Capacity Building workshop on Impact Evaluation of Employment Programs

Experimental Design – Part 2

Julieta Trias, Gdańsk, February 21, 2017
Overview

1. Opportunities to Randomize
2. Define the target group
3. Select program features to evaluate
4. Level of randomization
5. Should you evaluate?
Basic setup of a randomized evaluation

- Target Population
- Random Sampling
- Evaluation Sample
- Baseline Survey
- Random Assignment
- Treatment group
- Control group
- Endline Survey

External Validity
Internal Validity
Balance Check
Measure Impact
Random sampling and random assignment

Randomly sample from area of interest
Random sampling and random assignment

- Randomly sample from area of interest
- Randomly assign to treatment and control
- Randomly sample from both treatment and control
Opportunities to Randomize when Resources are Limited
Lottery when Oversubscription

More are eligible than can be served by the program
Lottery when oversubscription: Large Scale Vocational Training in Turkey
Targeted Lottery

Exclude some from the lottery

Include others
Targeted Lottery

Randomize the rest of the eligible population
Randomly vary *when* to receive program

Before

During

After

Time

evaluation period
Randomly vary when to receive the program: Jobcentres across Essex, UK

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Randomly vary program strength
Summary: opportunities to randomize

Consider

1. **Targeting rules**: Who is eligible for the program? Is program participation restricted, widely open, some combination?

2. **Resources**: Sufficient program resources to reach all eligible beneficiaries?

3. **Timing**: How are potential beneficiaries enrolled in the program – all at once or in phases over time?
Overview

1. Opportunities to Randomize
2. Define the target group
3. Select program features to evaluate
4. Level of randomization
5. Should you evaluate?
Whom does this program hope to benefit?

Whole Population

Not Eligible

Target Population
Overview

1. Opportunities to Randomize.
2. Define the target group.
3. Select program features to evaluate
4. Level of randomization
5. Should you evaluate?
Testing multiple program features

- Total Population
- Target Population
- Evaluation Sample
- Not in evaluation
- Random Assignment
- Treatment Group 1
- Treatment Group 2
- Treatment Group 3
- Control Group
Cross-cutting program features

- Target Population
- Evaluation Sample
- Not in evaluation

Random Assignment:
- T2: T1*T2
- C2: T1
- T1: C
Overview

1. Opportunities to Randomize.
2. Define the target group.
3. Select program features to evaluate
4. Level of randomization
5. Should you evaluate?
Which level of randomization?

INDIVIDUAL unit:
- e.g. pupil,
- mother, father,
- household

CLUSTER unit:
- e.g. class, health clinic, village
Which level of randomization?

Individual or Cluster?
Which level of randomization?

Individual
Which level of randomization?

Cluster (group)
Which level of randomization?

For example, school
Which level of randomization?
Factors that matter

1. Unit of Implementation
2. Spillovers
3. Sampling unit and statistical power
4. Ethics and Fairness
Which level of randomization?

Community

School

Class

Pupil

Unit of randomization should be at least at the level of the unit of program intervention:

Example:

If program targets classes → Randomization may be at class, school, community level
Which Level of Randomization?

A. Unit of Implementation
B. Spillovers: individual in the control also benefits from the treatment
C. Sampling and Cost
D. Ethics and Fairness
With spillovers over/under-estimate impact

Impact

Treatment

Measured Impact

Spillover

Control

True Impact
Higher unit of randomization reduces risk of spillovers

Example: randomize at school level to reduce interaction between treatment and control pupils
Question: Is there risk of spillovers in the following programs?

- Example 1: Job training program

- Job seekers in the control are less likely to get jobs as a result of the program, if the available jobs are given to those who received training.

- Measured program impact = jobs in treatment – jobs in comparison

- As a result, measured program impact is higher than the real program impact
Question: Is there risk of spillovers in the following programs?

- Example 2: HIV-AIDS education program
- People who attend education program will tell their friends
- Measured program impact = HIV-aids awareness in treatment – HIV-aids awareness in comparison
- As a result, measured impact is lower than the real impact
Which Level of Randomization?

A. Unit of Implementation
B. Spillovers
C. Sampling unit and statistical power
D. Ethics and Fairness
Higher unit of randomization requires larger sample

Same statistical power:

School randomization:
- 800 in treatment and 800 in control ...
in
- 40 treatment and 40 control schools, 20 pupils per school

Pupil randomization:
- 393 in treatment and 393 in control

Assume intra-cluster correlation of 0.05
Which Level of Randomization?

A. Unit of Implementation
B. Spillovers
C. Sampling unit and statistical power
D. Ethics and Fairness
Sometimes perception of unfairness among control if randomizing peers, community members etc. at *individual* level
Less so if all in same group or village are in the control
Which Level of Randomization?

A. Unit of Implementation
B. Spillovers
C. Sampling unit and statistical power
D. Ethics and Fairness

Randomize at the smallest feasible level
Some Examples
At what level should we randomize for a school deworming program?

A. School
B. Teacher
C. Classroom
D. Clinic
E. Community
F. Pupil
At what level should we randomize for a conditional cash transfer program?

A. Individual
B. Household
C. Village/Community
At what level should we randomize for a teacher training program?

A. School
B. Teacher
C. Classroom
D. Pupil
Overview

1. Opportunities to Randomize.
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5. Should you evaluate?
Does this need an Impact Evaluation?

Maximize learning

**Consider**

1. Do we know the answer already?
2. Is it policy relevant?
   a) Is this a program that government could scale up if it is successful?
   b) Is it strategically relevant for reducing poverty?
3. Does it add to knowledge?
4. Is the program ready for an impact evaluation?
5. Are there program design options that needs to be compared?
6. Is there an resource constraint that provides an opportunity for randomization?