



SEMINAR BRIEF | WHAT DOES GLOBAL EVIDENCE TELL US ABOUT SOCIAL ASSISTANCE RESPONSE TO LARGE EXTERNAL SHOCKS IN EGYPT?

Prepared for: Global Evidence for Egypt Spotlight Seminar Series: A collaboration between UNICEF Egypt and The Abdul Latif Jameel Poverty Action Lab (J-PAL) at the American University in Cairo (AUC)

October 12, 2020 | Cairo, Egypt



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ABOUT THE GLOBAL EVIDENCE FOR EGYPT SPOTLIGHT SEMINAR SERIES

UNICEF Egypt and The Abdul Latif Jameel Poverty Action Lab Middle East and North Africa (J-PAL MENA) at the American University in Cairo have partnered to launch a Global Evidence for Egypt Spotlight Seminar Series in Cairo, Egypt. As part of this partnership, UNICEF Egypt and J-PAL at AUC bring together Egyptian policymakers and leading J-PAL affiliated researchers to discuss pertinent policy issues that affect children and youth in Egypt. In doing so, the J-PAL affiliates focus on the issues from a global research perspective and then offer evidence-informed recommendations for tackling these issues. The policymakers then follow up, grounding the evidence into the local Egyptian landscape and offering concrete policy solutions.

The third Global Evidence for Egypt Spotlight webinar will take place on Monday, October 12, 2020 and will focus on what global evidence tells us about social assistance responding to covariate shocks. The seminar will feature representatives from the Egyptian Ministry of Social Solidarity, Sawiris Foundation for Social Development, J-PAL and UNICEF and will foster a conversation between Egypt's policy priorities and the relevant rigorous global evidence, ultimately providing insights into how Egypt can design social programs that respond to the needs of affected populations following shocks.

ABOUT THE ABDUL LATIF JAMEEL POVERTY ACTION LAB (J-PAL) AT THE AMERICAN UNIVERSITY IN CAIRO (AUC)

The Abdul Latif Jameel Poverty Action Lab (J-PAL) is a global research center working to reduce poverty by ensuring that policy is informed by scientific evidence. Anchored by a network of more than 220 affiliated professors at universities around the world, J-PAL draws on results from randomized impact evaluations to answer critical questions in the fight against poverty. We build partnerships with governments, NGOs, donors, and others to share this knowledge, scale up effective programs, and advance evidence-informed decision-making.

J-PAL was launched at the Massachusetts Institute of Technology in 2003 and has regional centers in Africa, Europe, Latin America and the Caribbean, North America, South Asia, and Southeast Asia.

J-PAL Middle East and North Africa (MENA), based at the American University in Cairo's School of Business, is J-PAL's seventh regional office and leads J-PAL's work in the Middle East and North Africa region. J-PAL MENA conducts randomized evaluations, builds partnerships for evidence-informed policymaking, and helps partners scale up effective programs. Our research team evaluates the impact of social programs and policies in MENA, covering a wide range of sectors including social protection, employment, education, and gender. Through online and in-person courses, we train implementers, policymakers, donors, and advocates on how to generate and use rigorous evidence. Our policy team works to institutionalize learning from evidence and disseminate research results to governments and other partners.

ABOUT UNICEF IN EGYPT

UNICEF Egypt is focused on promoting sustainable development with multidimensional equity for children, embodying the fair chance for every child. UNICEF's programme in Egypt contributes to strengthen the knowledge base for more child-sensitive social protection, and improve three fundamental elements of the early childhood years (health, nutrition and development). UNICEF's work on learning and protection covers all children of all ages, focusing on the most vulnerable children, children with disabilities and adolescent girls. UNICEF's work in Egypt contributes to national efforts and priorities and the 2030 National Sustainable Development Strategy, as well as to the United Nations Partnership for Development Framework.

This collaboration is made possible with the support of Allianz.



WHAT DOES GLOBAL EVIDENCE TELL US ABOUT SOCIAL ASSISTANCE RESPONSE TO LARGE EXTERNAL SHOCKS IN EGYPT?

THE CONTEXT: Social assistance and the COVID-19 crisis in Egypt

A brief history on Egypt's social assistance programmes:

Egypt has engaged in critical structural reforms since early 2015, including increasing taxes, enacting new ones, and streamlining electricity and fuel subsidies in order to reduce the fiscal deficit. The Government committed to direct fiscal savings from these reforms to improve its pro-poor investment to protect the most vulnerable through measures such as the expansion of social safety nets. These structural reforms are critical to the Egyptian economy and aim at consolidating the country's transition to a dynamic economy, driving national and regional growth, attracting foreign investment, generating economic opportunities for the country's citizens, creating employment for the youth, and building a diversified economic foundation.

In such a context, international experience shows that well-functioning social safety nets can play an important role in protecting the poor from the negative impact that often results from such ambitious reform packages. That was the case, for example, in Mexico, Brazil, and Ethiopia where targeted social safety nets improved investments by poor households in education and productive assets. Thus, social safety nets can play an important role for medium to long-term economic and social development as envisaged in Egypt's Vision 2030.

Accordingly, the Government of Egypt began to reform and expand its social protection schemes in 2014, along with its macroeconomic reforms. Egypt has a long history of providing social support, notably the long-standing subsidization of food and the social solidarity pension system, but the redistributive benefits of these programmes have been mixed. Within this context of major structural changes, in March 2015, the Government of Egypt launched the "Takaful" and "Karama" Programme (TKP: a pair of targeted cash transfer schemes "Takaful" and "Karama"). To identify beneficiary households, the programme uses combined targeting methods that relies on Proxy Means Testing (PMT) with administrative data to identify the eligible households.¹ By August 2020, TKP have respectively benefited 3.2 million households.²

Egypt's social assistance response to COVID-19

COVID-19 has challenged Egypt's economy, which has seen a slowdown in domestic activities, leading to income loss and business closures. As a result of the pandemic, unemployment rates in Egypt rose to 9.6% in Q2 2020, with a rise of 1.9 percentage points from the previous quarter.³ The poverty rates that marked 32.5% in 2017⁴ and its severity also face a risk of being amplified as a result of the pandemic. Preliminary results from UNESCWA analysis show that poverty head count could increase by 4 percentage points by 2021 (reaching 31.9%) compared to the non-Covid-19 projection of headcount rate of 27.6%.⁵

When crisis hits, effective social protection support is often a crucial factor in determining whether families can quickly return to normality or their life paths will be permanently altered. The government has used social registry based-expansion, new applications, and cross-checks with administrative databases for social assistance expansion in response to COVID-19. Below are some of the key measures taken with regards to social assistance's response to COVID-19.

- Stepping up its social assistance response to cushion the shock for the most vulnerable populations from the looming economic crisis. Since March, the government added 309,748 new households to the Takaful and Karama Programme bringing the total number of beneficiaries to 3.2 million households.
- A one-off monetary compensation of EGP 500 for 3 months is being offered to informal workers, reaching an expected 1.9 million individuals.
- Increasing the monthly income for rural women leaders from EGP 300 to EGP 900 per month; showing support to women rural leaders on ground.
- A consumer spending initiative has been launched to offer citizens two-year, low-interest loans to pay for consumer goods discounted by up to 10-25 percent, with additional provision of ration card subsidies.
- Offering financial aid and subsidies to employees who had not been receiving salaries from companies facing the risk of closure.^{6,7}

³ CAPMAS http://capmas.gov.eg/Pages/GeneralNews.aspx?page_id=1

⁴ CAPMAS HIECS 2017

⁵ <https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/impact-covid-19-money-metric-poverty-arab-countries-english.pdf>

⁶ World Bank: <http://documents1.worldbank.org/curated/en/454671594649637530/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures.pdf>

⁷ IMF: <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#E>

¹ <https://www.unicef.org/mena/media/4971/file/EGY-SocialProtection-June2019.pdf.pdf>

² Ministry of Social Solidarity (<https://www.moss.gov.eg/ar-eg/Pages/default.aspx>)

Opportunities for making social assistance more responsive to shocks⁸

Social assistance is often designed to address typical risks faced by individuals and households along their lifecycle. 'Shock responsive' social assistance aims to extend the types of risks covered to include additional challenges which often impact many households at once such as natural hazards, economic crises, and conflict that also play a critical role in determining life outcomes. When shocks are recurrent, protracted or severe, they destabilize household economies, making a return to normal life very challenging. This progressive deterioration forces many parents/caregivers to make choices that are in direct conflict with children's rights with long term negative repercussions for children's wellbeing.

Some of the opportunities that the government can improve with regards to targeting, delivery and design to make the social assistance more shock-responsive are:

1. Using combined/ hybrid targeting designs: Social assistance programs can benefit from an increased flexibility to respond to shocks such as COVID-19 and identify the population that has recently fallen below poverty levels. Targeting methods for quick expansion after a shock can include one of the following or a combined approach to targeting. Types of targeting methods include, blanket coverage, geographical targeting, categorical targeting, or vulnerability/poverty-based targeting through, means testing, Community-based targeting and Household Economy Assessment.⁸

2. Strengthening national registries for 'missing middle': Typically, a relatively small share of the labor force is found in the formal sector. Their employment status and labor income can be monitored through their social insurance contributions or through public sector payrolls. Such databases allow governments to introduce wage subsidies, provide loans or extend unemployment benefits (where these exist). At the same time, existing lists of social assistance beneficiaries can be used to channel emergency payments quickly. Dozens of countries have increased the amounts paid, relaxing requirements (e.g., residency status), suspended conditionalities and made payments in advance. In contrast, the new beneficiaries of the COVID-19 emergency transfers tend to be those in the non-poor informal sector, the so-called 'missing middle'. In low and even middle-income countries, this is often the largest share of the population. These workers and their families may not appear in any government database. Thus, the need to strengthen national registries to mitigate and respond to any shocks.⁹



EGYPT. PHOTO: HUSSEIN-ALSHAFAI | SHUTTERSTOCK.COM

3. Understanding the cost of response before the shock, identify financial resources and pre-plan the funding required to ensure timely response and plan for timely disbursements. Supporting contingency financing and risk-layering strategies, based on a solid understanding of fiscal space and simulation of costs. It is clear that, 'fiscal space to secure social protection financing in advance of a shock is critical to the maintenance or expansion of social protection and governments that have built such space are better equipped to respond to crises.

4. Improving program communication with beneficiaries: Ensuring that social assistance benefits get delivered and that the attached conditions are followed can be a challenge. Only 2.5 percent of Takaful and Karama beneficiaries were aware that conditions would be added for continuing to receive the transfers.¹⁰ Providing timely and updated information for social assistance program beneficiaries can be difficult to implement. The social distancing context under COVID-19 has brought further challenges to the delivery of cash transfers.

5. Pathways out of poverty: Moving forward, Egypt will also need to identify which social assistance programs are the most effective at ensuring a sustainable graduation out of poverty. The right sequence of sustained support to livelihoods can have the potential of breaking the poverty cycle for the most vulnerable population through well-designed exit strategies and support to prepare beneficiaries for market activities. In 2018, The Sawiris Foundation for Social Development (SFSFD) launched the Bab 'Amal programme in cooperation with the BRAC and J-PAL, targeting the poorest families in Upper Egypt.¹¹ The programme provides beneficiaries with productive income-generating activities, improved income management and increased savings, immediate relief for basic needs, and longer-term focused mentoring.

⁸ IFPRI: <https://www.ifpri.org/publication/egypts-takaful-and-karama-cash-transfer-program-evaluation-program-impacts-and>

⁹ <http://pubdocs.worldbank.org/en/655201595885830480/WB-G2Px-Scaling-up-Social-Assistance-Payments-as-Part-of-the-Covid-19-Pandemic-Response.pdf>

¹⁰ <http://ebrary.ifpri.org/utis/getfile/collection/p15738coll2/id/132886/filename/133097.pdf>

¹¹ <https://sawirisfoundation.org/en/projects/a-door-of-hope-targeting-the-ultra-poor-tup-program>

THE GLOBAL EVIDENCE: Insights on Improving the Targeting, Delivery, and Design of Social Assistance Programs in Response to COVID-19

COVID-19 has sharply accentuated the need for robust and flexible social assistance programs around the world. The pandemic threatens to push between 40 million and 60 million into extreme poverty, and in response, nearly all countries in the world have introduced new social assistance programs or expanded existing benefits.^{12,13}

The vast array of different kinds of social assistance programs and different ways to implement them brings a host of questions and challenges for policymakers looking to expand their own safety nets. Such challenges are particularly felt in low- and middle-income contexts, where governments typically lack full information about everyone's income and poverty status due to high levels of informal economic activity. As a result, governments in these settings cannot easily use citizen information from tax records to more accurately target assistance, in addition to facing other large obstacles in program design and delivery.

Many strategies to improve the targeting, delivery, and design of social assistance programs in low- and middle-income countries have been rigorously tested using randomized evaluations. The following insights from this body of evidence can help inform governments' social assistance responses during a COVID-19 era:

- 1. Targeting:** When targeting program benefits, governments may wish to consider complementing existing targeting efforts with more flexible community-based targeting and self-targeting schemes.
- 2. Delivery:** Where possible, benefits should be distributed via digital platforms or deposited to beneficiaries' accounts to give beneficiaries greater flexibility in collecting benefits while conforming to social distancing. However, governments should pay particular attention to the details of such digital delivery mechanisms, and emphasizing beneficiaries' experience throughout.
- To improve take-up of programs, governments may also want to consider providing beneficiaries with information about program details.
- 3. Design:** When designing cash transfer programs, countries could adopt soft conditionalities and should not enforce harsh conditions unless these are desirable and likely to be met in a COVID-19 context.

Beyond cash transfers, countries should also consider designing multifaceted livelihood programs that provide beneficiaries with larger amounts of assistance.

¹² <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>

¹³ <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/295321600473897712/social-protection-and-jobs-responses-to-covid-19-a-real-time-review-of-country-measures-september-18-2020>

Targeting

When distributing social assistance benefits to program beneficiaries based on their income or poverty status, governments have several different targeting schemes to choose from. Many governments employ proxy means-tests (PMTs), wherein beneficiaries are identified according to their predicted incomes based on surveys of different and permanent household assets (i.e. such as whether a household has a metal roof). In the face of a shock such as COVID-19, however, PMT-like schemes may miss out on capturing individuals whose income has rapidly declined, given that these schemes are based on data not regularly updated and based on unchanging household characteristics.

In response, governments may wish to consider complementing existing systems with more flexible ways to target those in need. Studies on community-based targeting methods (in which the community ranks individuals according to their means and determine who should be eligible to receive a program) and self-targeting approaches (in which individuals must apply into a program to demonstrate their eligibility) show that, while imperfect, these alternative methods can improve flexibility in identifying the poor without increasing targeting error.

Community-based targeting led to much higher community satisfaction, Indonesia.

In Indonesia, compared to a PMT, community-based targeting led to much higher community satisfaction than PMTs, and was more effective at selecting households that self-identified as poor under their own definitions of poverty—such as a household's earning potential, non-income dimensions of poverty, or its number of dependents (Alatas, et al 2012). By leveraging community knowledge, community-based targeting could complement existing targeting methods to verify that those in need are not excluded during shocks such as COVID-19.



CENTRAL JAVA, INDONESIA. PHOTO: MA ANDYANTO | SHUTTERSTOCK.COM

Self-targeting reduced targeting errors, Indonesia and Kenya

Self-targeting is another complementary targeting method that may help flexibly expand social assistance programs. In Indonesia, requiring beneficiaries to travel to a center to apply for benefits reduced targeting error relative to automatic PMT-based targeting, particularly amongst the poorest of the poor. The self-targeting scheme screened out relatively richer beneficiaries who did not bother to self-select into the program (Alatas, et al. 2016).

Monthly vouchers may also reduce targeting errors, Kenya

Similarly, in Kenya, requiring individuals to self-select into a program by using vouchers (redeemed monthly) to access the program also reduced targeting error by screening out individuals who would not have used the program if they received it for free (Dupas, et al. 2019).

Mediation services increased application rates, particularly for vulnerable groups, India

However, it is important for governments to consider that imposing very large and complex bureaucratic ordeals may actually end up screening out the poor. In Delhi, India, providing eligible citizens with information about a widows' pension program and offering mediation services to help them apply increased application rates, particularly for vulnerable groups (i.e.: illiterate and less well-connected women) (Gupta, 2017). As a result, while self-targeting may be effective in contexts where the ordeal cost is reasonable, imposing high bureaucratic obstacles may reduce access to program benefits, and in these cases and particularly in responding to external shocks, it may be beneficial to provide potential beneficiaries with program information and direct assistance.

Delivery

The COVID-19 crisis, and need for social distancing, has reinvigorated the move to digital enrollment and payments systems for social programs. **In some contexts, digital ways to deliver payments have been effective at increasing beneficiaries' consumption and reducing program leakages.**

Mobile money increased users' long-term consumption and resilience to shocks in Kenya

Mobile money payments may be an appealing alternative under shocks such as COVID-19, as they provide the flexibility to collect benefits and transfer money between individuals quickly and remotely. In Kenya, quasi-experimental research shows that increased access to mobile money increased long-term consumption, reduced the number of households in extreme poverty, and provided a buffer against shocks by providing a platform for person-to-person remittances (Suri, Jack 2014, Suri, Jack 2016).



INDIA. PHOTO: SANDIP SUKHTANKAR | J-PAL/IPA

Large-scale digital delivery reforms can help reduce program leakages, but the details of their implementation matter considerably, India

Reforms that allow for digital enrollment for program beneficiaries might help governments expand benefits more efficiently in response to shocks. In Andhra Pradesh, India, using a biometric authentication system to deliver benefits directly to beneficiaries' bank accounts led to a faster, more predictable, and less corrupt payments process without adversely affecting program access. The rollout of this reform also had large ripple effects on the rural economy more broadly, raising rural incomes by increasing both private sector wages and employment. (Muralidharan, Niehaus, and Sukhtankar 2016; Muralidharan, Niehaus, Sukhtankar 2020a)

Despite these potential benefits of digitization, the details of how these new digital delivery methods are implemented matter considerably. In Jharkhand, India, the shift to a biometric authentication system did not change leakages, modestly increased transaction costs for beneficiaries on average, and substantially reduced benefits received for the minority of beneficiaries who had not linked their biometric ID to the program database prior to the shift (Muralidharan, Niehaus, Sukhtankar 2020b). The contrast with the findings from Andhra Pradesh suggests that the effects of new digital delivery methods depend on the specific rules governing how they will be used, and the flexibility they give to beneficiaries: in Andhra Pradesh, the shift to the new system emphasized the beneficiary experience and was more flexible in allowing previously unregistered beneficiaries to still claim benefits.

¹¹ https://www.ugogentilini.net/wp-content/uploads/2020/06/SP-COVID-responses_June-12.pdf

Providing beneficiaries with information can improve program access, India and Indonesia

Ensuring that programs reach those in need in times of shocks is a priority, yet beneficiaries might not have the information required to access or learn about their benefits. In addition to digital reforms, governments can better ensure programs reach intended beneficiaries by ensuring that beneficiaries are aware of their entitled benefits and know how to receive them. Similar to how providing beneficiaries information about a widow's pension program improved access in India (Gupta, 2017), a study in Indonesia found that sending households official identification cards with information about the benefits they were eligible to receive from a national subsidized rice program led to a 26 percent increase in the benefits that eligible households received and a large reduction in program leakage (Banerjee et al 2018).

Design

Social assistance responses can vary widely in their design, from offering in-cash or in-kind benefits to changing their size, frequency, and conditionality. Cash-based measures have been a ubiquitous global response to COVID-19, with 271 targeted cash transfers programs implemented across 131 countries in response to the pandemic as of June 2020.¹³

Unconditional transfers can offer some protection from humanitarian and economic shocks, but are not enough to shield households completely, Kenya

Recent findings from a long-term unconditional cash transfer study in Kenya in the context of COVID-19 suggest that cash benefits can help hard-hit households weather the shock of the pandemic, but are not enough to shield households completely from the economic hit (Banerjee, et al 2020). Researchers found that, although the income gains from small businesses started before the pandemic were wiped out when the pandemic hit in May and June 2020, transfer recipients experienced modestly better food security and physical and mental health than those who had not received transfers, along with some positive impacts on public health indicators.

In general, cash assistance programs do not disincentivize beneficiaries from work, Honduras, Indonesia, Morocco, Mexico, Nicaragua, Philippines

Beyond helping individuals respond to shocks, cash assistance programs can have a positive impact on livelihoods in a non-COVID context. Past studies on *conditional* cash transfers (CCTs) have shown that they can lead to significant and lasting (Hanna, Olken et al. (2018) improvements in a variety of outcomes (Fiszbein and Schady 2009) including children's health (Gertler (2004), school enrollment (Schultz (2004), and consumption (Gertler et al. (2012). Despite a common

concern that such cash programs might disincentivize work, a re-analysis of randomized evaluations of cash transfers in Honduras, Indonesia, Morocco, Mexico, Nicaragua, Philippines found no systematic evidence that cash transfer programs discourage work in these contexts (Banerjee, et al 2017).

Being flexible with conditionalities during shocks might not dampen the positive effects of cash transfers, Morocco

In a COVID context, however, some of the conditions attached to cash benefits might be unfeasible or undesirable to enforce, such as conditions to programs that require in-person gatherings. Insights from studies comparing cash transfers with different degrees of conditionalities show that being flexible in conditions may not dampen the positive effects of cash transfers. In Morocco, labeled cash transfers—which communicated the explicit goal of keeping children enrolled in school, but did not formally condition benefits on enrollment—improved educational outcomes more than conditional cash transfers, as the labeled transfers increased the salience of education (Benhassine et al. (2015)).

Enforcing strict conditionality might have unintended negative consequences, Malawi

Indeed, enforcing conditions stringently might actually lead to the exclusion of the vulnerable and discourage households from applying for benefits. In Malawi, while a conditional cash transfer program (conditional on school attendance) increased test scores relative to an unconditional transfer, the unconditional transfer had a larger effect in reducing marriage amongst schoolgirls and childbearing rates, as girls in this group did not lose their benefits if they dropped out of school (Baird et al 2011).

Breaking the poverty of cycle through 'graduation' programs, Bangladesh, Ethiopia, Ghana, Honduras, India, Pakistan, and Peru

While the above cash-based social assistance programs might help beneficiaries deal with shocks and improve short-term and long-term outcomes, often a single cash transfer program might not be enough to ensure that beneficiaries successfully remain out of poverty. Successfully escaping the harsh conditions that reinforce poverty—that is, escaping the “poverty cycle”—may require a bigger push. Researchers have tested the impact of multifaceted livelihood programs that provide ultra-poor households with a set of complementary social benefits, including cash assistance as well as a productive asset, training, regular coaching, and access to savings, with the ultimate goal of “graduating” them out of poverty. In Bangladesh, Ethiopia, Ghana, Honduras, India, Pakistan, and Peru, this “graduation approach” led to large and lasting impacts on beneficiaries' standard of living (J-PAL Policy Insight; Bandiera, et al 2017; and Banerjee, et al 2015). In particular, researchers in Bangladesh found evidence that this big-push approach can enable people to escape poverty cycles by taking on more productive occupations (Balbolni, et al 2020).

THE CASE FOR EVIDENCE: Why Evaluate? What are Evaluations? What are Randomized Evaluations?

Why Evaluate?

The purpose of evaluation is not always clear, particularly for those who have watched surveys conducted, data entered, and then the ensuing reports filed away only to collect dust. This is most common when evaluations are imposed by others. If, on the other hand, those responsible for the day-to-day operations of a program have critical questions, evaluations can help find answers. As an example, the NGO responsible for distributing chlorine pills may speak with their local field staff and hear stories of households diligently using the pills, and occasionally see improvements in their health. But each time it rains heavily, the clinics fill up with people suffering from diarrheal diseases. The NGO might wonder, “If people are using chlorine to treat their water, why are they getting sick when it rains? Even if the water is more contaminated, the chlorine should kill all the bacteria.” The NGO may wonder whether the chlorine pills are indeed effective at killing bacteria. Are people using it in the right proportion? Maybe our field staff is not telling us the truth. Perhaps the intended beneficiaries are not using the pills. Perhaps they aren’t even receiving them. And then when confronted with this fact, the field staff claims that during the rains, it is difficult to reach households and distribute pills. Households, on the other hand, will reply that they most diligently use pills during the rains, and that the pills have helped them substantially. Speaking to individuals at different levels of the organization, as well as to stakeholders, can uncover many stories of what is going on. These stories can be the basis for theories. But plausible explanations are not the same as answers. Evaluations involve developing hypotheses of what’s going on, and then testing those hypotheses.

What are Evaluations?

The word “evaluation” can be interpreted quite broadly and have varying meanings to different people and organizations. Engineers, for example, might evaluate or test the quality of a product design, the durability of a material, the efficiency of a production process, or the safety of a bridge. Critics evaluate or review the quality of a restaurant, movie, or book. A child psychologist may evaluate or assess the decision-making process of toddlers. The researchers at J-PAL evaluate social programs and policies designed to improve the well-being of the world’s poor. This is known as program evaluation. Put simply, a program evaluation is meant to answer the question, “How is our program or policy doing?” This can have different implications depending on who is asking the question, and to whom they are speaking. For example, if a donor asks the NGO director “How is our program doing?” she may imply, “Have you been wasting our money?” This can feel interrogatory. Alternatively, if a politician asks her constituents, “How is our program doing?” she could imply, “Is our program meeting your needs? How can we make it better for you?” Program evaluation, therefore, can be associated with positive or negative sentiments, depending on whether it is motivated by a demand for accountability versus a desire to learn.



PERU. PHOTO: SERGIO DE MARCO | IPA

J-PAL works with governments, NGOs, donors, and other partners who are more interested in learning the answer to the questions: How effective is our program? This question can be answered through an impact evaluation. There are many methods of conducting impact evaluations; J-PAL focuses on randomized evaluations.

What are Randomized Evaluations?

A randomized evaluation is a type of impact evaluation that uses random assignment to allocate resources, run programs, or apply policies as part of the study design. Like all impact evaluations, the main purpose of randomized evaluations is to determine whether a program has an impact, and more specifically, to quantify how large that impact is. Impact evaluations measure program effectiveness typically by comparing outcomes of those (individuals, communities, schools, etc.) who received the program against those who did not. There are many methods of doing this, but randomized evaluations are generally considered the most rigorous and, all else equal, produce the most accurate (i.e. unbiased) results.

At a very basic level, a randomized evaluation can answer the question: Was the program effective? But if thoughtfully designed and implemented, it can also answer the questions, “How effective was it? Were there unintended side-effects? Who benefited most? Who was harmed? Why did it work or not work? What lessons can be applied to other contexts, or if the program was scaled up? How cost-effective was the program? How does it compare to other programs designed to accomplish similar goals?”