

# Impact and Policy Conference: Evidence in Governance, Financial Inclusion, and Entrepreneurship

August 30-September 1, 2012

WELCOME, OVERVIEW AND KEYNOTE ADDRESS: AUGUST 30, 2012		TIME
Registration		8:00-8:45
Introduction		9:00-9:10

## Welcome

- Edgar Cua, *Deputy Director General, East Asia Research Department, Asian Development Bank*

## Keynote Addresses

9:10-9:50

- [Vinod Thomas](#), *Director General for Independent Evaluation, Asian Development Bank*
- Annie Duflo, *Executive Director, Innovations for Poverty Action*

## SMALL AND MEDIUM ENTERPRISE DEVELOPMENT: AUGUST 30, 2012

### Overview: Small and Medium Enterprise Development

9:50-10:00

- [Lucia Sanchez](#), *Innovations for Poverty Action*

### Session I: Access to Finance for Small and Medium Enterprises (SMEs)

Access to finance is widely recognized as one of the main constraints to entrepreneurship and SME growth. However, little is known about the best ways in which the public and private sector can address this problem. The research included in this session will present evidence from Colombia and India on the effectiveness of various interventions aimed at improving access to finance for SMEs. Questions addressed by the researchers include: How can financial institutions improve their products and processes to better serve SMEs? What is the effect of performance incentives on risk-assessment and lending decisions? How do credit scoring systems affect the decision-making process of loan officers?

10:00-11:20

- [Shawn Cole](#), *Harvard Business School*
- [Daniel Paravisini](#), *London School of Economics*
- [Sharon Buteau](#), *IFMR/SEFC*
- *Commentator: Romy Caradang, Development Bank of the Philippines*

### Break

11:20-11:40

### Session II: Human Capital and Job Creation

This session revolves around the question of how human capital (or the lack thereof) affects firm performance, and provides insights for designing more effective and scalable models of skill-building interventions by private and public institutions. Experimental evidence from Bangladesh, Indonesia, Sri Lanka, and Dominican Republic will be presented to help public and private institutions develop more effective training and skill-building programs aimed at developing entrepreneurial, financial, and managerial capacity. Questions addressed by the researchers include: Do training programs have the potential to address the “skills gap” that is an impediment to increased productivity in many developing economies? Can financial literacy be taught? Is there a causal link between improving financial literacy and financial outcomes? What is the role of learning-by-doing in driving entrepreneurial dynamics? When does the leap from self-employed to employer take place and why?

11:40-1:20

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- Rocco Macchiavello, *Warwick University*
- [Russell Toth](#), *University of Sydney*
- [David McKenzie](#), *World Bank*
- [Greg Fischer](#), *London School of Economics*
- *Commentator:* Michel M. Botzung, *International Finance Corporation*

Lunch 1:20-2:20

## Session III: Access to Markets and Technology

SMEs face challenges in accessing markets—both for production inputs and outputs. They also find constraints in accessing or developing new technologies. The research presented in this session will examine which barriers prevent SMEs from accessing markets and technology, and which policy interventions by public and private institutions can help to overcome these barriers. Evidence from Peru, India and Argentina will be used to answer some of these questions: What is the link between credit constraints and export activities of firms? What is the impact of government technology development funds on firm's technology adoption?

2:20-3:40

- [Alessandro Maffioli](#), *Inter-American Development Bank*
- [Veronica Rappoport](#), *London School of Economics*
- Mudit Kapoor, *Indian School of Business*
- *Commentator:* Neil McCulloch, *AusAID*

Break 3:40-4:00

## Matchmaking Program for Research and Innovation

During this matchmaking program, selected practitioners and researchers will present their research proposals. The goal of this session is to match researchers and practitioners to initiate new research with seed funding awarded to the most promising partnerships.

4:00-6:00

Presentations by Policy Organizations and Feedback from Research panel

- *Chair:* Dean Karlan, *Innovations for Poverty Action & Yale University*

Cocktail Reception 6:30-7:30

*Please join us for food and drink in the Rainbow Room, 5<sup>th</sup> Floor*

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GOVERNANCE & POST-CONFLICT RECOVERY: AUGUST 31, 2012	TIME
Registration	8:00-8:45
Introduction	9:00-9:10
Welcome and Overview	
<ul style="list-style-type: none"><li><a href="#">Iqbal Dhaliwal</a>, <i>The Abdul Latif Jameel Poverty Action Lab, MIT</i></li></ul>	
Keynote Address	9:10-10:00
<ul style="list-style-type: none"><li><a href="#">S.Y. Quraishi</a>, <i>Former Chief Election Commissioner of India</i></li></ul>	
<b>Session I: Elections</b>	
<p>The presumption of democratic governance is that citizen participation in decision-making processes – as voters, politicians, and members of local communities – makes the electorate and polity more representative of the society, aligns policies better with citizens' preferences, and ultimately results in better outcomes for the citizenry. While participation is widely considered a primary means of empowerment, there is still little empirical evidence on how participation actually influences policy, and how any such policy changes impact the lives of citizens. This session will discuss how people can exercise greater control over politicians and policy through elections and participatory institutions. Researchers will present evidence on the impact of two programs implemented at the time of elections: publicly disseminating information about corruption unearthed in an audit program in Brazil and a pre-election awareness campaign in Pakistan. These presentations will be followed by a panel discussion on strategies to strengthen political participation as a tool to increase political accountability and highlight the areas where more research and collaboration is still needed.</p>	
<b>Research Findings:</b>	
<ul style="list-style-type: none"><li><a href="#">Claudio Ferraz</a>, <i>PUC-Rio</i></li><li><a href="#">Xavier Giné</a>, <i>World Bank</i></li></ul>	10:00-10:40
Break	10:40-11:00
<b>Practitioner Innovations:</b>	
<ul style="list-style-type: none"><li><a href="#">Ramesh Ramanathan</a>, <i>Janaagraha</i></li><li>Harsha de Silva, <i>Member of Parliament, Parliament of Sri Lanka</i></li></ul>	11:00-11:20
<b>Panel Discussion:</b> How to strengthen elections and increase accountability of elected representatives: key issues and areas for further research	
<ul style="list-style-type: none"><li>Harsha de Silva, Claudio Ferraz, Xavier Giné, Ramesh Ramanathan, SY Quraishi,</li><li><i>Moderator: Iqbal Dhaliwal, The Abdul Latif Jameel Poverty Action Lab, MIT</i></li></ul>	11:20-12:00

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## Session II: Leakages

Billions of dollars are spent annually to provide basic services and development programs aimed at improving the lives of those living in poverty. But very often, a large percentage of this money does not reach the intended beneficiaries. Further, the effectiveness of such public spending is often compromised by leakages and poor oversight. This session will explore how targeting can be improved and leakages reduced. Researchers will present latest findings from a transfer program in Indonesia, and the provision of health products in Uganda. This will be followed by a panel discussion where the researchers leading policymakers from Asia will discuss the key drivers of the problem, innovative programs focused on improving targeting and reducing leakages, and key areas where policymakers and researchers could collaborate.

12:00-12:40

### Research Findings:

- [Rema Hanna](#), Harvard University
- [David Yanagizawa-Drott](#), Harvard University

### Practitioner Innovations:

- [Jayant Sinha](#), Omidyar Network
- [Sudarno Sumarto](#), The SMERU Research Institute
- [Varad Pande](#), India Ministry of Rural Development

12:40-1:10

## Lunch

1:10-2:10

**Panel Discussion:** Key challenges in reducing leakages, evidence based on policy and areas for further research.

2:10-3:00

- Varad Pande, Jayant Sinha, Sudarno Sumarto, David Yanagizawa-Drott
- *Moderator:* Rema Hanna, Harvard University

## Session III: Conflict Management and Reconstruction

Is an evidence-based approach to policy-making feasible for conflict management and reconstruction programs? A distinguished panel of researchers will propose a role for data-driven and experimental methods to untangle the roots of violent strife and rigorously assess policy alternatives. Presentations will include the results of recent research on economic and institutional causes of violent conflict and strategies for societal reconstruction after the fighting ends. The researchers will be joined by a panel of distinguished policymakers from Asia to discuss priorities for research and evaluation in conflict management and reconstruction in the region.

### Research Findings:

- [Lakshmi Iyer](#), Harvard University
- [Fotini Christia](#), Massachusetts Institute of Technology
- [Cyrus Samii](#), New York University

3:00-4:00

## Break

4:00-4:20

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**Panel Discussion:** How to prevent conflicts and accelerate post-conflict recovery in Asia, and areas for further research

- [Scott Guggenheim](#), *AusAID*
- Lakshmi Iyer, *Harvard University*
- Fotini Christia, *Massachusetts Institute of Technology*
- Secretary Teresita Quintos-Deles, *Philippines Office of the Presidential Adviser on the Peace Process*
- *Moderator:* Cyrus Samii, *New York University*

**4:20-5:20**

## **Closing Remarks**

**5:20-5:30**

- Kelly Bidwell, *Innovations for Poverty Action*

## **Matchmaking Program for Research and Innovation**

During this matchmaking program, selected practitioners and researchers will present their research proposals. The goal of this session is to match researchers and practitioners to initiate new research with seed funding awarded to the most promising partnerships.

**5:30-7:00**

Presentations by Policy Organizations and Feedback from Research panel

- *Chair:* Policymaker (TBC)
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FINANCIAL INCLUSION: SEPTEMBER 1, 2012	TIME
<b>Registration</b>	8:00-8:45
<b>Introduction</b>	9:00-9:15
Welcome and Overview: Landscape of Financial Services for the Poor <ul style="list-style-type: none"><li>• <a href="#">Aishwarya Lakshmi Ratan</a>, <i>Yale University &amp; Innovations for Poverty Action</i></li></ul>	
<b>Session I: Impact of Microcredit</b>	
In this session, we look at the emerging evidence on how credit impacts the well-being of the poor. This has been both an area of optimism and concern in the practitioner and policy community, with the recent public discussions of overindebtedness among the poor and high pricing of credit products. These studies will present rigorous evaluations of the offer of credit or credit-like products in Mexico, the Philippines, Bosnia and Herzegovina, Mongolia and Bangladesh, and their utilization and welfare impact among the poor.	9:15-10:40
<ul style="list-style-type: none"><li>• Dean Karlan, <i>Innovations for Poverty Action &amp; Yale University</i></li><li>• <a href="#">Britta Augsburg</a>, <i>Institute for Fiscal Studies</i></li><li>• <a href="#">Gharad Bryan</a>, <i>London School of Economics</i></li><li>• Commentator: <a href="#">Varad Pande</a>, <i>Ministry of Rural Development, Government of India</i> and Frances Sinha, <i>EDA Rural Systems</i></li></ul>	
<b>Break</b>	10:40-11:00
<b>Session II: Access to Savings Services</b>	
With close to half of the world's adult population excluded from simple formal financial services like savings services, the poor often save through costly, risky, and inefficient mechanisms. The studies in this session will highlight results from recent impact evaluations in Nepal, Malawi, Uganda, Ghana and Mali that involved giving poor communities access to reliable formal and informal savings mechanisms, either through individual bank accounts or through membership in Village Savings and Loan groups. Researchers track outcomes related to adoption and usage, as well as subsequent welfare improvements from the savings accumulations.	11:00-12:00
<ul style="list-style-type: none"><li>• <a href="#">Silvia Prina</a>, <i>Case Western Reserve University</i></li><li>• <a href="#">Bram Thuysbaert</a>, <i>Innovations for Poverty Action</i></li><li>• Commentator: Alexia Latortue, <i>Consultative Group Assist the Poor (CGAP)</i></li></ul>	
<b>Session III: Improving Financial Capabilities – Part I</b>	
While access to reliable financial services is improving across the world, the improvement in “financial capabilities”, i.e. people’s abilities to make informed decisions on their own choice and use of financial products and services to build a portfolio suited to their and their family’s needs, has not kept pace. In this session, researchers discuss two approaches to building such financial capabilities, one through education of youth on financial decision-making in schools in Ghana, and the other on product-linked financial education around a pension product in China.	12:00-1:00
<ul style="list-style-type: none"><li>• <a href="#">Menno Pradhan</a>, <i>Free University &amp; University of Amsterdam</i></li><li>• <a href="#">Changcheng Song</a>, <i>National University of Singapore</i></li><li>• Commentator: Betty Wilkinson, <i>Asian Development Bank (ADB)</i></li></ul>	

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## Lunch Session: Matchmaking Program for Research and Innovation

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1:00-2:30

### Evaluators:

- Graham Macmillan, *Citi Foundation*
- Florencia Spangaro, *Citi Foundation*
- Dean Karlan, *Innovations for Poverty Action & Yale University*

Moderator: Beniamino Savonitto, *Innovations for Poverty Action*

## Session IV: Improving Financial Capabilities – Part II

The observed sub-optimal decision-making around our choice and use of financial products can be related to limitations in our sources of information, as well as to various behavioral and cognitive biases that affect our thinking in this domain. In this second session on financial capabilities, researchers present recent results on variations in the design of education programs around different financial products and for various segments among the poor. One study presents work in India on experimentally testing how financial information, attitudes, and behaviors can be changed, while the other specifically studies the impact of introducing a financial education program among senders and recipients of international remittances from Qatar to India.

2:30-3:30

- [Bilal Zia](#), *World Bank*
- [Dean Yang](#), *University of Michigan*
- Commentator: Graham Macmillan, *Citi Foundation*

## Break

3:30-3:50

## Session V: Managing Risk

The lives of the poor are inherently filled with greater risk, both from their uncertain income streams and their susceptibility to shocks. Developing the right mechanisms for risk management is critical to allowing poor households to accumulate their funds and grow their investments over time. During this session, researchers report on two recent studies that explore the impediments to sound risk management practice among households and microenterprises in India, and evaluate the impact of loosening that constraint through the use of appropriate insurance products.

3:50-4:50

- [Xavier Giné](#), *World Bank*
- David McKenzie, *World Bank*
- Commentator: Jeanna Holtz, *Microinsurance Innovation Facility, ILO*

## Session VI: New Payment channels

Technological advances over the past few decades have revolutionized the way transactions can be facilitated across vast geographies at low cost. In this session, researchers report cutting-edge results on the usage and impact of mobile phone-based transaction services of electronic stored value (airtime and mobile money) among the poor. Researchers observe important repercussions, especially on risk management, at the early stages of the use of such new channels among the poor.

4:50-5:50

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- [Billy Jack](#), Georgetown University
- [Joshua Blumenstock](#), University of Washington
- Commentator: Gordon Cooper, VISA

CLOSING SESSION: SEPTEMBER 1, 2012		TIME
Overview and Closing Remarks		
• <a href="#">Dean Karlan</a> , President and Founder, Innovations for Poverty Action		5:50-6:20

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