Using Evaluation and Behavioral Insights to Improve Programs and Policies

Annie Duflo, Innovations for Poverty Action
OUR MISSION
To discover and promote effective solutions to global poverty problems.
Our Approach
Extensive Collaboration

Government agencies
- e.g. Ministry of Education, Ghana
- Ministry of Health, Zambia

Academics
- e.g. MIT, Harvard, Yale,
  University of Ghana

Service providers
- e.g. CARE, Oxfam,
  local nonprofits & businesses

Funders
- e.g. Gates, USAID,
  Hewlett, Family Foundations,
  Individuals

IPA
INNOVATIONS FOR POVERTY ACTION
Over 450 Studies in 51 Countries

Development programs rely on people to behave and choose in certain ways.

Many interventions stumble because people do not behave the way we expect. Behavioral economics helps us understand why people behave and choose as they do.

This leads to better diagnoses, which in turn leads to better-designed solutions.

Behavioral economics: A New Approach to Development Policy - Datta and Mullainathan, 2012
• Introduction to IPA
• Supply Side: Motivating Workers
• Demand Side: the Last Mile Problem
  ─ Recruitment
  ─ Motivation
  ─ Reminders
  ─ Commitments
"Our intentions do not always translate into action"

Duflo, Esther; Michael Kremer; and Jonathan Robinson 2011. "Nudging Farmers to Use Fertilizer."
Randomized Evaluation

Population is split into 2 groups by random lot

Outcomes for both groups are measured

Source: UK Cabinet Office
<table>
<thead>
<tr>
<th>Timing of Fertilizer Delivery</th>
<th>Farmer Choices</th>
<th>Purchase Timing of Previous Season's Fertilizer</th>
<th>Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Time, at Fertilizer During the Growing Season</td>
<td>farmer chooses</td>
<td>harvest immediately after</td>
<td>Free delivery</td>
</tr>
<tr>
<td>Application Time, at Fertilizer During the Growing Season</td>
<td>farmer chooses</td>
<td>purchase timing of previous season's fertilizer</td>
<td>Free delivery</td>
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Testing Multiple Interventions

Figure 1: SAFI program increased fertilizer adoption.
Vouchers for Fertilizer Replication and Practice in Burkina Faso and Mali
Soft Commitments: Labelled Accounts
Introduction to IPA

Demand Side: the Last Mile Problem

Supply Side: Motivating Workers

Outline

- Recruitment
- Motivation
- Reminders
- Commitments
Uganda Reminders to Pay: Cadena and Schoar 2011.

Philippines Reminders to Pay: Karlan, Morten, Zinman 2012.


Text Reminders
Physical Reminders

Ahuja, Kremer, Zwane 2010.
Introduction to IPA

Demand Side: the Last Mile Problem

Supply Side: Motivating Workers

Recruitment
Motivation
Reminders
Commitments

Outline
What Incentives?

Ashraf, Bandiera, Jack 2014.
Recruiting and Motivating Community Health Workers in Zambia

Ashraf, Bandiera, Lee 2014.
Behavioral insights help understand people's behavior and their applications are important.

Rigorously testing the impact of these ideas can lead to innovative and cost-effective solutions to poverty problems.

These insights can be integrated into the design of programs and policies.

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Behavioral insights help understand people's behavior.

**Key Takeaways**