



# **MEASURING RESULTS**

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**AND**

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# **IMPACT EVALUATION**

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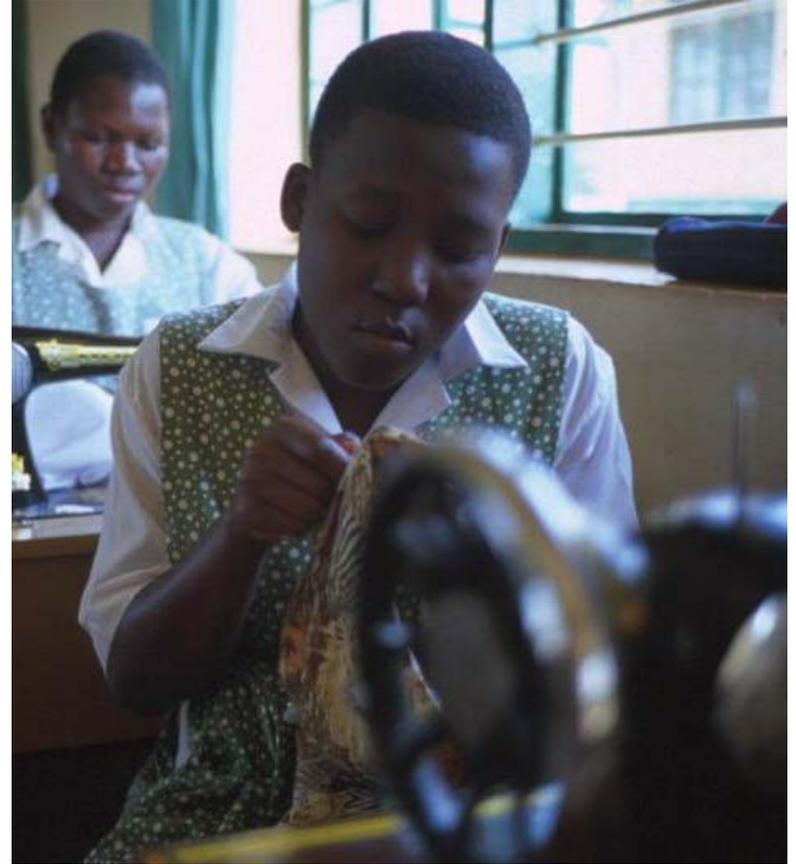
# Example 1: Cash transfers for youth vocational training in post-conflict Uganda



**Do they create employment? What are the returns?**

# A risky project design?

- Second largest development program in country
- Youth groups apply for cash transfers to use for training fees, tools, and start-up costs
- Government transfers \$8000 to a community bank account in names of group leaders
- Limited monitoring, support, or accountability after grant
- Common, inexpensive approach to decentralized development



# Example 2: Community-driven development in Eastern Congo



# Lofty goals motivate huge investments



- **Program**
  - **\$1000 Cash grants to villages**
  - **Participatory decision making**
- **Lofty goals:**
  - **Increase economic activity**
  - **Enhance trust and cohesion**
  - **Make local government more accountable**
  - **Increase women's participation**
- **Project represents 40% of this NGOs global budget**
- **But does it work?**

# Questions, questions, questions.

## Cash transfers & training

- Will the grants be wasted?
- Does northern Uganda really need 10,000 more carpenters and tailors?
- Are there social (non-economic) impacts?
- What other program components might increase success?

## CDD programs

- Should we be spending 40% of our global budget on one CDD program?
- Is it realistic to think that cash grants will change local governance?
- Could the program worsen community conflicts?
- How do we prove results to our donors and communities?

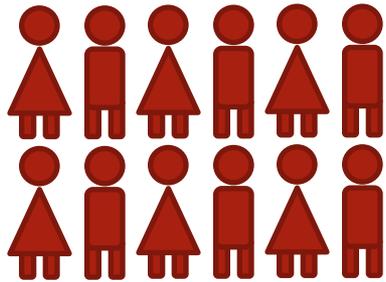
# Why Evaluate?

- 1** Need evidence on what works  
Limited budget and bad policies could hurt
- 2** Improve program/policy implementation
  - Design (eligibility, benefits)
  - Operations (efficiency & targeting)
- 3** Information key to sustainability
  - Budget negotiations
  - Informing beliefs and the press
  - Results agenda and Aid effectiveness

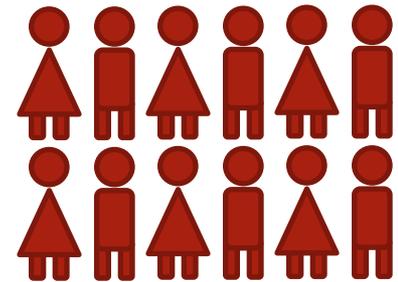
**OK. So how can we evaluate?**

# How about a before-after comparison?

**Pre-program survey**



**Post-program survey**

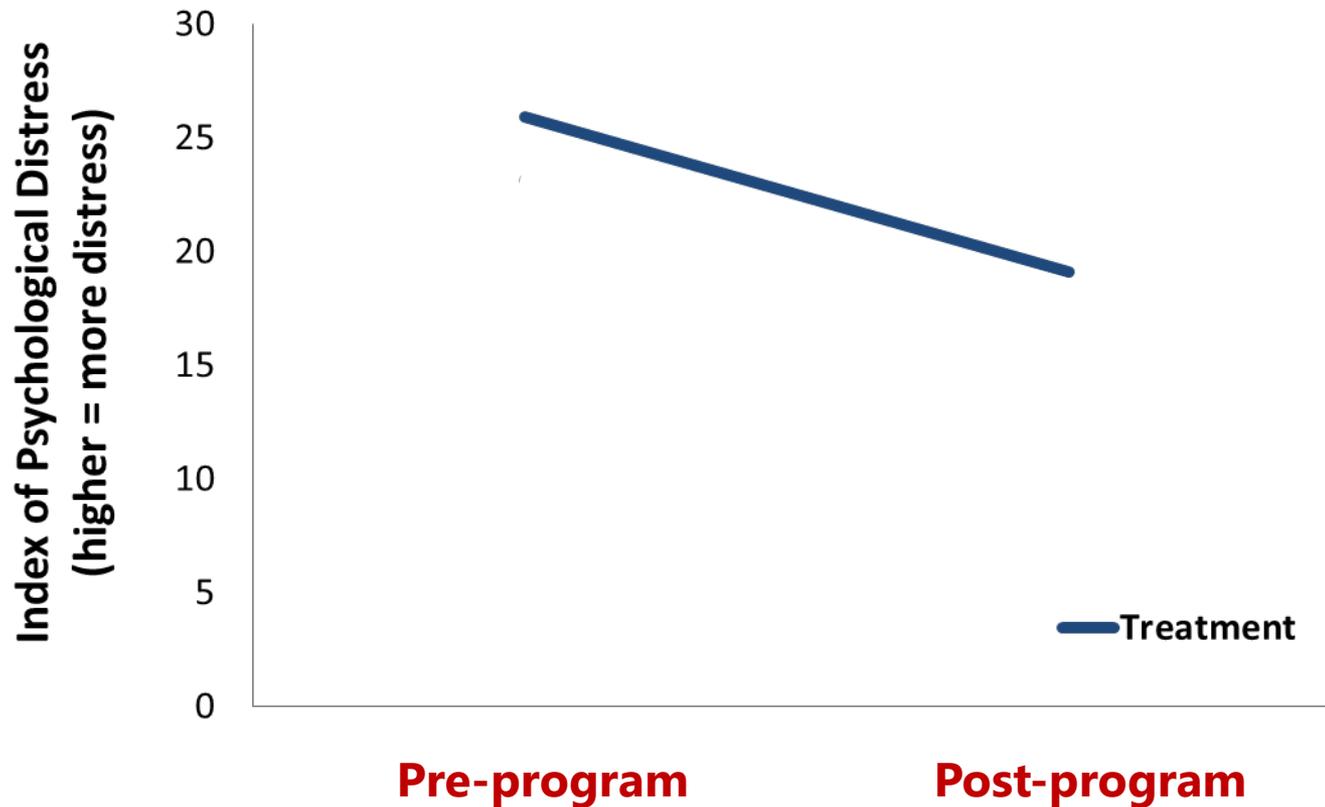


Change =  
Impact of program

+ national events + local trends + personal changes + ...

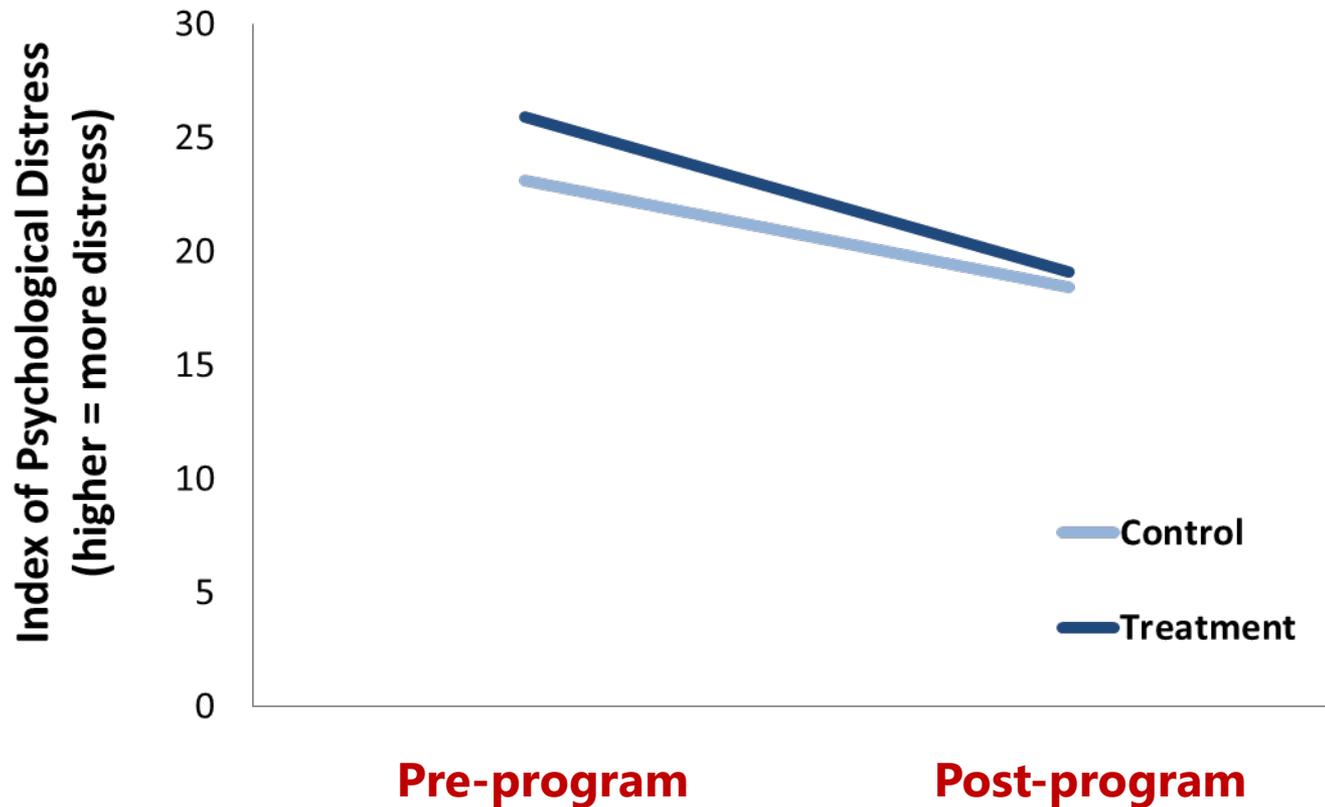
# Let's look at the psychosocial impacts of the Ugandan vocational training program

## Mental health improves by about 26% in the program group

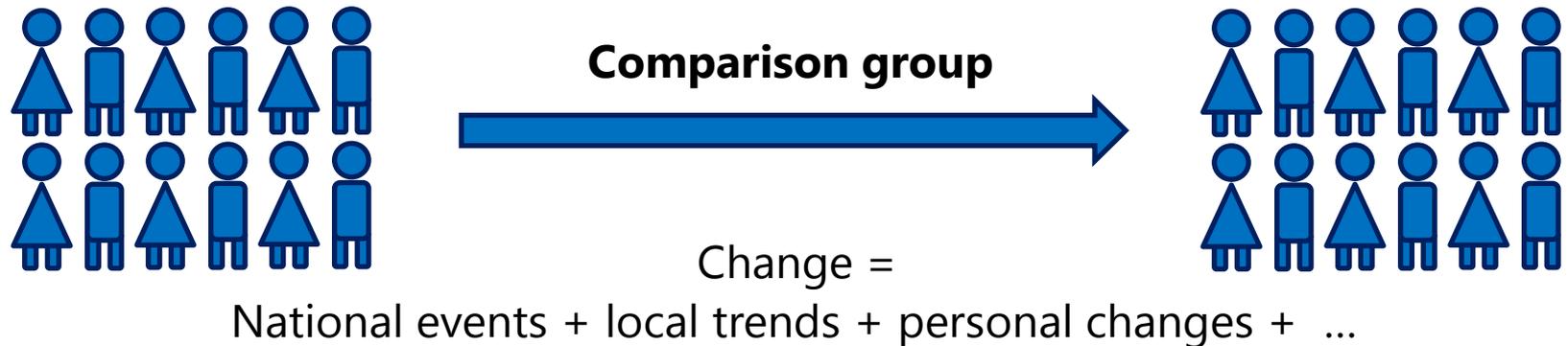
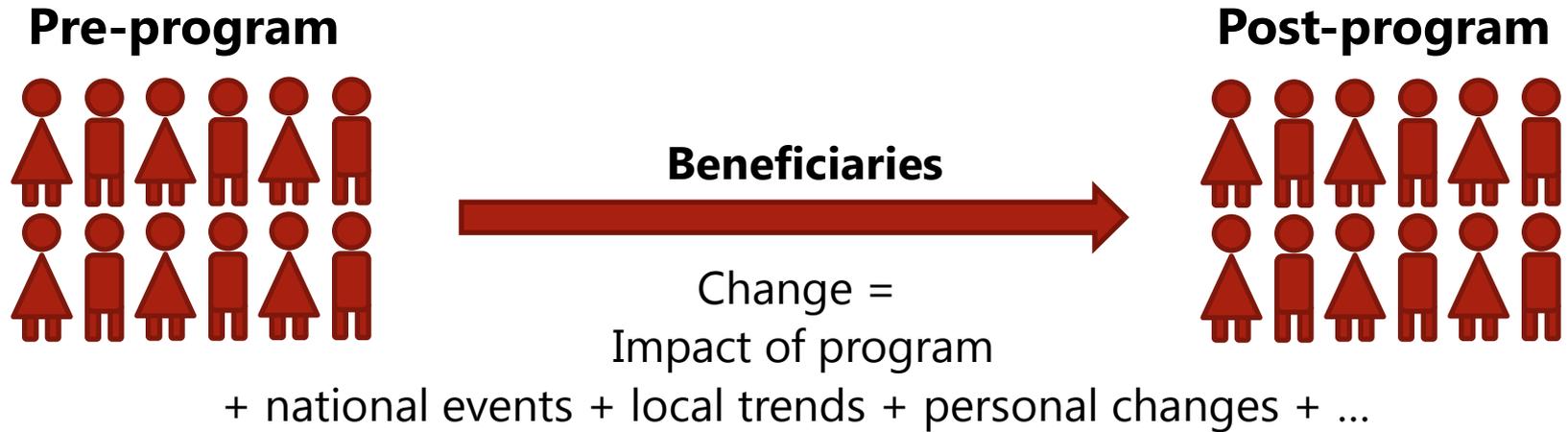


# But... mental health has been improving in similar populations

The relative impact is actually quite small



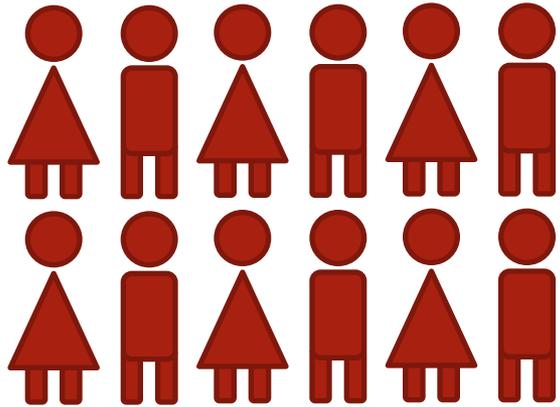
# We need some kind of comparison group



**Estimated program impact =  
Change in beneficiaries – Change in comparison group**

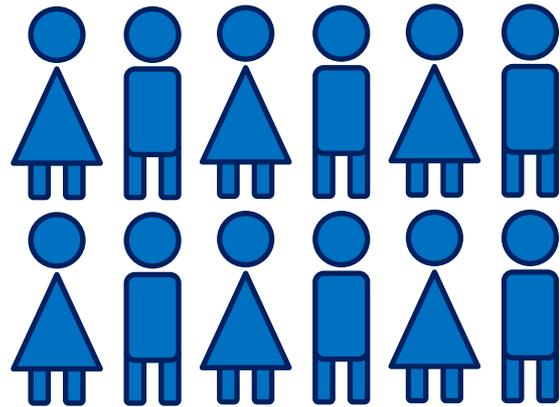
# So what do I use as a comparison?

**Beneficiaries**



=

**Comparison group**



?

# This is the fundamental challenge of all causality

- **Counterfactual:** what would have happened without the program?
- Impossible to observe the same possible with and without the program
- We need to estimate counterfactual.
- Usually this means some kind of comparison group that stands in for the treated group's unknown fate.

# What if I drew from the general population? (i.e. non-experimental)

- Use data from existing national surveys
- Or survey households in the same or nearby villages
  
- You could even try to get close matches
  - Employment programs: Similar age, gender, education, employment experience...
  - CDD programs: Similar community size, ethnicity, history of disputes...

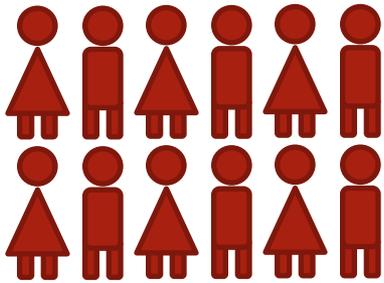
# Example 3: Job reintegration in the United States



Targeting long-term unemployed, ex-drug addicts, ex-offenders, high-school dropouts, etc

# Previous US job program evaluations had taken a non-experimental approach

## Pre-program



## Beneficiaries



Eligible people choose to sign up and enter the program

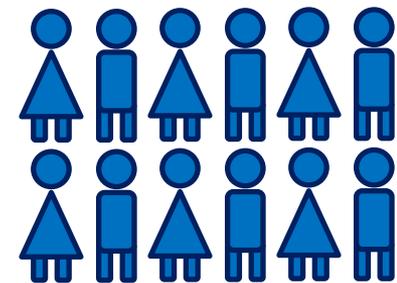
## Post-program



## Comparison group



Use existing workforce survey data



Focus on close matches in terms of age, gender, recently laid off, sector, and eligibility characteristics

# These programs looked rather successful

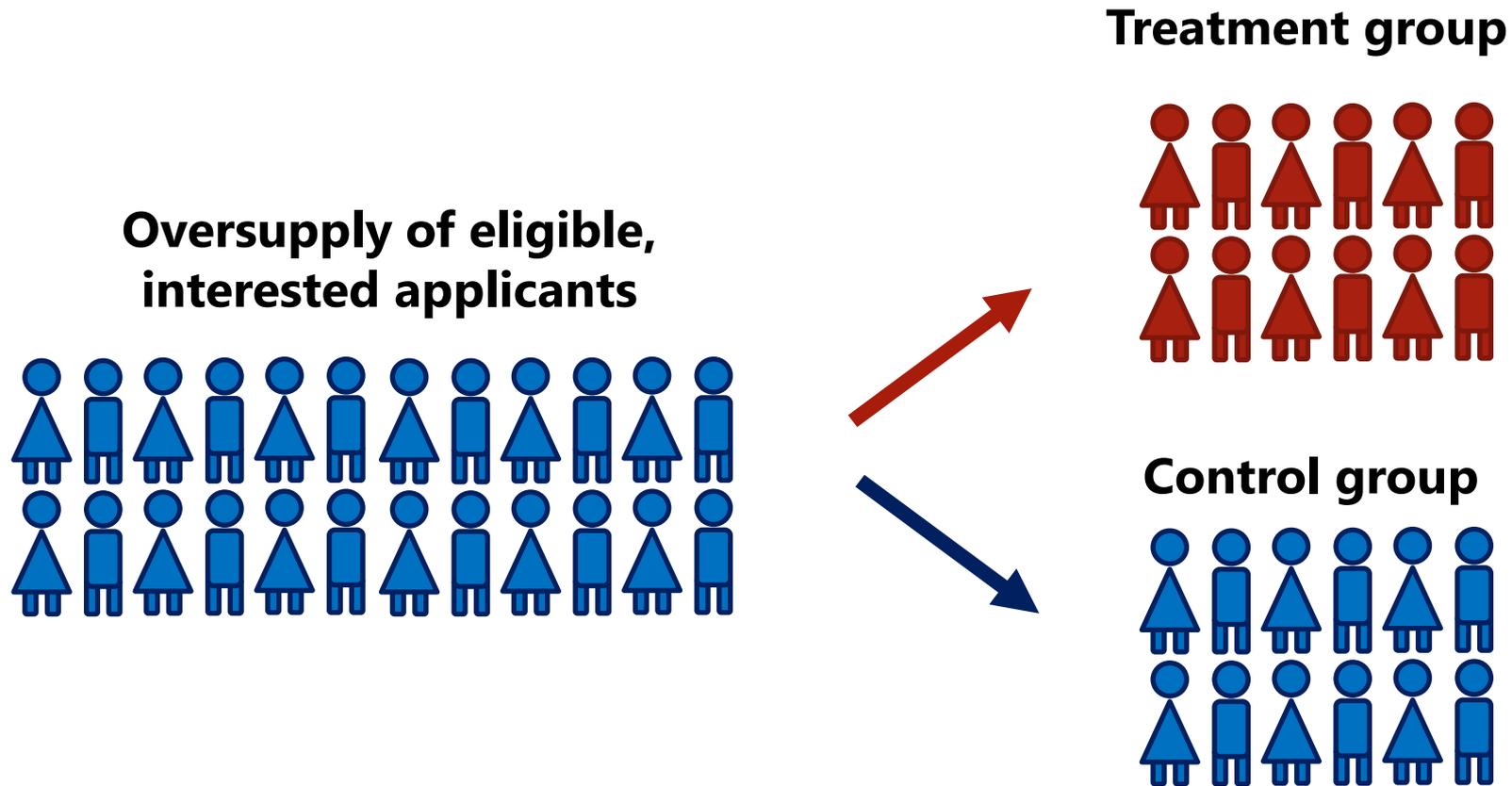
- Income growth
- Increased employment
- Steady jobs
  
- Policy answer: More investment in job retraining!

# Can we believe this conclusion?

- 1 Selection bias:** People choose to participate for specific reasons
- 2** Many times these reasons are related to the outcome of interest
  - **Job Training:** ability, earning potential, self-motivation
- 3** And many of these reasons are fundamentally unmeasurable

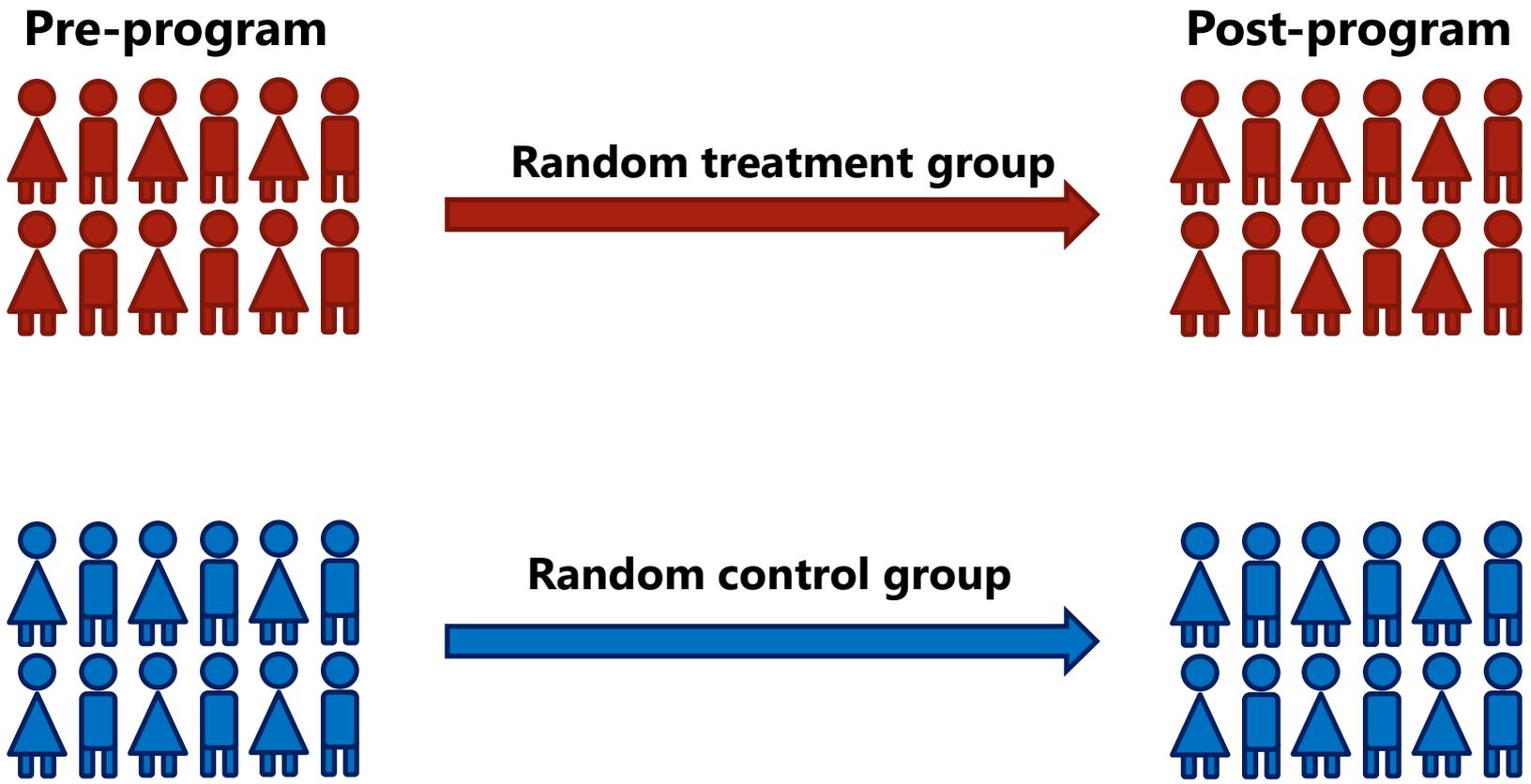
# One solution: The randomized experiment

Same principle as a medical trial



On average, identical in all observed and unobserved ways – a better counterfactual

# This is exactly what someone did with the US employment programs: Experimentation



**Average treatment effect (ATE) =  
Change in treatment group – Change in control group**

# So what did we learn?

- The non-experimental result:
  - Varied widely, depending on how you do your match
  - Many estimates showed positive impacts
- The experimental result
  - Small to even negative impact of the program
  - Tells you the opposite policy conclusion
- Why the difference?
  - Selection: the people who joined the program were more motivated and able than the non-experimental comparison group
  - So of course they did deceptively well

# **We can apply the same approach to employment programs in developing countries (Example 1)**

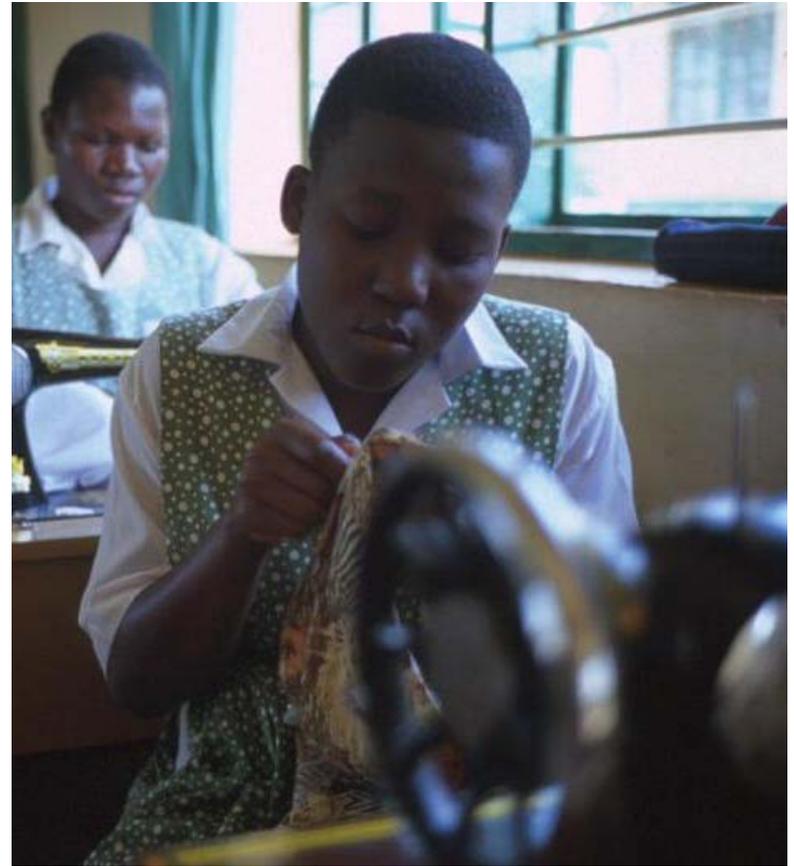
**535 groups applied, with 18,000 youth**

**265 treatment groups receive grant**

**270 groups assigned to a control group**

# Sometimes you find unexpectedly powerful results...

- Most youth groups invested the majority of their funds
  - (I was shocked)
- After 2 years:
  - Employment increased by 33%
  - Incomes rose by 44%
- Estimated return on investment of 33%
- Patterns speak more broadly to fundamental causes of poverty



## ... and sometimes you don't (Example 2)



- **Community goods got built**
- **But no change in poverty**
- **And no lasting change in participation or governance**

# These examples remind us why we evaluate as rigorously as possible

We often don't know what works or why...

...yet we are spending our grandchildren's money

...to help some of the world's most vulnerable people

If there is a way to do better, why would we not?

# Evaluation solutions all involve...

- Thinking strategically about what you need to know
  - What are the fundamental assumptions that underlie your programs? Can you test them?
- Planning your evaluation in advance
- Making learning and evidence-based policy a strategic priority, not an afterthought
- Identifying the best evaluation approach
  - Randomized control trials if you can
  - Non-experimental alternatives when you cannot

# Road Map: The next 5 days

## Today

### The Context

- Why do results matter?
- Linking monitoring with evaluation.

## Tuesday, Wednesday and Thursday

### The Tools

- Identification strategies.
- Cost Analysis
- Operational issues.

## Tuesday, Wednesday, Thursday, Friday

### The Experience

- Review of cases studies in labor, health and education sectors
- Group work on evaluation design and presentations.

**A PARTING THOUGHT:**

**Remember: You do not buy a drill because you want a drill. You buy it because you want a hole.**



**Q & A**