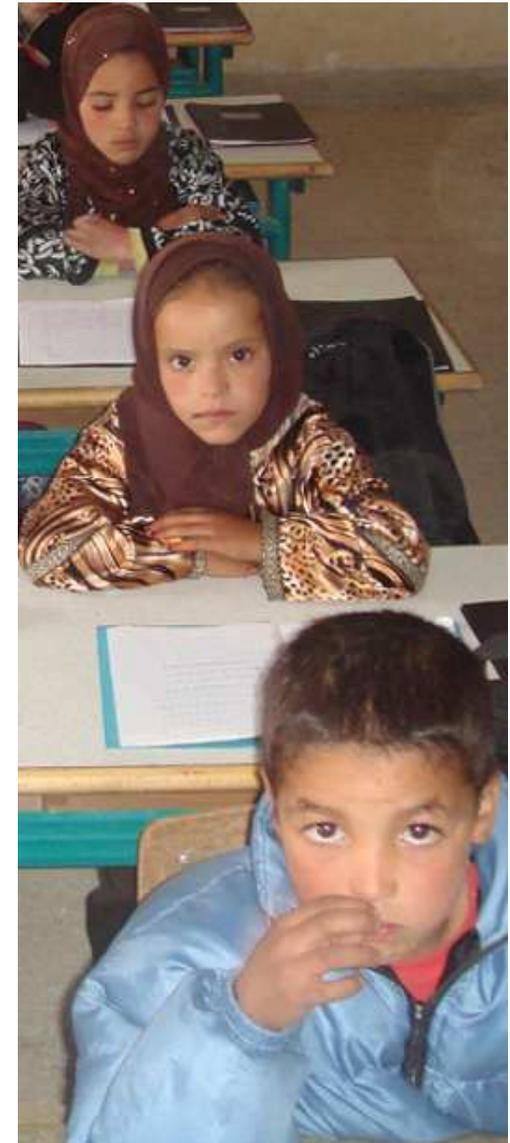
# Behavioral responses

- Procrastination.
  - Example: Immunization, fertilizers
- Channel factors.
  - Example: Tetanus, Lewin (1951)
- Effective information campaigns.
  - Example: small group discussions, loss aversion, keep it simple.
- Something special about zero.
  - Example: Bednets



# Summary

- Question conventional wisdom.
- A lot to learn from small contexts.
- Not all big problems require big solutions.
- Cheap, practical solutions exist.
- Behavioral responses matter.



# Learn more about J-PAL:



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

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<http://ocw.mit.edu>

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