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IDB

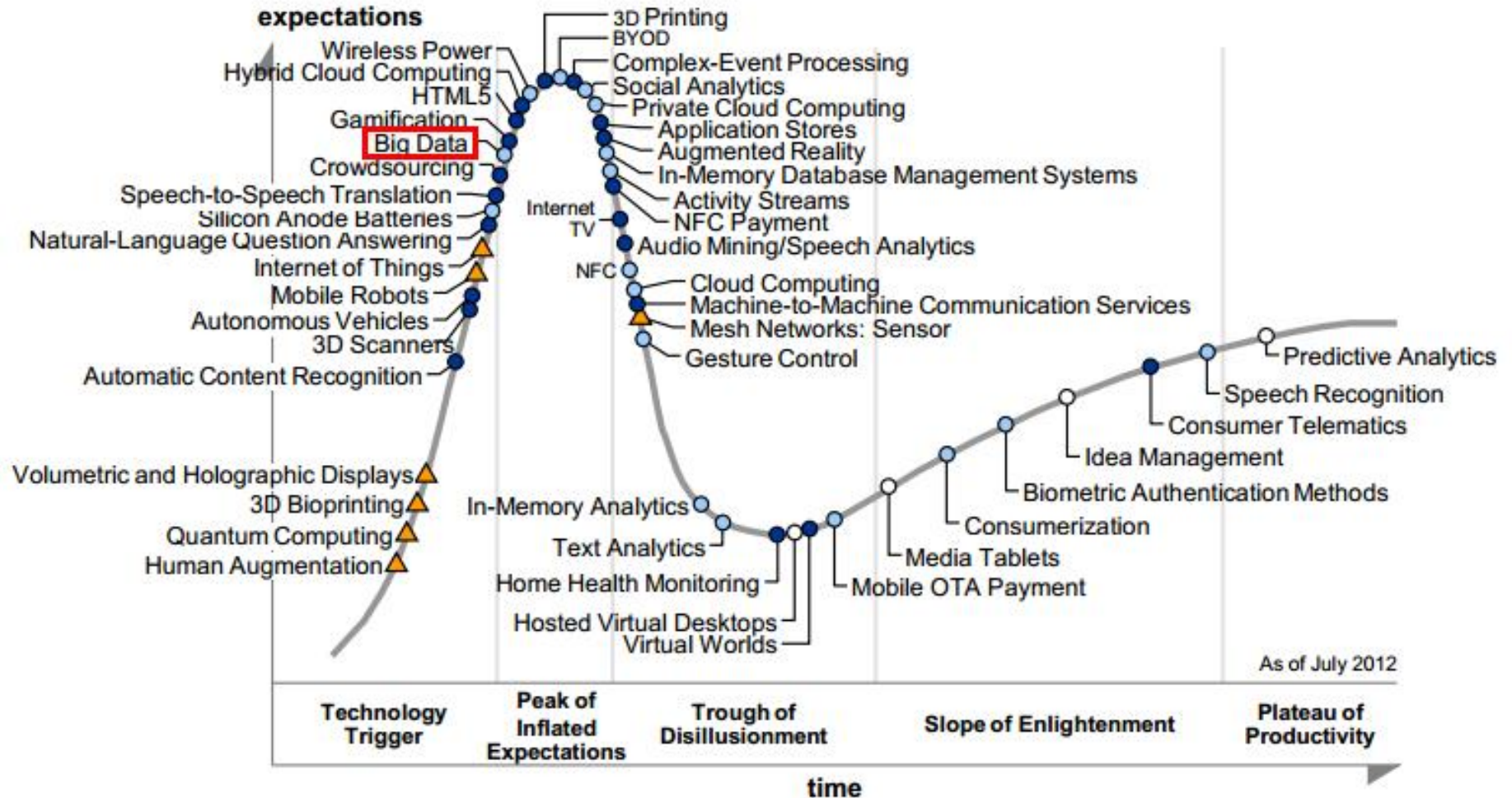
October 24, 2013

Impact Evaluation as a Learning Tool for Development Effectiveness

Overview

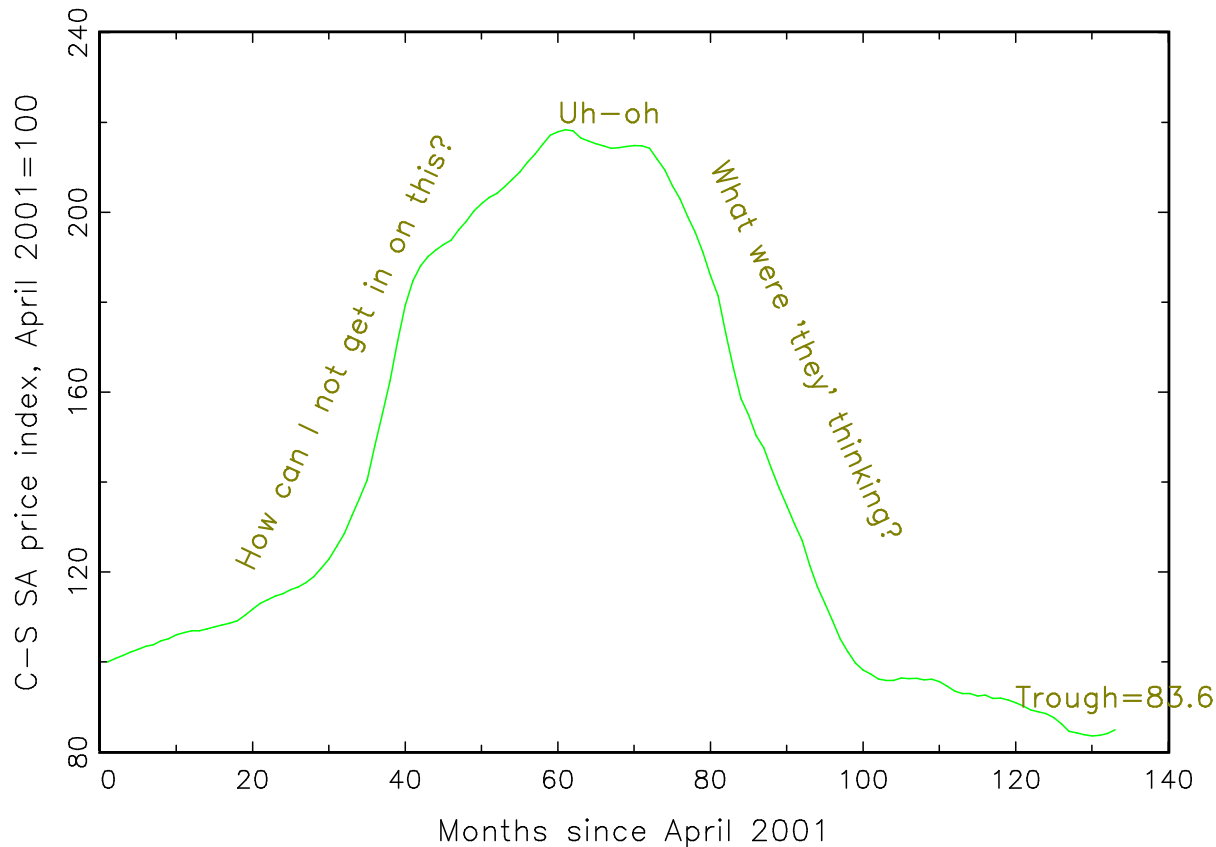
- Most of the rhetorical claims about the importance of “rigorous” impact evaluation for development are without any evidentiary basis, empirically wrong, scientifically naive
- The future is to build more rigorous methods into a realistic positive model of (a) policy changes, (b) organizational capability for implementation and (c) domain relevant learning
- Our research agenda is working on (b)—Problem Driven Iterative Adaption (PIDA) and (c) MeE (Monitoring, experiential learning, and Evaluation) as a sub-component of that.

Emerging Technologies Hype Cycle 2012



RCTs are a bubble---we are about at the “Uh-oh” stage

Figure 1: The anatomy of a bubble: House prices in Las Vegas



Two lines of argumentation for RCTs

RCT AS A WAY TO DO RESEARCH

- The “identification” problem bedevils attempts to extract empirical estimates of either “deep structural parameters” or causal impact from non-experimental data.
- The claim is that only experiments (or ‘as good as’) can produce “rigorous” evidence.

RCT AS A DEVELOPMENT PROJECT

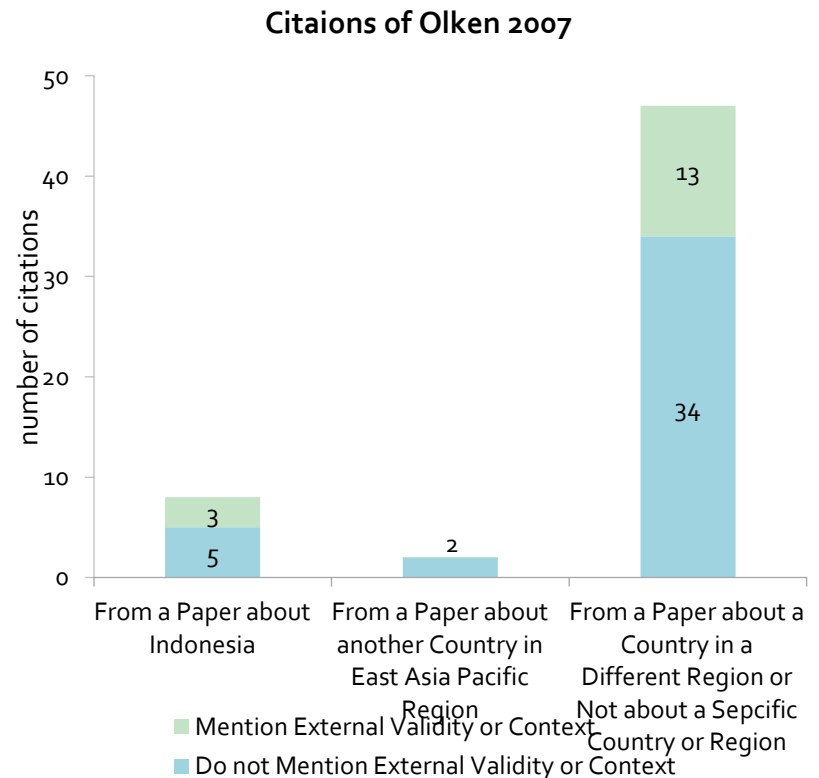
- “Development project” is the use of inputs to produce outputs to affect outcomes of human well-being in developing countries.
- An effective development project must be based on a complete and coherent causal change from action to outcome—with a correct positive model of all actors.

Bracket the argument about RCTs as a tool for research...except...

EXTERNAL VALIDITY CLAIMS ARE ESSENTIAL BUT WRONG

- Claims that RCT evidence is more “rigorous” are incoherent and indefensible (paper with Justin Sandefur)
- Simplest possible (e.g. OLS) contextual evidence can be better at predicting casual impact than RCT evidence from another context—depends on variances and mostly seem to go the wrong way for RCTs (e.g. true contextual variation bigger than methodological error)

MOST USES OF RIGOROUS EVIDENCE AREN'T RIGOROUS



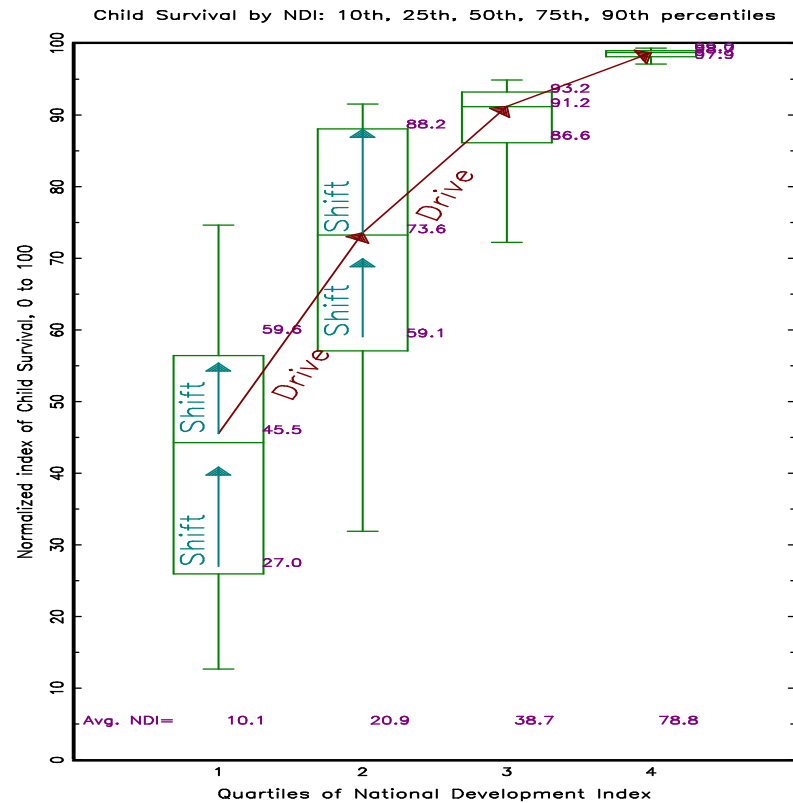
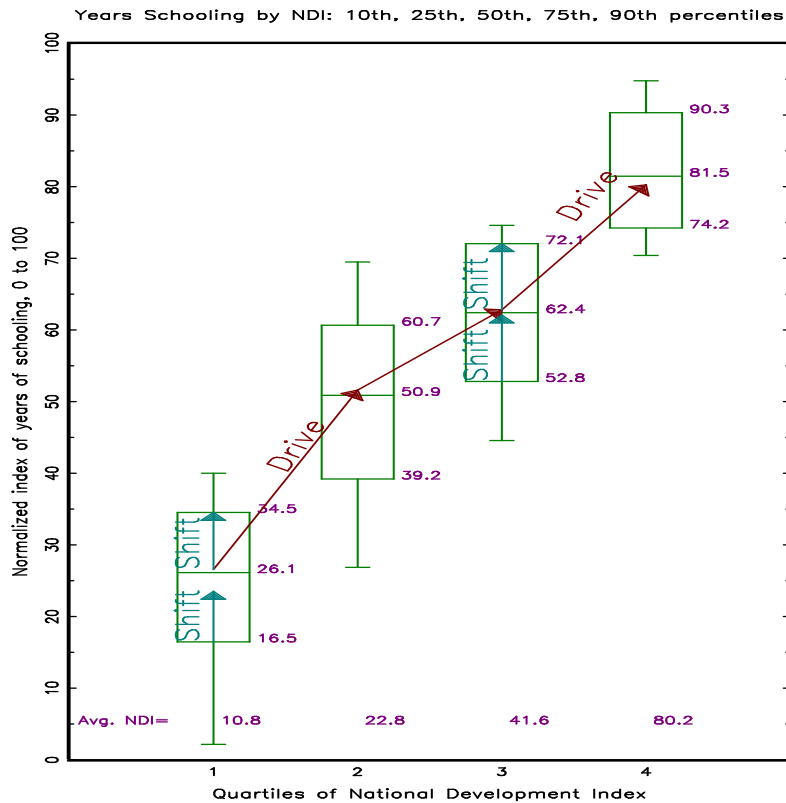
RCTs for development impact...wrong on every point

- Wrong mode of what is important for well-being and whether or not RCTs are even possible for those topics
- Wrong about the positive model of the adoption of “better” policy or practices
- Wrong about the model of capability for policy implementation (outside of a narrow range of mostly already done things)
- Wrong about learning (outside a narrow range of things)

National Development (four-fold transformation of society/nation) solves all ills

- National development is a four-fold transition to more productive economies (citizens are prosperous), more responsive polities (citizens control sovereign), capable administration (collective action is effective) and social equality (treatment not conditioned on birth)
- Get those right and all issues of absolute deprivation in the world are solved—the independent role for “policy” is small (as its endogenous)

National Development Solves all ills...



Source: Kenny and Pritchett (2013)

The years of the post WWII “pax americana” have been the best period for human progress in the history of man—by an order of magnitude

SOCIETY MEASURES

- End of colonialism
- Economic growth—rapid in many, constant in many (some laggards)
- Push for greater social equality (end of apartheid, erosion of caste)
- Massive increase in democracy

INDIVIDUALISTIC MEASURES

- Rising incomes
- Declining poverty
- Rising education levels
- Rising health
- Lowered fertility/population growth
- Greater human equality in treatment
- Greater individual freedoms

Suppose it were true that the constraint to better policy was lack of rigorous evidence

HYPOTHESES ABOUT LEARNING IN SCHOOL

- Policy should be based on existing evidence
- New evidence should produce policy changes
- People should be seeking new evidence

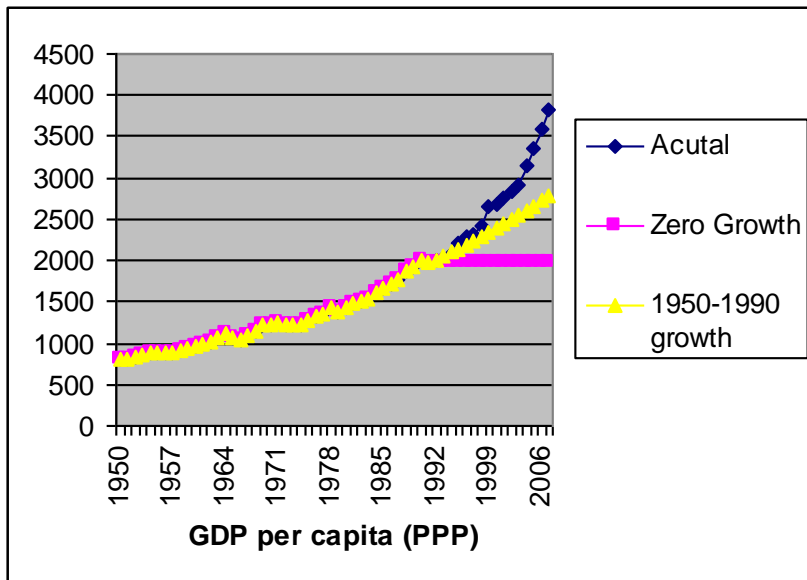
REALITY CHECK

- Wrong. Marginal product per dollar off by *orders of magnitude* compared to efficiency
- Wrong. Weak relationship between what is adopted (e.g. smaller class sizes) and what has evidence
- Wrong (and self-contradictory). People don't want it

Look at recent successes and their causes

- Lowered and tamed inflation
- Spread of cell phones
- Improvement in health indicators
- Expansion of schooling
- Higher growth in India, China, Vietnam (etc.)

Well-being gains from the 1990s reforms in India exceed the previous 20 years of aid, plausibly by an order of magnitude



Gains from post-reform growth (relative to counter-factual) adjusted to OECD marginal utility in **trillions**

Marginal utility:	Counter-factual “without reform” growth rate	
	0%	2%
Constant	\$2.10	\$1.18
1/y	\$20.63	\$11.57
1/y ²	\$202.47	\$113.49

Cumulative *global* aid, 1970-1990: ~1 trillion

US GDP 12 trillion

Any of a number of reform initiated growth episodes could, *by themselves* justify decades of the entire endeavor of aid



Widjojo, the Indonesian economist

Country	Growth Episode	Total gains in <i>trillions</i>		
		Relative to Counter-factual growth rate of:		Gains with log Utility (2 ppa)
		0	2 ppa	
Indonesia	1966-2007	1.22	0.70	5.91
Vietnam	1986-2007	0.21	0.15	1.68

A realistic model of building organizational capability for policy implementation?

- Models of policy often either ignore policy implementation or have a “capacity” model of “training” workers to follow a script.
- But studies are showing “implementation” is a key constraint (e.g. “Band-aids on a corpse”) in the sense that RCTs cannot implement the intervention as designed to evaluate its impact, if implemented
- Bold et al 2013 show that “rigorous” evidence about impact does not generalize across organizations *even in the same country* as the “same” intervention had different impacts when scaled

Taxonomy of activities by implementation intensity

Implementation Light: Policy or Concentrated elite services



Logistics



Implementation Intensive Service Delivery Policy



Implementation Intensive Imposition of Obligation



Wicked Hard



You cannot beat a turtle into moving

**THE HEAD HAS TO COME OUT
FOR THE BODY TO MOVE**



**ORGANIZATIONS CAN SURVIVE
EXTERNAL ATTACK...BY NOT MOVING**

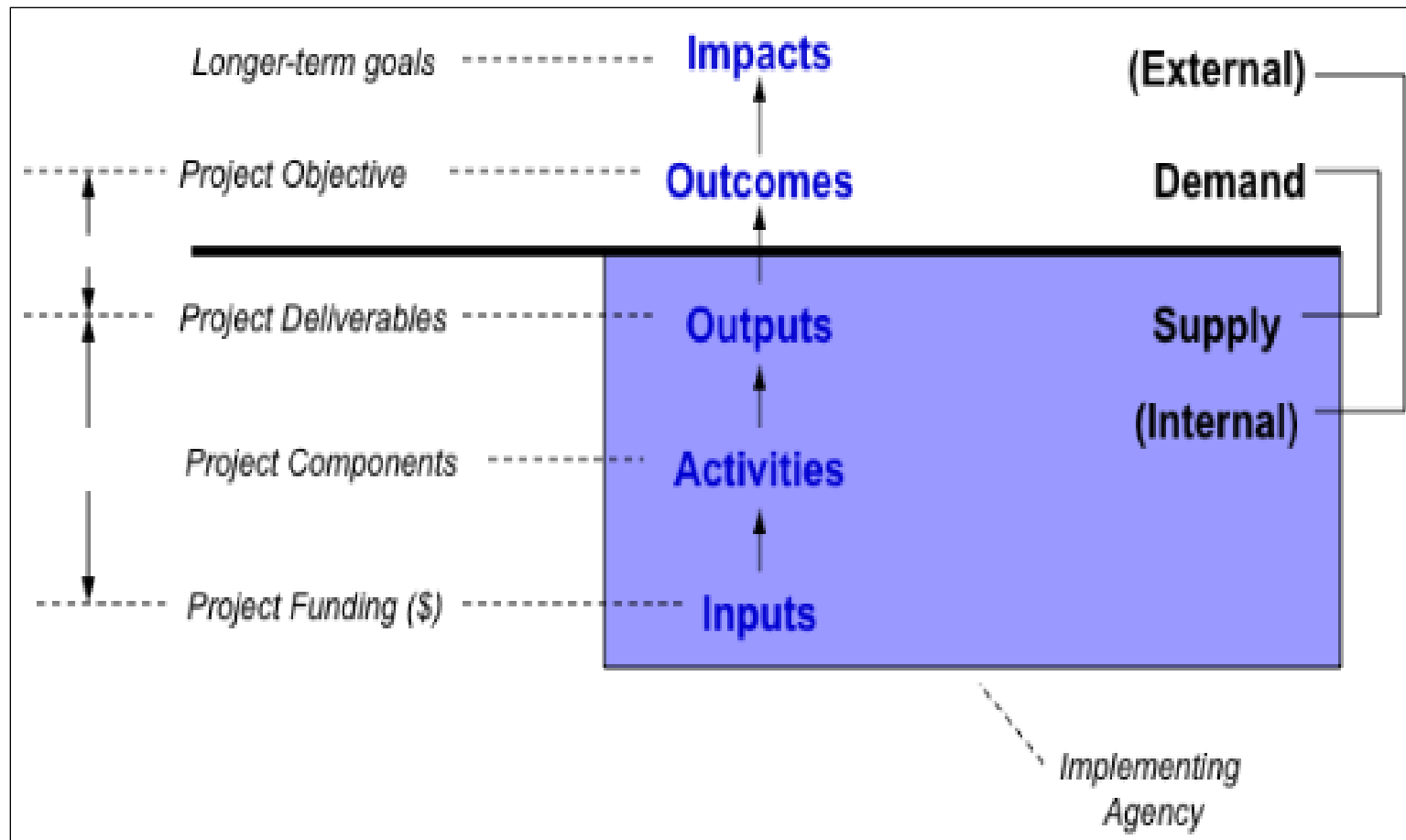


Four Principles of PDIA (Problem-Driven Iterative Adaptation) for “implementation intensive” activities

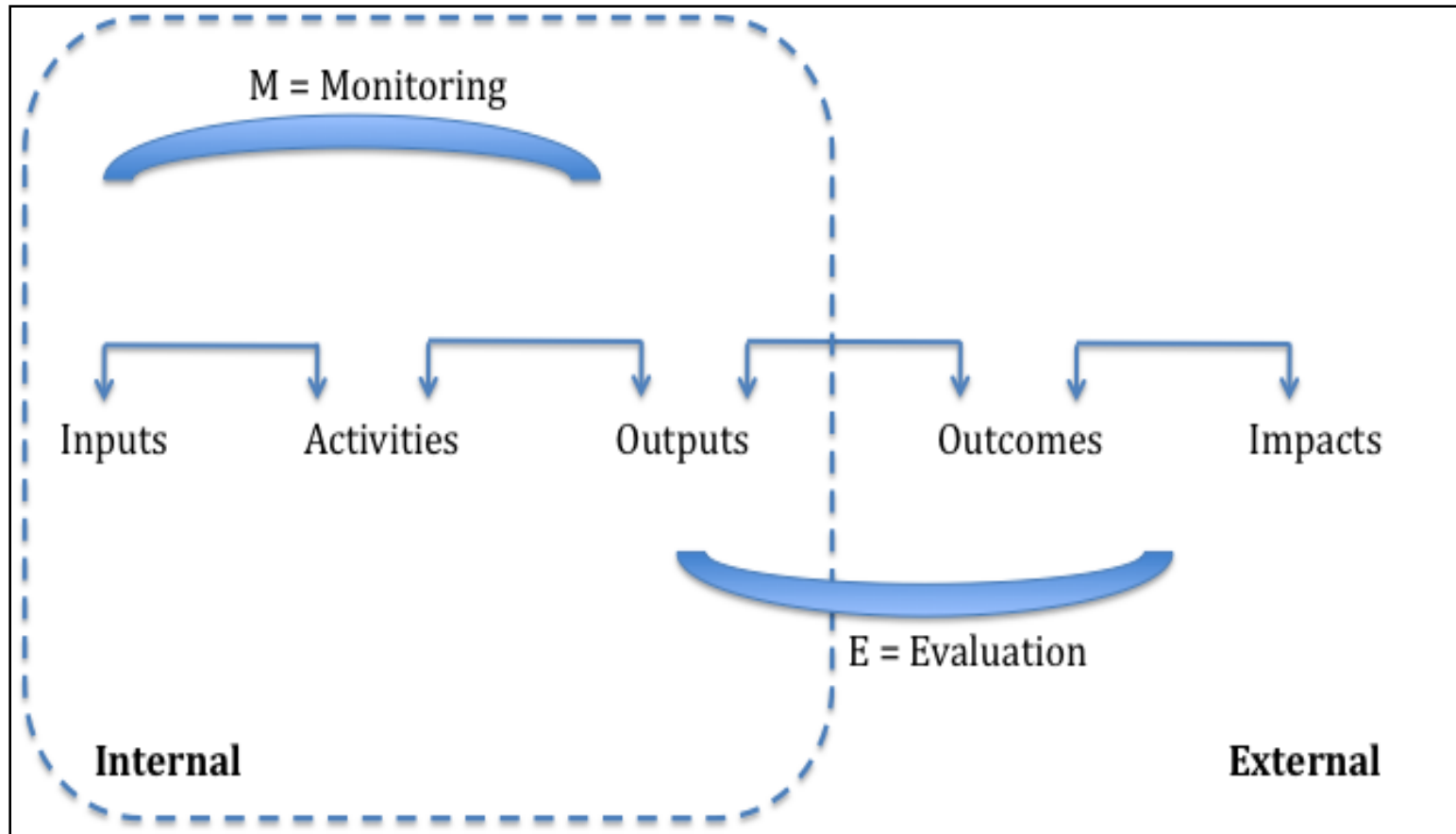
1. Local Solutions for Local Problems
2. Pushing Problem Driven Positive Deviance
3. Try, Learn, Iterate, Adapt (MeE)
4. Scale Learning through Diffusion

This section is based on Andrews, Pritchett and Woolcock 2013 (forthcoming)

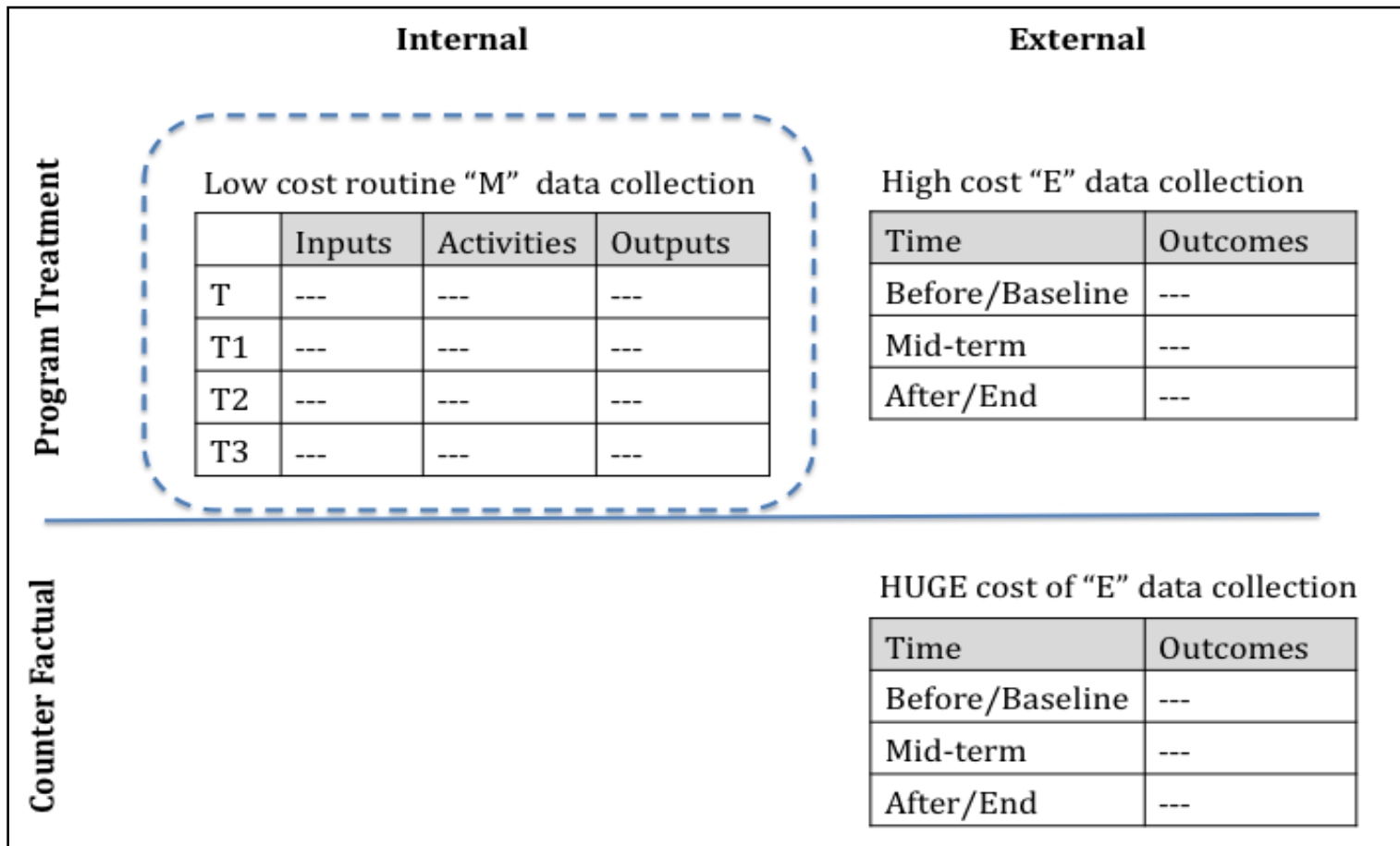
A "development project"



Traditional characterizations of M&E



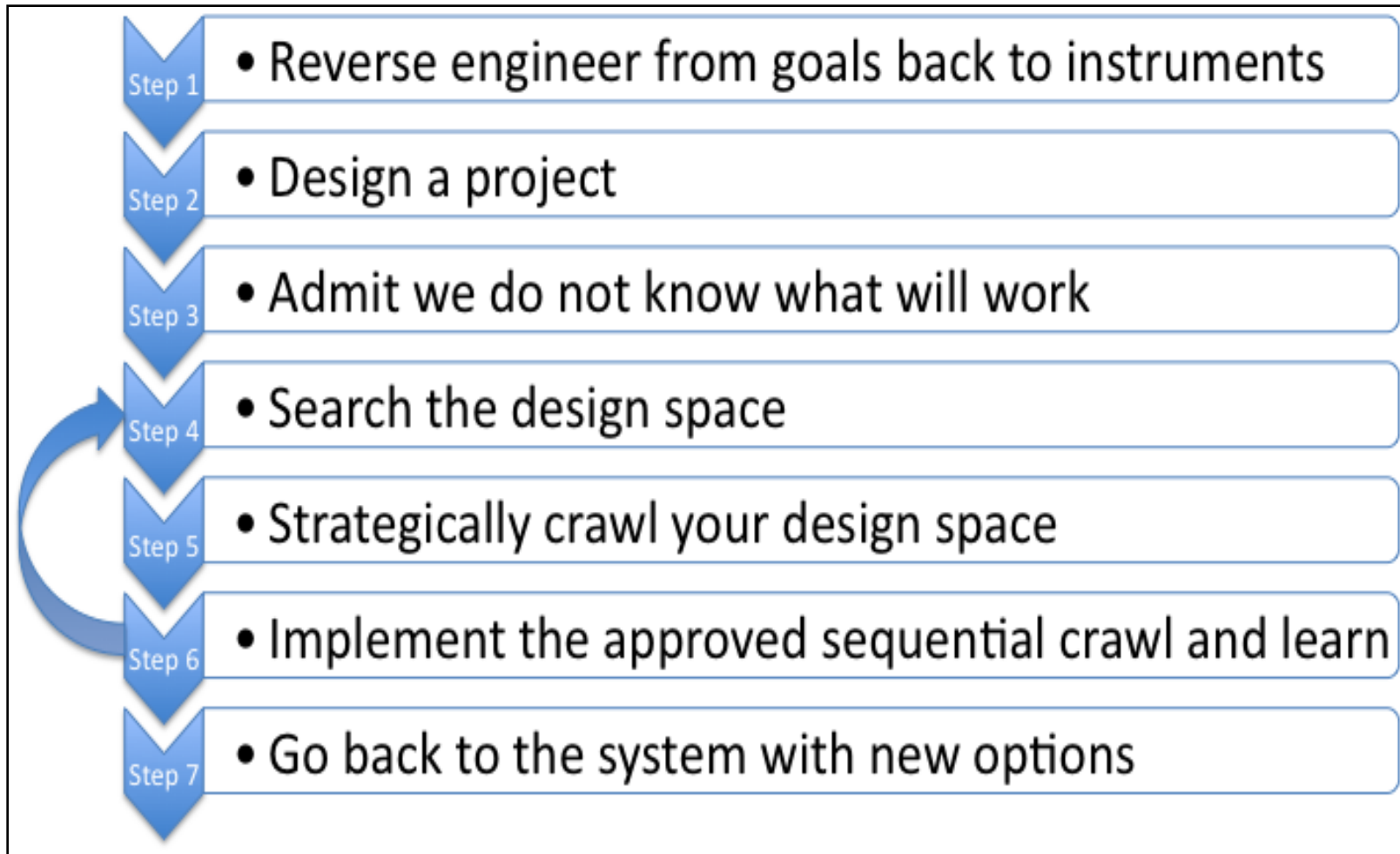
Timing and costs of various types of data



Little e: more rigorous experiential learning

- Use “M” (which exceeds “E” by order of magnitude) as part of learning
- Use “supervision” as a structured learning exercise.
- Allow implementers to “crawl the design space” in search of what works before (or along with) “external” big E

A seven step (some iterative) process of little "e" of development projects



You cannot juggle without the struggle

- “Communities of practice” will be resistant to impact evaluation that is seen (correctly) to be hostile to their interests (“It Pays to be Ignorant” (Pritchett 2004))
- Within “Communities of Practice” only learning is learning—that is practices diffuse rather than are imposed.
- Next generation “evaluation” has to balance being a tool of fiduciary accounting and providing practitioners more effective *accounts*