



# Comments on “Randomized Evaluations in Development Economics” by Abhijit Banerjee

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# Re-emphasize Banerjee's points: Why randomized evaluations?

- With limited resources (and unlimited needs), conflicting interests, how can one advise policymakers without knowing the impact?
  - Impact evaluations ought to be an integral part in the policy formation process.
- Traditional non-experimental approaches – focus on convincing the reader that causal effects are estimated.
- With randomized trial, focus on understanding /analyzing the problem at hand.
  - Policy/Scientific debate is not whether the researcher has managed to convincingly assess impact, but rather what the impact implies.
- Focus on “new” question – try out ideas that have not been tried before (in a systematic way)



## Additional points

- The comparisons with medical trials.
- The same "gold standard" method to assess impact – but focus different – i.e. focus on behavioral responses
- Example: Community-based, randomized, field trials in medicine address the question of impact of a biological agent or treatment practice when health workers competently carry out their tasks,
- Economist "comparative advantage": How to ensure that the health workers competently carry out their tasks
- In both cases, impact is health utilization and health outcomes.



## Additional points

- Randomized evaluation have predominately been used to assess impact of "inputs", or mix of inputs, broadly defined (textbooks, drugs, additional teachers, etc.)
- But can just as well be used to study "processes": Participation, Grassrote monitoring, Conflict reconciliation, etc.
- Lately a shift to more broadly study incentives.



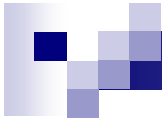
## Example: Grassrote monitoring

- Approximately 11 million children under-five die each year. More than half of these children will die of diseases that could easily have been prevented or treated if the children had had access to a small set of inexpensive services
- These services have been proven to be very effective in community-based, randomized, field trials, but they are not used. Why?
- Lack of resources? Lack of knowledge?
- Processes/institutions: Ineffective systems of monitoring and weak accountability relationships?



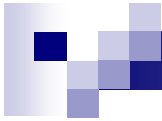
## Example: Grassrote monitoring

- Can we strengthen the users role and have them participate more actively in monitoring health care providers, and if so, does it matter?
- A randomized field experiment in Uganda, where local NGOs disseminated information about how things work and should work and organized “accountability” meetings in the communities.
  - A year after the intervention, treatment communities are more involved in monitoring the provider and the health facility staff appear to exert higher effort to serve the community.
  - Large increases in utilization and improved health outcomes (30 % reduction in under-5 mortality) that compare favorably to some of the more successful community-based intervention trials reported in the medical literature.



# Keep in mind

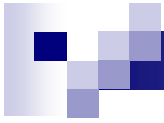
- Likely to be a bias (at least if one looks back some years) in the type of projects being evaluated towards projects that are easy to evaluate.
- Important to keep in mind when arguing for an "evidence-based" policy agenda
- For example, in social service delivery, adding new or additional inputs, or changing the mix of resources at schools or health clinics, are interventions that are "easy" to evaluate but are they the most important problems in social service sectors in developing countries?



## Keep in mind – Incentive problems

- Key constraint – implementation (at all levels) of projects/programs
  - Teachers and health workers, even when inputs are available, do not teach or treat patients. Why?
  - A country's ability to improve service delivery outcomes is not only (sometimes not even primarily) determined by what happens at the school or health clinic level, but by the behavior of different actors involved in the design/implementation of policy.
- Implication: since implementation of social service delivery in developing countries is often plagued by inefficiencies and corruption, interventions that focus on improving governance of social services may be a cost-effective way to improve service delivery outcomes.





## Good news

- “Governance” interventions are feasible to evaluate using randomized field trials!
- Some have been done more in the pipeline.