



ideas

42

BEHAVIORAL APPROACHES TO ENHANCE CASH TRANSFERS

Laura Rawlings, Andrea Vermehren, and Tasmia Rahman, World Bank

Achille Razakatoanina, Social Fund for Development, Madagascar

Saugato Datta and Josh Martin, ideas42

INTRODUCTION TO TODAY'S SESSION

Laura Rawlings, World Bank

LOOKING FORWARD IN SAFETY NETS

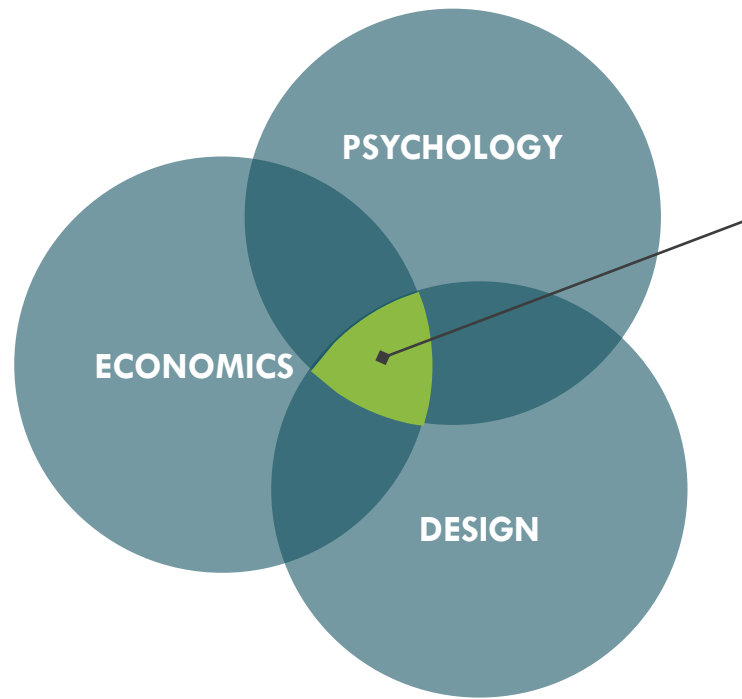
- As cash-based Social Safety Net (SSN) programs evolve, it will be important to
 - **Scale up** (and down) SSN flexibly, with limited administrative capacity;
 - **Strengthen** development impact of SSN towards human capital and economic inclusion/graduation; and
 - **Adapt** programs to hard to reach beneficiaries (IDPs, refugees, disaster response, etc.) and regions (conflict affected, etc.).

Behavioral interventions can contribute to master these challenges in a low capacity environment.

INTRODUCTION TO BEHAVIORAL SCIENCE

Saugato Datta, ideas42

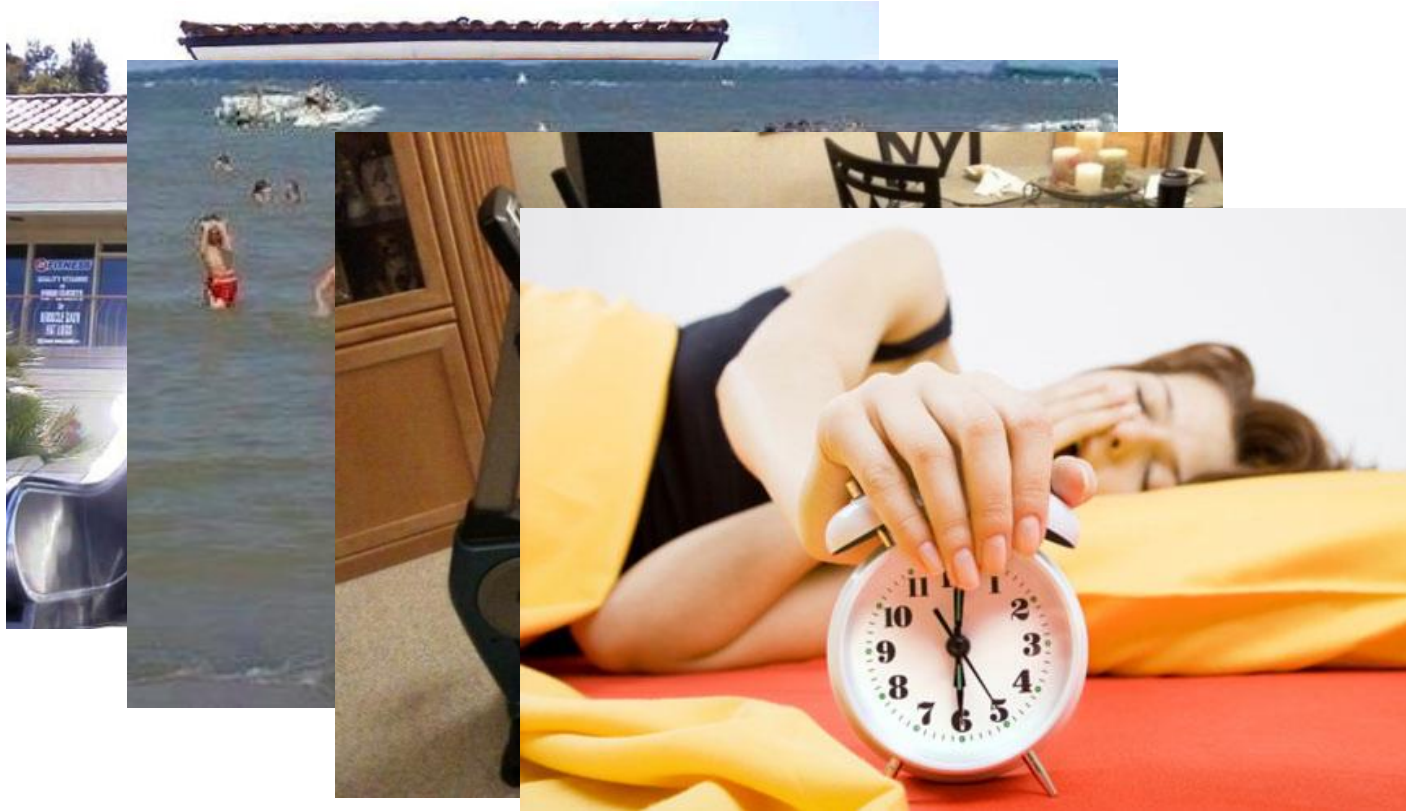
WHAT IS APPLIED BEHAVIORAL SCIENCE?



ideas⁴²

We use a **deeper understanding of humans** to reinvent the practices of institutions, create better products and policies, and teach others, ultimately striving to generate lasting social impact and **promote health, wealth, justice, and sustainability for all.**

WEIRD THINGS WE OTHER PEOPLE DO

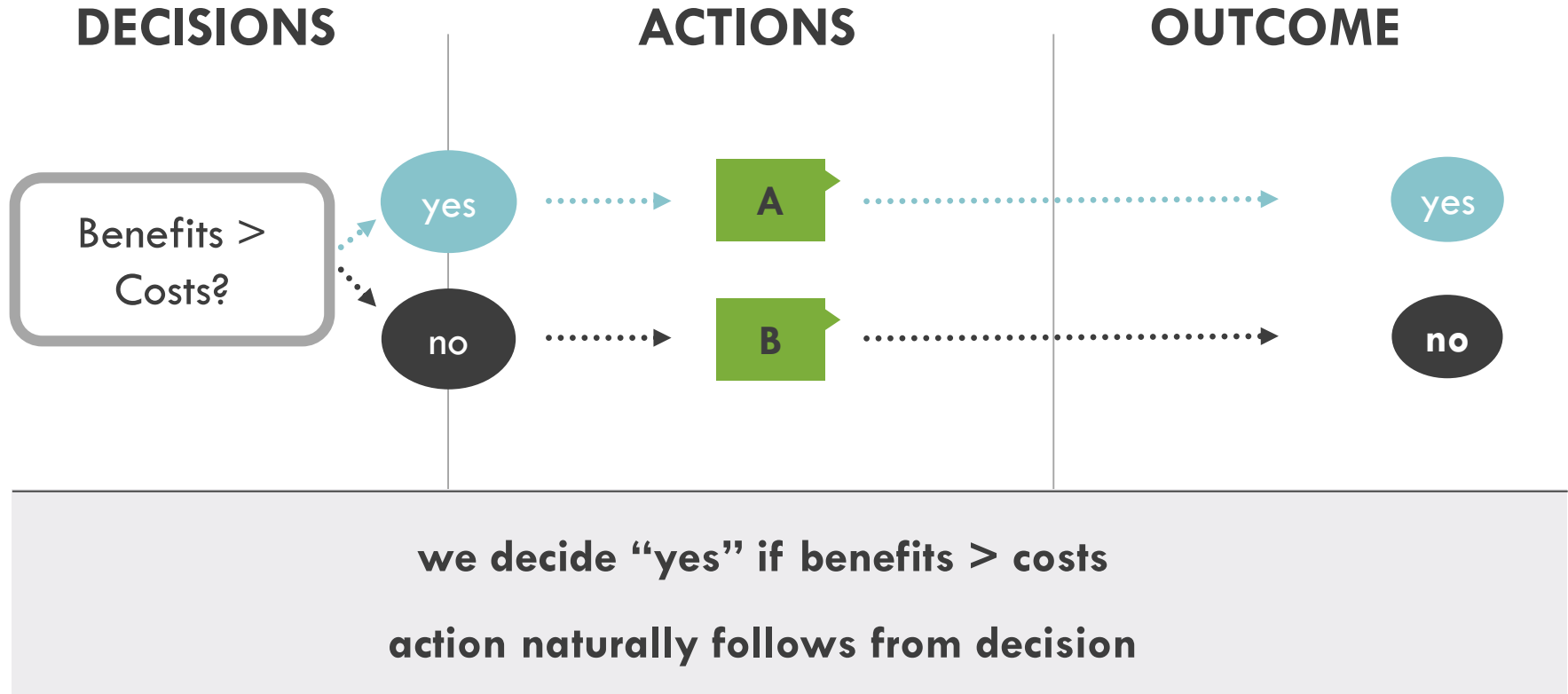


**How programs and services
are usually designed**



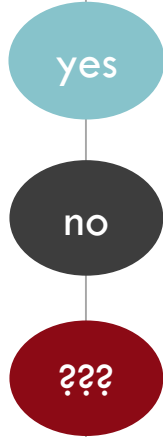
**Reality of human
behavior**

THE STANDARD MODEL OF HUMAN BEHAVIOR



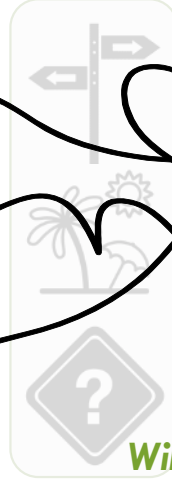
HOW WE ACTUALLY BEHAVE

DECISIONS



Failed to choose, didn't consider at all, and this looks like "no"

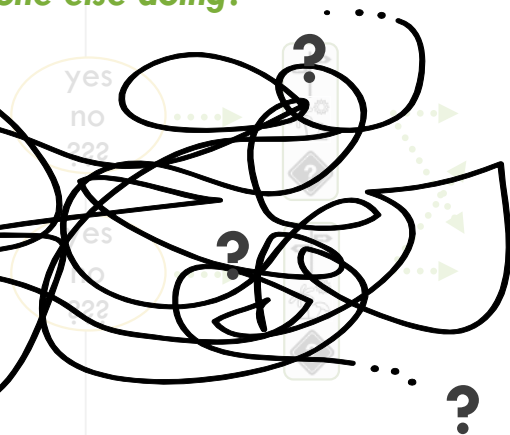
ACTIONS



Will it take long?

OUTCOME

What's everyone else doing?

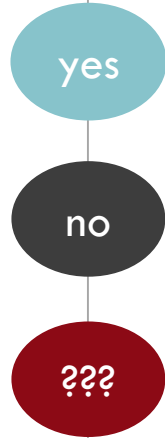


Can I just do it tomorrow?

Process often changes decision

HOW WE ACTUALLY BEHAVE

DECISIONS



Failed to choose, didn't consider at all, and this looks like "no"

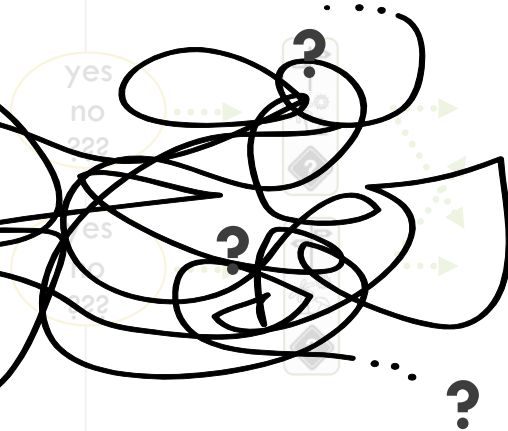
ACTIONS



Social norms

Hassle factors

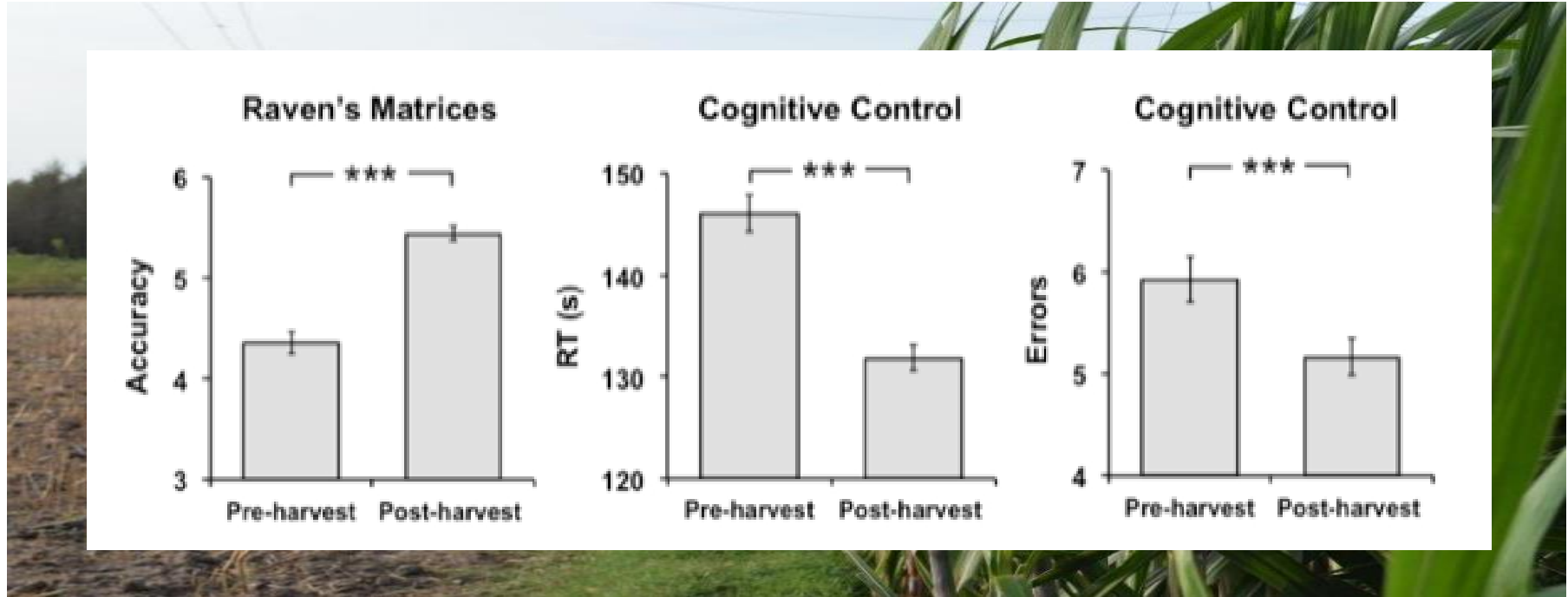
OUTCOME



Procrastination

Process often changes decision

POVERTY IMPEDES COGNITIVE FUNCTION AND TAKES UP BANDWIDTH



Mani, Anandi, Sendhil Mullainathan, Eldar Shafir, and Jiaying Zhao. 2013. "Poverty Impedes Cognitive Function." *Science* 341 (6149): 976-980

POVERTY CARRIES THE BURDENS OF STIGMA



INTENTION – ACTION GAP



Intention



Action

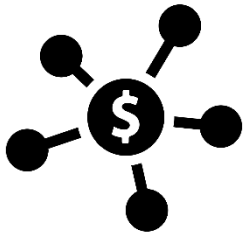
BEHAVIORAL SCIENCE TAKEAWAYS



People are complicated, though sometimes in systematic or predictable ways

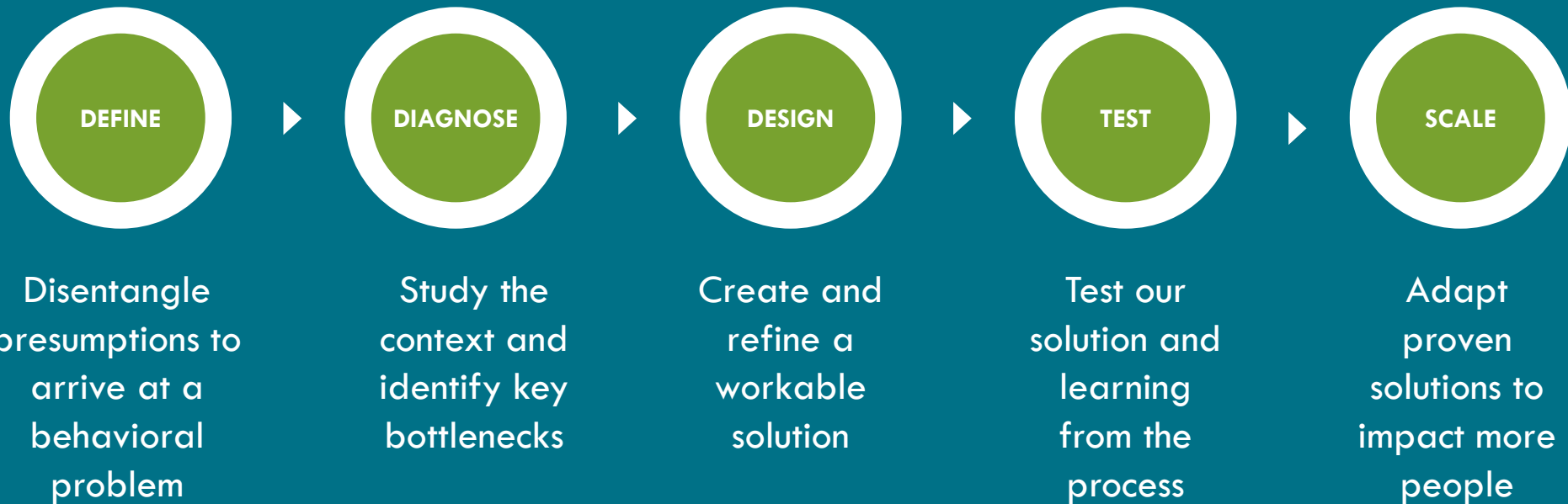


Behavioral science shows many ways seemingly small contextual or design factors can have outsized impact



Research insights can be applied at low/no cost to improve outcomes with high returns, helping organizations optimally use limited resources

A METHOD TO THE MADNESS



WHY AND HOW DO WE USE BEHAVIORAL SCIENCE IN CASH TRANSFER PROGRAMS?

Andrea Vermehren, World Bank

INTRODUCTION: TRENDS IN SAFETY NET PROGRAMS

1. Greater use of cash transfers as safety net and humanitarian response
2. Objectives evolving
 - response to climate change and man-made shocks (refugees, IDPs)
 - Promoting economic inclusion and building resilience
 - promoting human capital development, especially among children
 - Focus on women's empowerment
3. Wider range of design elements, including in the 'cash +' area to promote human development and economic inclusion
4. Introduction of safety nets in urban areas
5. Focus on building tools and systems to increase the efficiency and coordination of programs, e.g. links with national ID systems etc.

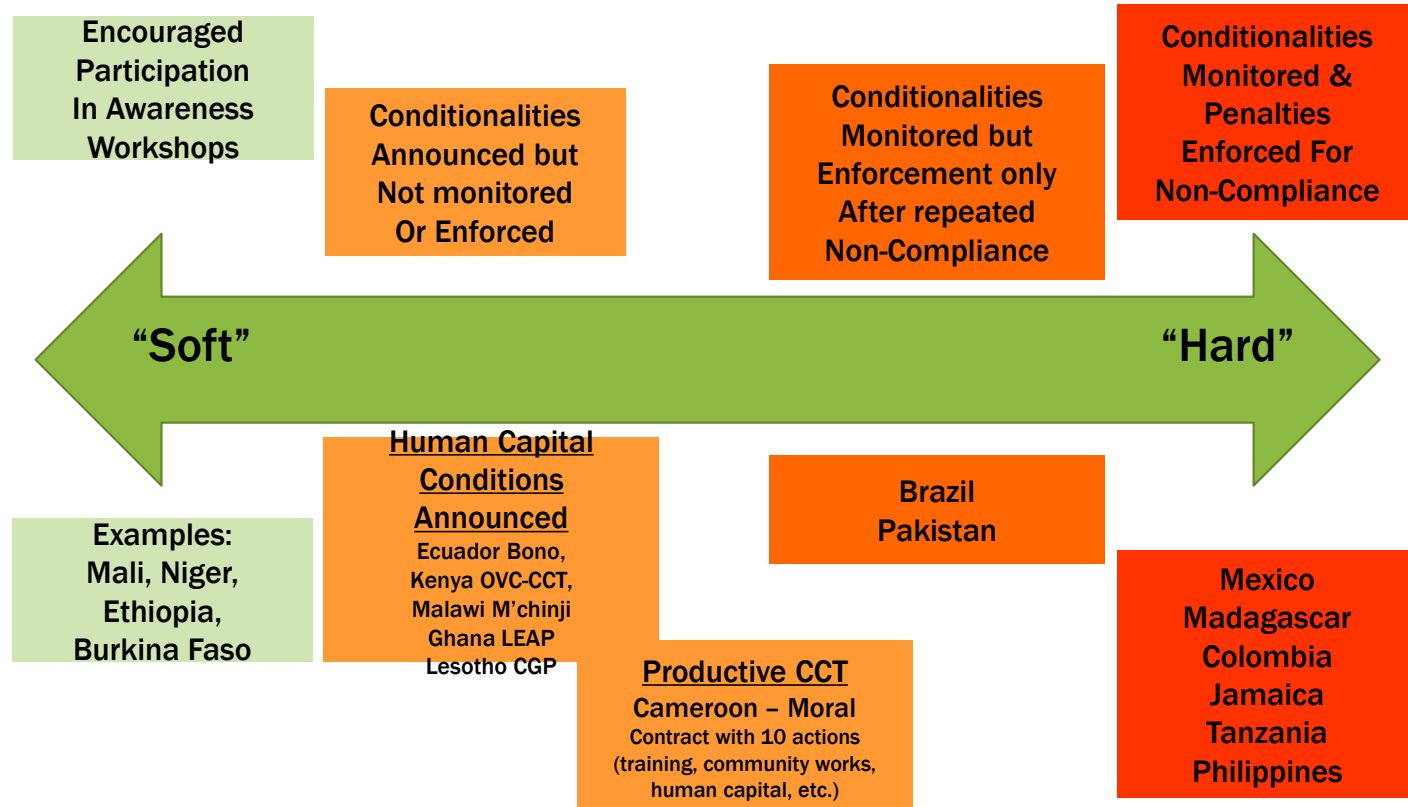
OVERALL MESSAGES

- Cash transfers are necessary but not sufficient;
- A behavioral lens has been at the heart of cash transfer programs since their inception;
- With safety net expansion, there are growing opportunities for tailoring and applying behavioral designs;
- Behavioral interventions can effectively advance development goals at low cost and at scale.

1. THE BEHAVIORAL LENS OF CASH TRANSFER PROGRAMS

- **Cash transfers** provide the means to expand economic decision making. However, beneficiaries often do ‘more of the same’ and don’t explore a full range of options;
- **Conditionalities** have shown good results in middle income countries, but are often difficult and cumbersome to implement in LICs due to limited supply side options and weaker administrative systems;
- **Training sessions** have increased the knowledge of beneficiaries (e.g. on financial literacy, nutrition, etc.) but knowledge is often not implemented;
- **Behavioral interventions** can:
 - help implementing agencies better define and focus on development goals;
 - help beneficiaries make more conscious decisions and commitments to implementation;
 - Support service providers in focusing on more effective service delivery.

A RANGE OF BEHAVIORAL ENGAGEMENTS: SPECTRUM OF “SOFT” & “HARD” CONDITIONALITIES



FOCUS ON “ACCOMPANYING MEASURES” IN CASH TRANSFERS



Participation in awareness seminars
On nutrition, family practices, health,
Sanitation; Nutrition packet

Focus on Human Capital

Examples: Madagascar, Mali, Niger, Ethiopia,
Burkina Faso, Pakistan, Philippines



Participation in awareness sessions on
productive practices, training sessions,
or community works

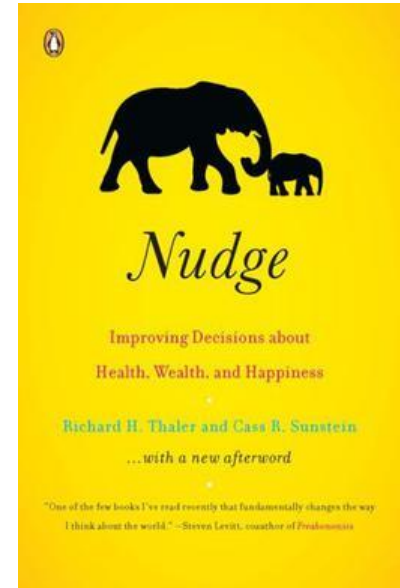
Focus on Economic Inclusion

Examples:
Cameroun, Madagascar, Malawi,
Ethiopia R & U PSNPs,

2. WHY BEHAVIORAL NUDGES?

SMALL CHANGES CAN LEAD TO LARGE RETURNS

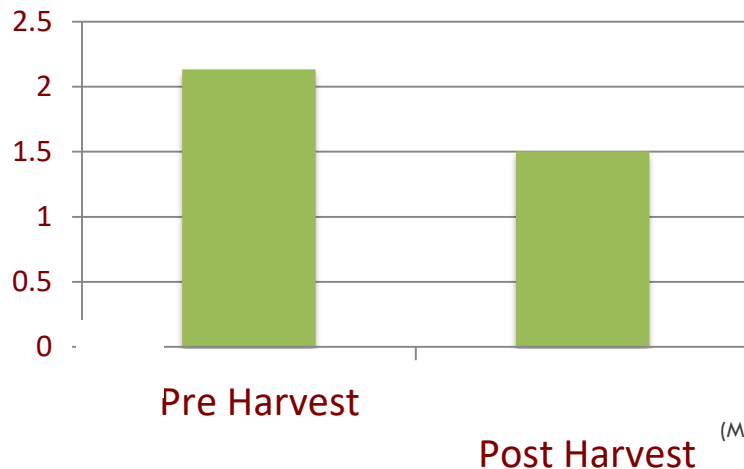
1. Social Protection Experience: Cash is necessary but not sufficient to achieve broader development goals
2. Academia, e.g. Richard Thaler, Nobel prize in Economics, and others.
Nudge: Improving Decisions About Health, Wealth, and Happiness
3. World Development Report 2015 on Mind, Society and Behavior, Creation of eMBed group in World Bank;
4. ideas42 and Africa SPJ partnership since 2016 to pilot behavioral nudges in Africa



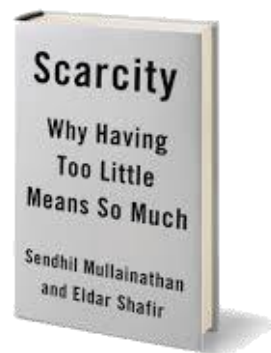
2. Why Behavioral Nudges?

Small changes can lead to **large** returns

Indian sugar farmers: cognitive errors made before vs after harvest



(Mani et al. 2013)

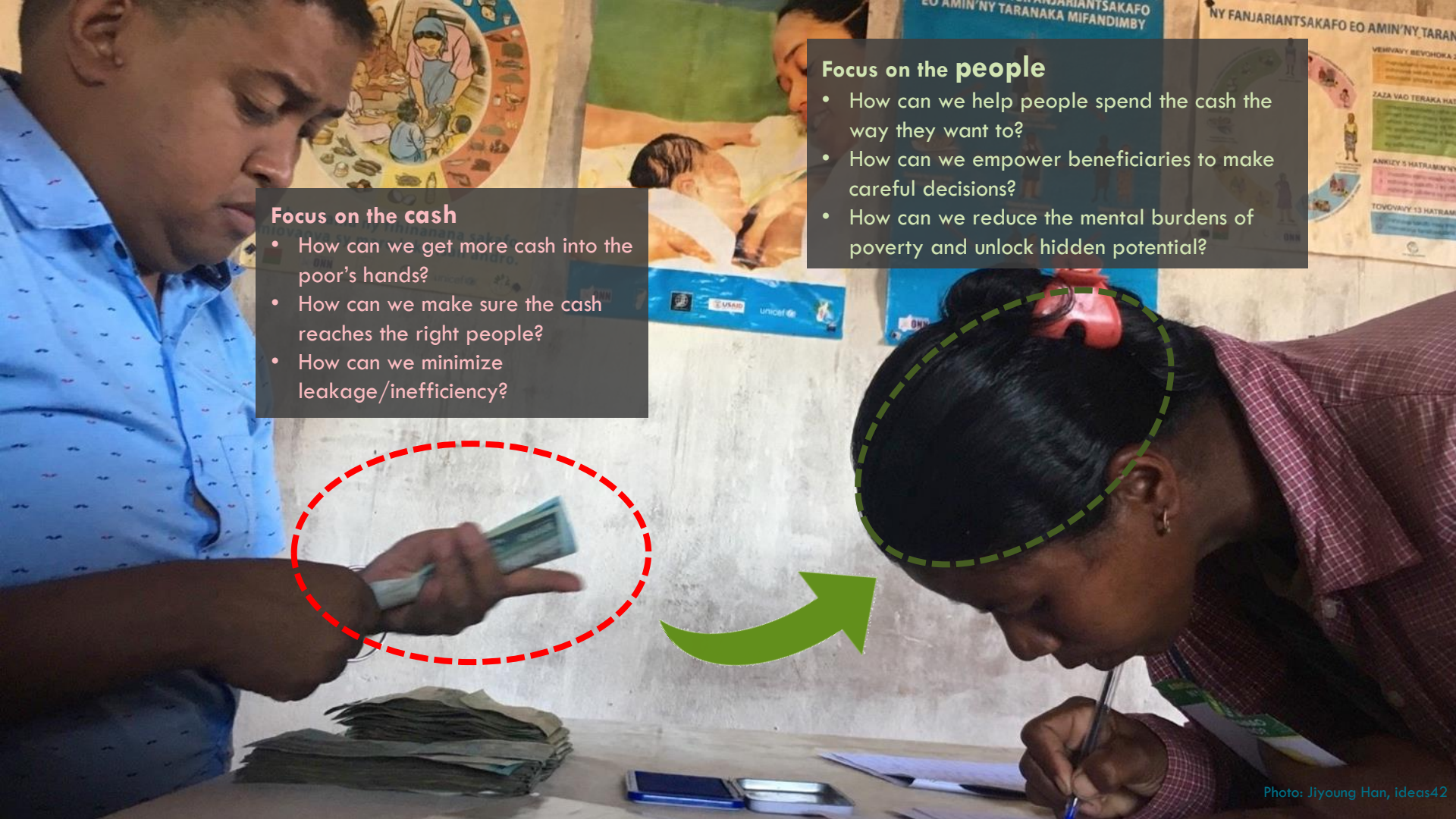


Focus on the cash

- How can we get more cash into the poor's hands?
- How can we make sure the cash reaches the right people?
- How can we minimize leakage/inefficiency?

Focus on the people

- How can we help people spend the cash the way they want to?
- How can we empower beneficiaries to make careful decisions?
- How can we reduce the mental burdens of poverty and unlock hidden potential?



3. EVOLUTION OF SPJ'S BEHAVIORAL WORK

- 1. Started in 2016 in Madagascar, with external funding
- 2. Expansion to Tanzania, Kenya and Ghana in 2017, with funding from Global Innovation Fund (GIF),
- 3. Mid Term review in mid 2019, initial results today
- 4. Now expansion to other countries, Ethiopia, Nigeria etc., GIF
- 5. Other regions also starting to use behavioral approaches, see Bangladesh

4. THE WAY FORWARD

SCALING UP BEHAVIORAL INTERVENTIONS?

- ❖ How to scale up and mainstream the existing behavioral nudges?
- ❖ How to continue the development of new nudges?
- ❖ How can we find the most cost-effective ways to change behaviors?
- ❖ How to use nudges with groups, not only individuals?
- ❖ How to use nudges not only for beneficiaries but also for improving the quality of service provision?

THANK YOU!



CASE STUDY: IMPROVING BENEFICIARY FINANCIAL HEALTH IN TANZANIA

Josh Martin, ideas42

BENEFICIARIES NEED HELP INVESTING THEIR TRANSFER FUNDS PRODUCTIVELY

“My small business gives me hope for the future.”

“I don’t have enough capital to start my business...I’m not saving enough.”



WORKING WITH BENEFICIARIES TO IDENTIFY BARRIERS IN TANZANIA



1

Saving and investment are private, consumption is public

2

Focus on capital-intensive productive activities sometimes becomes a barrier to pursuing attainable goals

3

Focus on today's payment only

4

Consumption needs urgent today

SIZE OF GOALS CAN BE PARALYZING

- Focus on productive activities that require large capital may **become a barrier to pursuing attainable goals**
- There may be productive activities that **are attainable** for the beneficiary

"I want to open a shop but will never have the capital to do it"

To start a tomato/Chinese cabbage garden I'll need 500,000 - 600,000 TZS. I currently get 20,000 TZS bi-monthly



FOCUS ON TODAY'S PAYMENT ONLY

*"I don't know
how much I
receive over a
6 month period"*

- Beneficiaries highly aware of today's payment amount
- Don't always think about how their payment could be used if **saved/combined** over multiple transfers

*"I can't
calculate how
much I get in a
year"*



THE INTERVENTION (SUMMARY)

**OTHERS' SAVING
BEHAVIOR NOT
VISIBLE**



**FEELING OF
POWERLESSNESS**



**NO DECISION
SUPPORT**



**NO SALIENCE OF
TOTAL EARNINGS**






RANDOMIZED CONTROLLED TRIALS (RCT)- THE GOLD STANDARD FOR EVALUATION

- Greatest **credibility** for research and policy making
- Greatest **ease** of design and communication
- Benefits come from the **randomization** of treatment



WHY ITERATIVE TESTING?

- **Refine designs** at each testing stage to increase effectiveness
- **Refine implementation strategy**
- Gradual path to **scaling up** designs



MAIN RESULTS FROM TANZANIA



Tanzania

Country	Effect
Incidence of productive goal	3%
Incidence of saving	13%
Incidence of productive investment	28%



LIMITATIONS AND NEXT STEPS

- **1-2 month time frame-** may be too soon to see conclusive results regarding productive investment activities.
- **Control group activity-** if the control activity contributed positively to savings, the impact of our designs could be larger.
- **Longer-term testing is underway-** we are preparing to launch the next phase.



BEHAVIORAL DESIGNS ARE COST-EFFECTIVE



KENYA

Cash Transfer: USD228

Total Cash Transfer cost: ~USD400 (estimate)

Behavioral intervention cost: < \$5 (likely lower when at scale)

Achievements

Incidence of saving: 81% → 87%

Amount of transfer saved: 12% → 18%

Completely repayed debt: 20% → 36%

THE TAKEAWAY

Behavioral science interventions

- Evidence for short and mid-term impact: having productive goals, savings, productive investments, improved parenting behaviors and child development
- Upcoming evaluations of longer-term impact: savings levels, assets accumulation, productive investments, additional child development outcomes
- Layering decision-making and follow-through support onto cash transfer programs increases **impact** and is **cost-effective**

PROMOTING CHILD DEVELOPMENT IN MADAGASCAR

Achille Razakatoanina, Fonds d'Intervention pour le Développement, Madagascar



PROMOTING CHILD DEVELOPMENT & WOMEN'S EMPOWERMENT IN MADAGASCAR

Achille Razakatoanina
SSN Program Madagascar
SPJ core course 2019



INTRODUCTION

- Human capital development in Madagascar is among the lowest in the world. The Human Capital Index score is 0,37 which is below the 0,4 average score in SubSaharan Africa.
- Over 40 percent of Madagascar's children under the age of 5 suffer from chronic malnutrition, one of the highest prevalence rates in the world.



HUMAN DEVELOPMENT CASH TRANSFER PROGRAM

- Flagship SSN Program, operational since 2016.
- 110,000 households, 240,000 children currently benefit from the program with payments made to women in 12 regional districts
- CCT : co-responsibility based on school attendance of 80%. Payments every 2 months through mobile banking and microfinance institutions.
- Accompanying measures activities are focused on human capital development, especially early childhood
- The ultimate goal of the HDCT program is not only to address extreme poverty in the short term through income transfers but to strengthen the capacity of mothers to improve their children's cognitive and physical development, enhance their readiness for school, and increase their chances of achieving long-term educational and economic success.
- Innovative use of behavioral interventions – Mother Leader groups and behavioral ‘nudges’

MOTHER LEADERS

Roles

- Conducting wellbeing session
- Messaging, awareness (ECD, nutrition)
- Promoting Behavioral change
- Home visits

Key-qualifications

- Empathy
- Respected person
- Good listening capacity, advising skills
- Persuasion capability
- Building trust (beneficiaries vs program)
- Receive soft skills training from the program

MOTHER LEADERS

- A key objective of the Human Development Cash Transfer program is to improve early childhood development, parenting practices, and nutrition as a critical first step in preparing children for school and productive working lives.
- Lead mothers are elected by the beneficiary households to help them learn and apply effective parent-child interaction and nutrition practices.
- The program has built a number of activities called “Accompanying measures” and implemented by the mother leaders

What – Accompanying measures



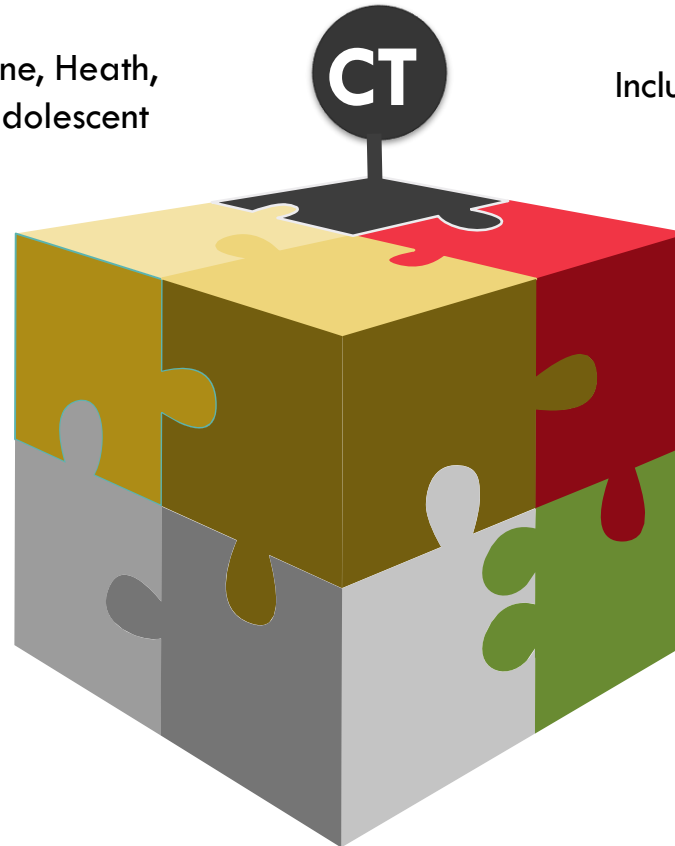
Promoting education, hygiene, Health, nutrition, family planning, adolescent reproductive health



Early child development



Governance, grievance redress



Inclusion (VSLA, finance inclusion, savings, business plan)



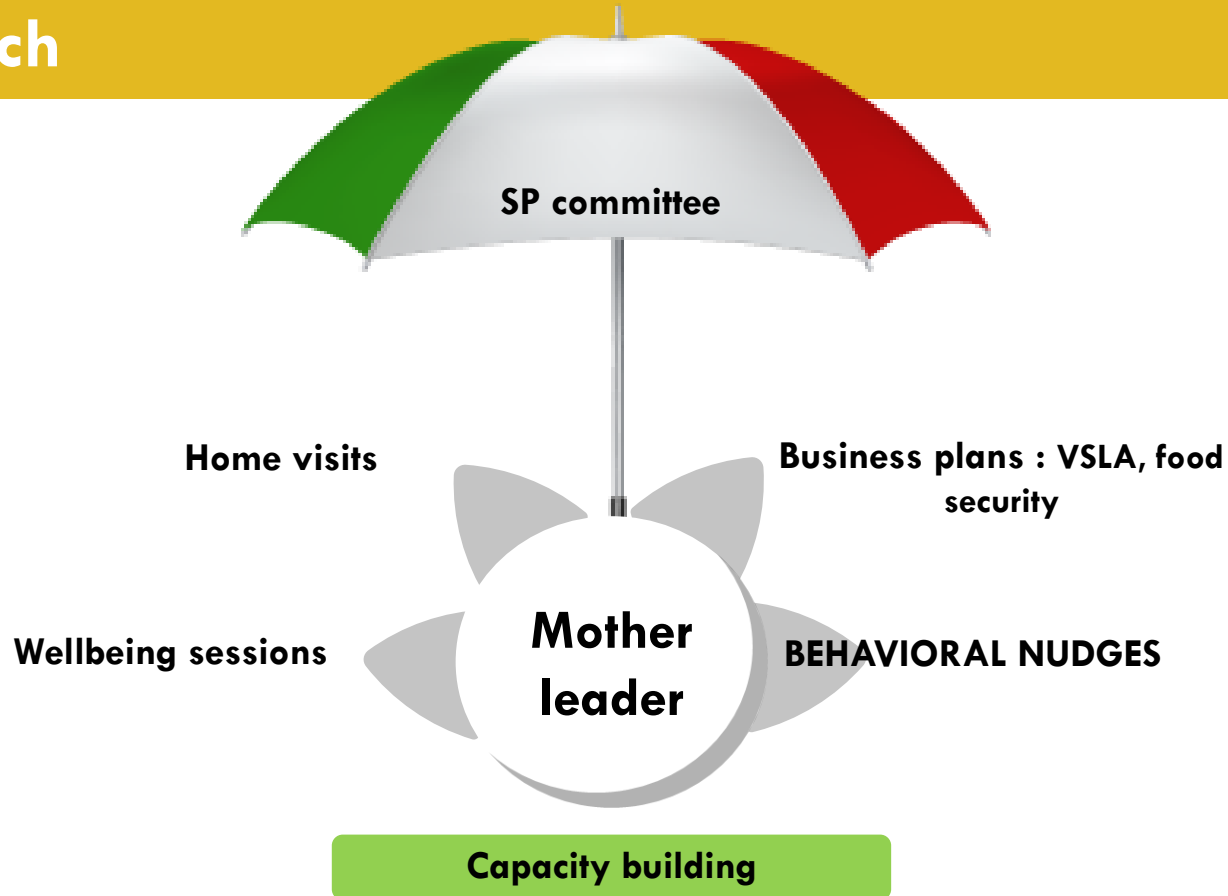
Inclusion (productivity, agricultural training)



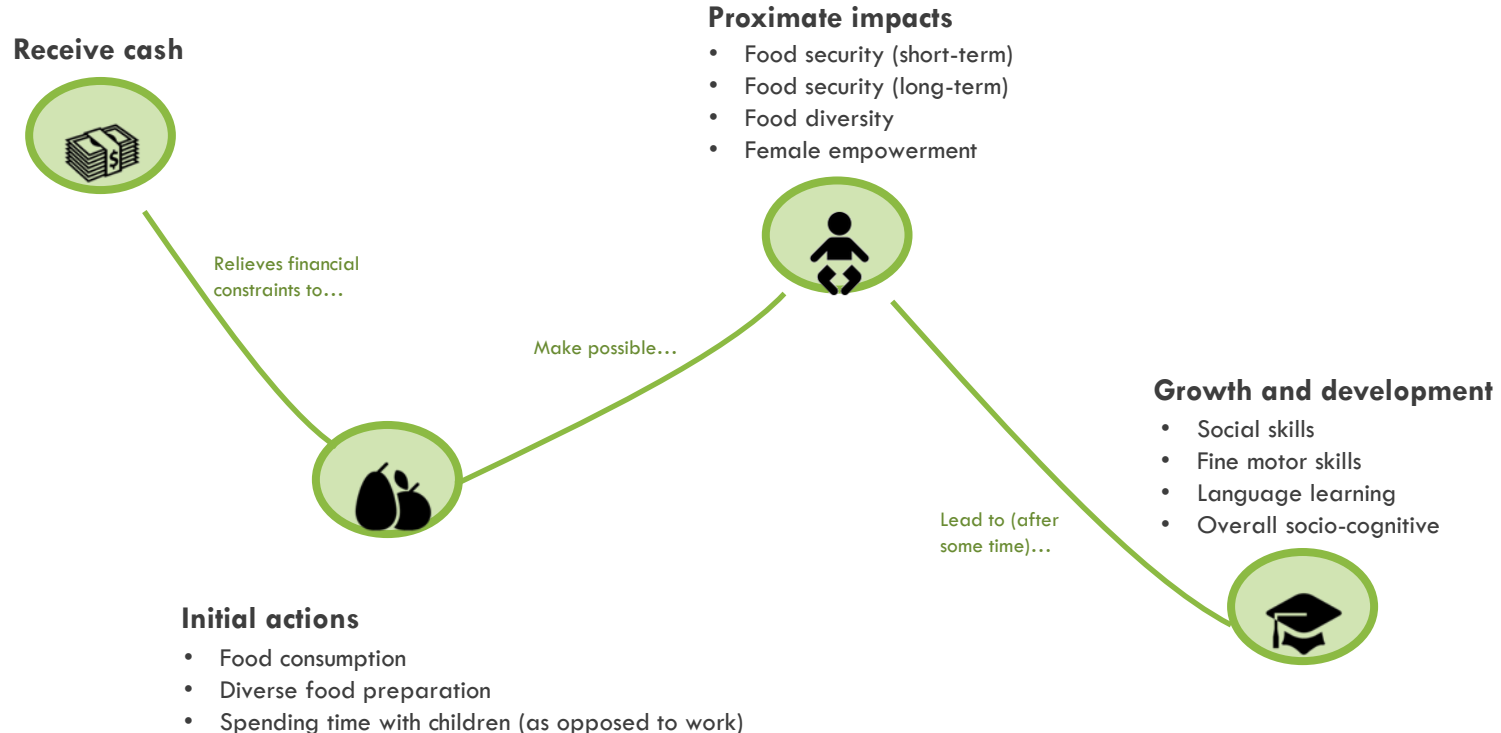
Environmental issues



Approach



CASH AS AN OPPORTUNITY FOR REINFORCING EARLY CHILDHOOD DEVELOPMENT-LINKED BEHAVIORS

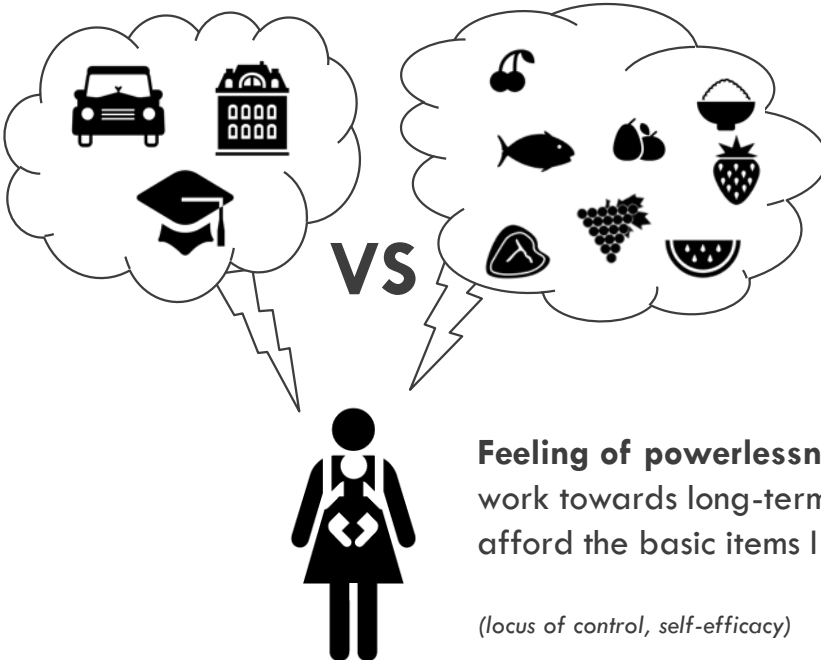


WHAT MIGHT GET BETWEEN BENEFICIARIES AND THEIR GOALS?

1. Beneficiary psychology

Want **this**...

But can't even afford **this**...



Mindset of stagnation: My family has always been poor; what makes me different?

(growth mindset, identity)

WHAT MIGHT GET BETWEEN BENEFICIARIES AND THEIR GOALS?

2. The spending journey

No moment to plan: The program provides no opportunity to plan spending on payment day, so beneficiaries instead focus in on their daily needs despite waiting hours

(scarcity, limited attention)

Market milieu: Beneficiaries come together at the market to receive their money, where it's tempting to spend off-goal and as others seem to be doing

(limited self-control, descriptive social norms)



HOW DID WE HELP BENEFICIARIES SET REALISTIC GOALS AND EXECUTE THEM AFTER PAYMENT DAY?



Self-affirmation

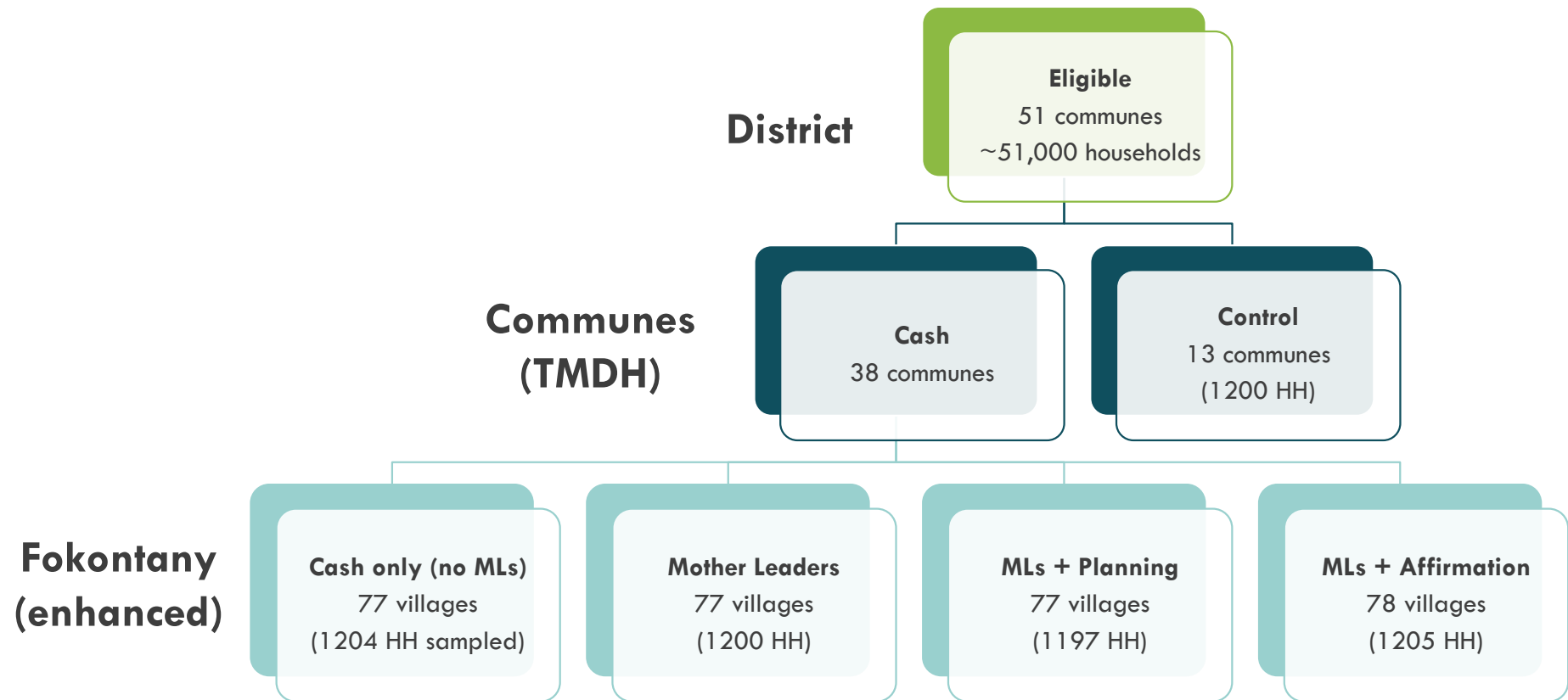
Affirming values and identities can both clarify objectives and strengthen the power to act



Plan-making

Assessing risk and identifying concrete action steps improves the likelihood of follow-through

MULTI-LEVEL RCT DESIGN



RESULT 1. THE CASH DOES ITS 'JOB'

Receive cash



Relieves financial constraints to...



Initial actions

- Consumption
- Diverse food preparation
- Spending time with children (as opposed to work)
- Education expenses

Make possible...



Proximate impacts

- Food security (short-term)
- Food security (long-term)
- Food diversity
- Female empowerment
- Disease resistance

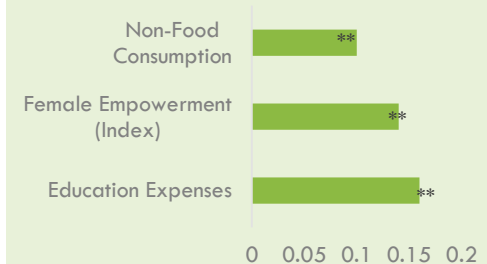
Lead to (after some time)...



Growth and development

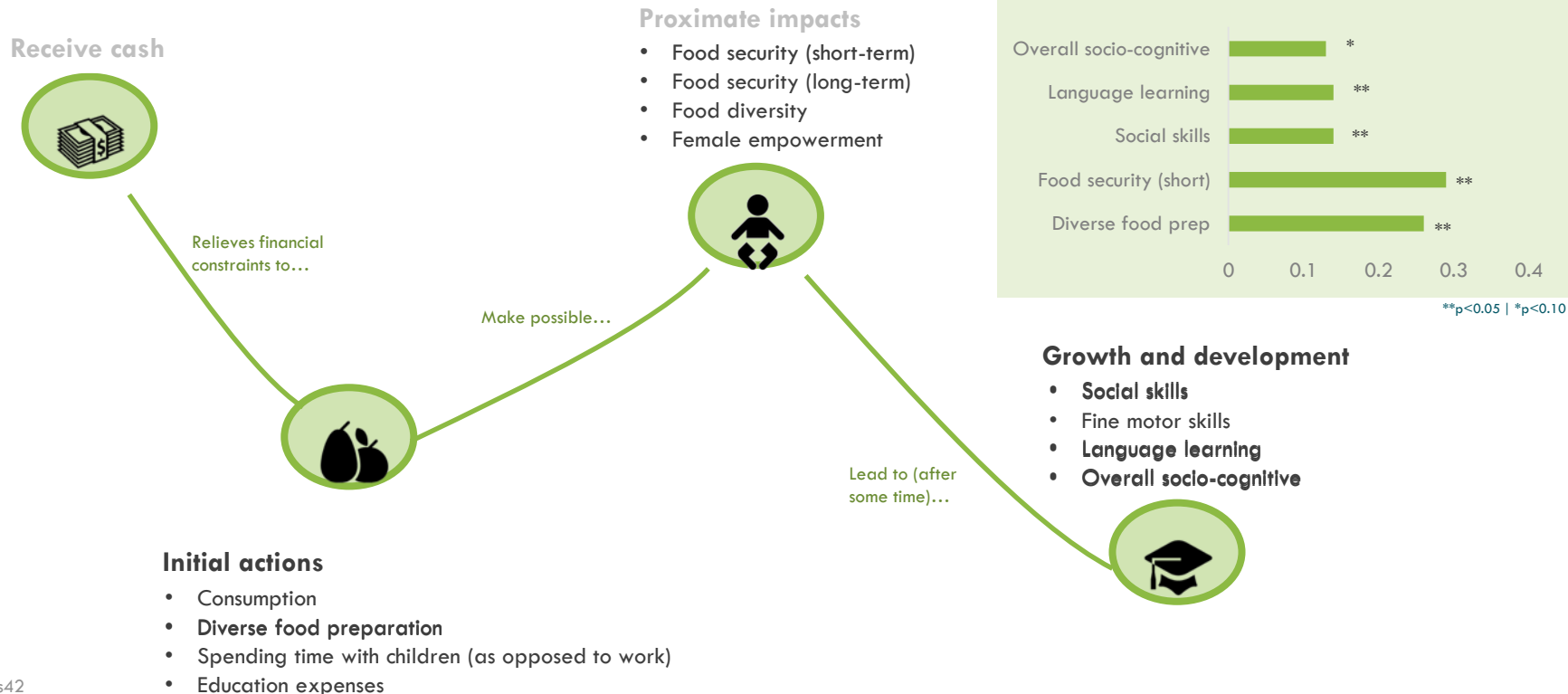
- Social skills
- Fine motor skills
- Language learning
- Overall socio-cognitive

Cash Only vs No Cash (SD)



**p<0.05 | *p<0.10

RESULT 2. THE MOTHER LEADERS ALONE ADD SIGNIFICANT HUMAN DEVELOPMENT VALUE



RESULT 3. THE NUDGES ‘NUDGE UP’ MOTHER LEADER IMPACTS ON SOME HUMAN DEVELOPMENT OUTCOMES...

Receive cash



Relieves financial constraints to...



Initial actions

- Consumption
- Diverse food preparation
- Spending time with children (as opposed to work)
- Education expenses

Make possible...

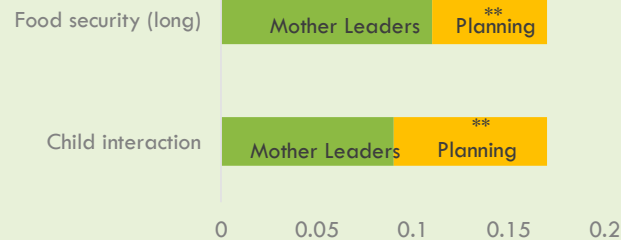
Proximate impacts

- Food security (short-term)
- **Food security (long-term)**
- Food diversity
- Female empowerment



Lead to (after some time)...

Nudges + MLs vs Cash Only (SD)



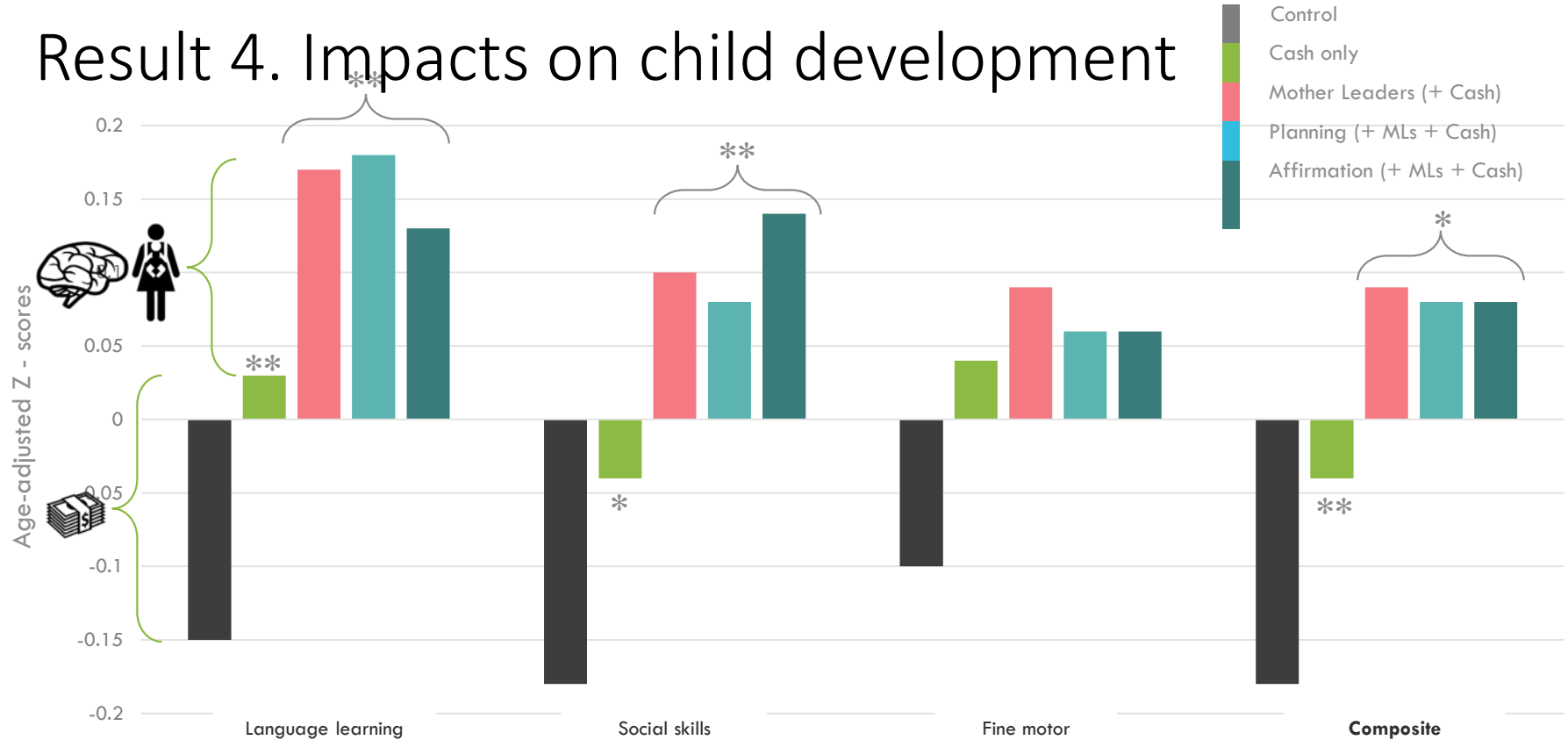
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Growth and development

- Social skills
- Fine motor skills
- Language learning
- Overall socio-cognitive



Result 4. Impacts on child development



Thank you !

IMPROVING SOCIAL WORKER SERVICE DELIVERY IN BANGLADESH

Tasmia Rahman, World Bank

Introduction

...HOWEVER

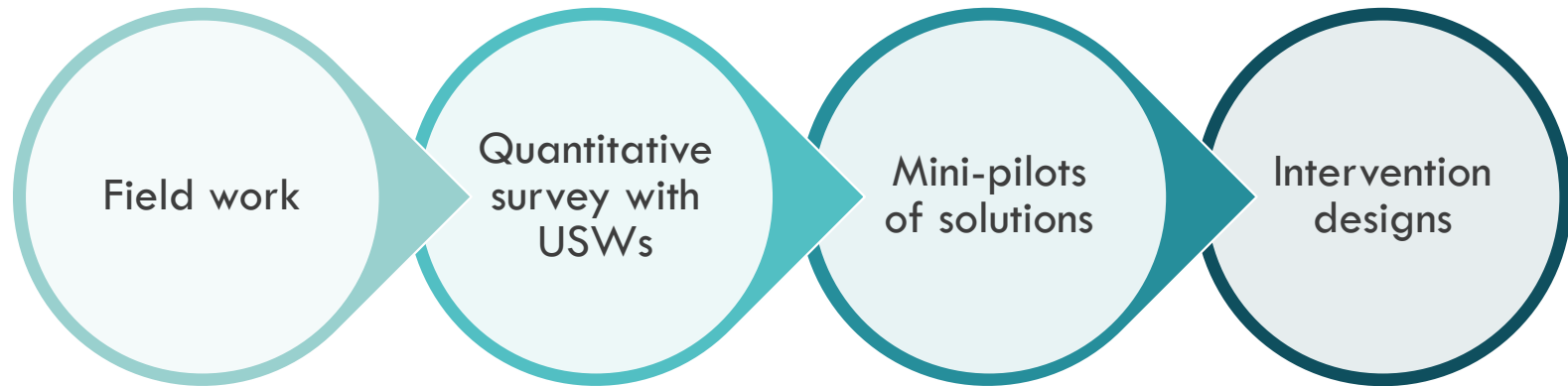
- Union Social Workers (USWs) are critical in local service delivery, and central to the success of any intervention
- USWs in Bangladesh are the ground level “foot soldiers” for local service delivery of programs under the Department of Social Services, MoSW, especially in providing “other supportive activities”



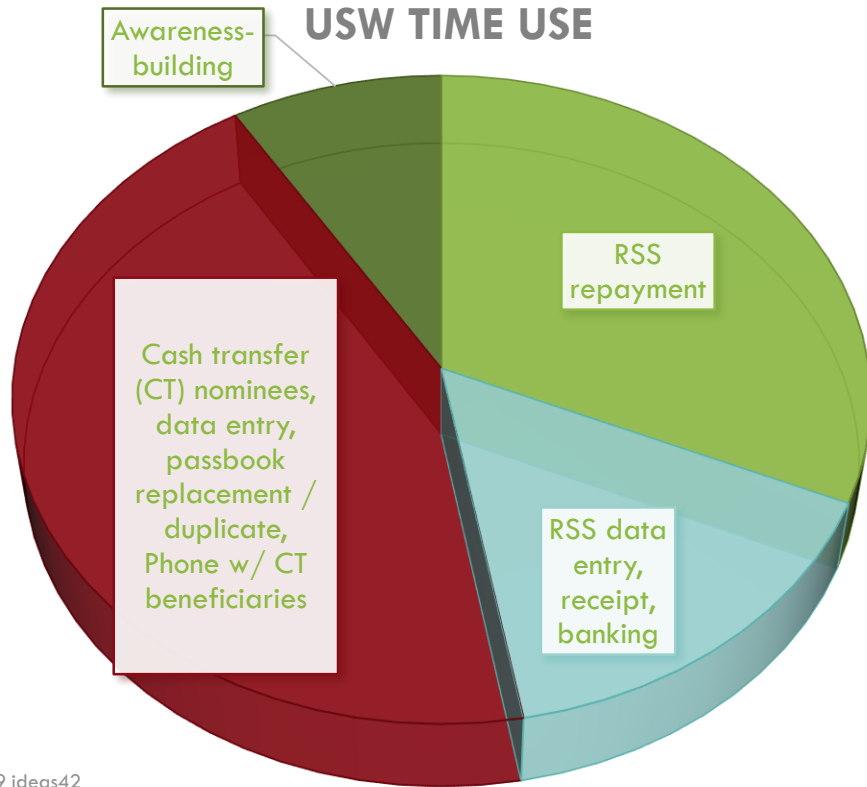
Union Social Workers (USWs)

- **Status quo**
 - Approx. 4,600 USW slots in about 481 upazila offices
 - Not all positions are filled
 - Each USW is responsible for overseeing 2-3 unions, numerous programs including safety nets and microcredit, 1,943 safety net beneficiaries on avg, and 132 microloan clients.
 - Average age: 46 years
 - Average years in current role: 19 years

Process: Diagnostics to Design



Key issue (1): Work Efficiency – Time Allocation



One single, relatively small program, Rural Social Services, **absorbs nearly half of USWs' time** each week

Why?

- Repetitive paperwork
- Travel between unions
- Low repayment (67%)
- Revisiting borrowers' to collect repayment

Key issue (2): USWs' Motivation

- **Work “Enjoyment”**

- ❖ Awareness building & citizen engagement >>> CT beneficiaries case management >>> RSS admin work

- **Job satisfaction**

- ❖ Over a third of USWs are only “somewhat satisfied” with their jobs
- ❖ What increases satisfaction: Impact on society, recognition from beneficiaries, salary
- ❖ What lowers satisfaction? Lack of promotion (reward & recognition)

- **Motivation**

- ❖ Only a third of USWs feel their work is appreciated by supervisors and beneficiaries.
- ❖ A quarter of USWs are less motivated now compared to when they first started
- ❖ Opportunities for recognition are low

Key issue (3): USWs' Capacity

How proactive are USWs about their work and improving themselves?

- ❖ Do they know “what” they are supposed to deliver – clear sense of the broader mandate of their work?
- ❖ Do they know “how” to deliver? Training opportunities?
- ❖ Do they take initiative to improve their work?

Capacity is low, but capacity development opportunities are also limited

- Two-third of USWs do not use computers, and only 18% can perform data entry
- One in three don't read text messages → less channels of communication
- Nearly half think it is better to let supervisors worry about improving things
- On average, USWs have attended 3 trainings since initial orientation (their average work experience is 19 years)

A/B Testing: Process Efficiency and Time Saving

- Problem: Lots of time spent on filling out repetitive RSS repayment receipts and finding beneficiaries to collect repayment
- Goal: Reduce time spent on RSS (microcredit) activities
- Solutions:
 - **Simplify:** Simpler, shorter installment collection receipt
 - **Salience:** Red and green ink/rubber stamps to indicate late on-time payments

Receipt No: (will be pre-printed)

Temporary replacement of form-005 (Pilot)

Government of the People's Republic of Bangladesh
Ministry of Social Welfare
Department of Social Services
Upazilla Social Services Office

Installment Collection Receipt

Installment No:

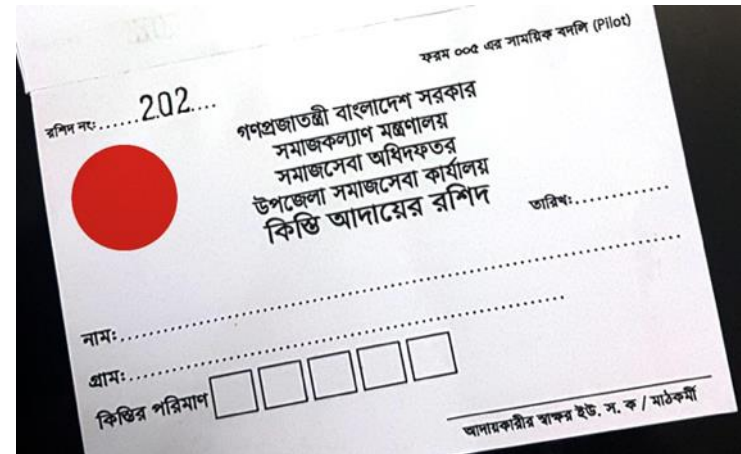
Date:

Name:

Village:

Installment Amount

Signature of USW



A/B Testing: Motivation

- **Social recognition:** Video and photo competition.



A/B Testing: Self Reflection

- **Survey Experiment:** Mission and belonging vs. positive self-reflection



→ Mission & belonging reflection increased self-reported job satisfaction and perceived appreciation from USSOs; but lowered motivation and perceived appreciation from beneficiaries

→ Self-reflection was more impactful improving satisfaction for females and higher-performing USWs.

Interventions

Clarify

Individual USWs are provided with the TORs and performance indicators to nudge them into allocating time and effort more efficiently

Recognize and reward

USWs' performance to be evaluated based on objective criteria by supervisors or beneficiaries; top performers given social recognition on a quarterly basis

Encourage

USWs invited to a workshop to promote self assessment habits and growth mindset

Questions:



- Which **behaviors** are critical to the “success” of **beneficiaries** in your countries?
- Which **behaviors** are critical to the “success” of **program staff** in your countries?
- What is currently done to facilitate these behaviors, and **what assumptions** are built in?
- How could these assumptions be **tested and strengthened**?