

D-Lab Development

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Good Development Policy (?)

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Poverty Action Lab finds out all sorts of things that are happening with development

Big development problems don't need big solutions
Conventional wisdom of development needs to be questioned

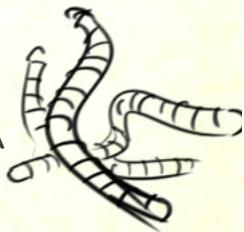
There is very little evidence about what works
What is written in books isn't too definitive yet



PAL tests what works and what doesn't by experimentation
Control / Placebo / Experiment

With 50 years of development, there is little hard data on what works

Rethink conventional wisdom



Quiz in class...

- D-Worming has the greatest impact on decreasing school absenteeism
 - Information on return to schooling and positive effects
- These two methods have a significant impact for the cost per student

PAL

Is a network of professors and Labs across the world
North America, Latin America, England, South Asia, and Africa
Network of researchers, that find their own individual funding
Have some initial seed funding (not much)

Started working in

Agriculture / Education / Health

Have since expanded to other areas
Women's Issues /

Rigorous Evidence

CORRELATION IS NOT CAUSATION

Example: education and health

There is a strong correlation between people having better health and having more education. This does not mean that one caused the other. Those with education, probably were richer to start with.

Base outcome measures on hard data, from hard questions

Rely less on self-reported data
Compare cost effectiveness

Measuring corruption on road construction programs

- Measured through the quality of the road
- Threat of audit was most effective to reduce corruption

Delivery Matters

- Its as much the thing as the effectiveness
- No one wants to argue against school uniforms
 - School Uniforms just aren't as cost effective as de-worming per dollar

Best Buys (impact/dollar)

De-Worming

More and more places accepting it

Incentives to immunize

Vaccines are free, but still have low uptake

Incentives (like a bag of lentils) can increase uptake

Why?

Explained through procrastination

Easier to wait now, and put off until tomorrow

Same for people everywhere around the world

(Eat the chocolate now, and run tomorrow)

When you want someone to do something, its worth offering small incentives

Example in Malawi

Have youth be tested for HIV

offering 1 days salary (less than \$1), doubled attendance rate

Smart Incentives

There is a lot of technology, that people aren't accessing ...

Farmers in Kenya to use fertilizer

Get them to buy it when they have money (after harvest)

Voucher to buy fertilizer

(at specific time) + free delivery

This is a small subsidization in form of delivery, but effective in relation to subsidizing the cost at the beginning of planting season

Free Bednets

Does charging for them increase use?

Study in Kenya

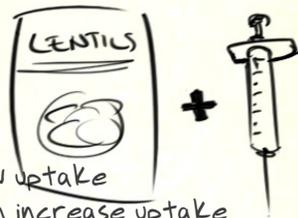
Making bednet free increase the people who use them

Emphasis on seeing who USED them

When purchased, more often the man uses it

When given away for free, women and children are more likely to use it

And be willing to pay for it later when bed net



In the area of preventive health care, people are particularly bad at doing what is good for them.

Shouldn't give everything away for free, but some things are more effective when free

More about Best Buys: Poveryactionlab.org/mdg

PAL has a series of strategies for testing Social Initiatives in ways that aren't the same as testing for medical Initiatives

Yunus Challenge

History of Yunus Challenge

The first Yunus Challenge about TB drug use
one Teams Solution (Angela explains)

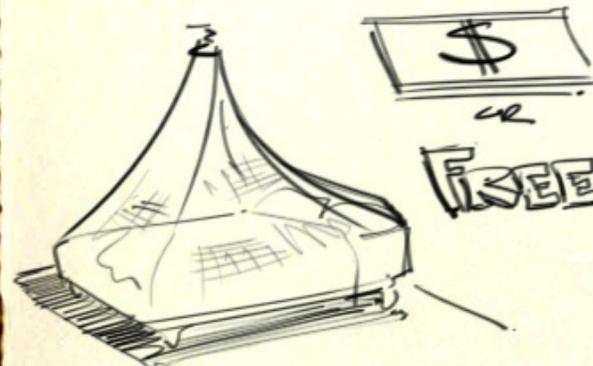
Take drug / pee on strip / text in result
/ redeem for cell phone minutes

This to replace costly DOTs (direct observation treatment)

This small incentive is more cost effective than DOTs

Clean Hands (this years Yunus Challenge)

Clean hands are an element of diarrhea prevention



Final Take Aways / Behavioral Responses

Procrastination (examples: immunization, fertilizers)
overcoming our laziness

Channel Factors (example: Tetanus, Lewin 1951)

- If you want people to do something, you have to show them a path
- A map to a clinic, partially filled out paperwork, 401k set to automatic enrollment
- People (everywhere) like to be tricked into participation

Effective Information Campaigns (example: small group discussions, loss aversion, Keep it simple)

Arsenic in wells, giving people information which wells were worst, dividing information confused people, and was too much for people to handle

Something Special About Zero (example: bednet)

Preventative healthcare is tough for people

Summary:

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

Try reading these books:

Influence

Nudge



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