

A conversation with Evidence Action, October 22, 2015

Participants

- Professor Mushfiq Mobarak – Member, Board of Advisors, Evidence Action; and Professor, Yale University
- Dr. Karen Levy – Director, Global Innovation, Evidence Action Beta
- Karim Naguib – Economist, Evidence Action Beta
- Jeff Brown – Chief Executive Officer, Evidence Action Global
- Ali Akram – Postdoctoral Fellow, Evidence Action
- Salma Nasser – Global Development Fellow, Evidence Action
- Guillaume Kroll – Project Manager, Global Innovation, Evidence Action Beta
- Elie Hassenfeld – Co-Founder and Co-Executive Director, GiveWell
- Sophie Monahan – Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Evidence Action staff.

Summary

GiveWell spoke with Evidence Action staff to follow up on activities funded by past Good Ventures grants and to discuss Evidence Action's No Lean Season project. Conversation topics included the 2014/2015 round of research of the No Lean Season program and room for more funding.

October 2015 update of No Lean Season research

Evidence Action's No Lean Season project in Rangpur, Bangladesh aims to prevent seasonal hunger during the yearly cycle of poverty and hunger in the period between planting and harvesting crops. People who rely on agricultural wage labor earn insufficient income in this period because there is little agricultural work to be done in their village. Evidence Action's implementation partner in Bangladesh, RDRS, offers conditional travel grants to people who are poor, near-landless, reliant on agricultural wage labor, and have experienced seasonal hunger in the past, enabling them to migrate seasonally to cities where they are able to generate income.

The No Lean Season project builds on prior experiments conducted in 2008, 2011, and 2013. The key difference introduced in the 2014/2015 round was randomized variation in the proportion of the eligible populations which received subsidies. Travel grants were offered to 10% of the eligible population in some villages (10%-intensity villages) and up to 50% of the eligible population in other villages (50%-intensity villages). In previous rounds, RDRS made offers to slightly less than 10% of the eligible population.

Timing of disbursements and interview visits

Ideally, migration offers would be made by September to enable workers to migrate for the season from the second half of September to December. This year's disbursements were delayed until November as a result of labor unrest and practical concerns related to getting

the program started. Household visits were conducted to track changes in income soon after grants were disbursed.

Responses to migration offers

Evidence Action's findings from the latest round of study (2014/2015) suggest that people are more likely to migrate when more of their village co-residents are simultaneously receiving travel subsidy offers, possibly because migrating together with other villagers is believed to mitigate risk. In the 10%-intensity villages, the offers resulted in an increased propensity to migrate of 24.8 percentage points for eligible households. In the 50%-intensity villages, the offers resulted in an increase in propensity to migrate of 39.8 percentage points for eligible households. Additionally, eligible households not offered the grant in the 50%-intensity villages were more likely to migrate than similarly eligible people in control villages, an increased propensity of 9.7 percentage points.

In terms of gross population movements (i.e. movements in terms of village population), initial calculations suggest that in the 10%-intensity villages the grant induced an additional 3.5 percentage points of all eligible households and 2.4 percentage points of all households in a village to migrate, while it induced an additional 31 percentage points and 19 percentage points respectively in the 50%-intensity arm.

The baseline migration rate in control villages is estimated at 34.2% of eligible households.

Effects of seasonal labor migration

Data collection

Prior experiments highlighted the effects of migration in terms of changes in food consumption rather than changes in income. This is in part because measuring income accurately can be challenging due to recall bias, dependence of income on the agricultural cycle, and income generation through a variety of activities. For the 2014/2015 round of data collection, Evidence Action tracked income by conducting high-frequency surveys, using funding from a previous Good Ventures grant. During the migration season, each household was visited up to 6 times on approximately a weekly basis to collect detailed information on which household members had worked, where they had worked, how many days and hours they had worked, and how much they had been paid. Consumption data was also collected but in less detail than in previous experiments. The strategy here was to complement the earlier rounds of results by tracking outcomes using a different metric (income rather than consumption), and collected differently (using high frequency surveys immediately after intervention rather than one survey at the end of the season). Evidence Action plans to use income data to determine whether increases in income are in line with its previous data on increases in consumption.

Evidence Action collects data on eligible households in treatment villages who were offered travel grants, and also on those who were not offered travel grants, which enables it to track spillover effects.

Evidence Action collected data on wages and days worked via weekly employer surveys about what agricultural tasks were being done in each village. Evidence Action also collected data on food prices using shopkeeper surveys.

Increased income

Evidence Action's findings suggest that households sending a migrant experience a net increase in income overall driven by income earned away from the village, and no decrease in income earned at home, which suggests that income earned outside the village does not displace income earned at home. No significant difference was found between control and incentivized groups in number of days worked at home, but a slight increase in wages in the villages was observed, possibly as a result of the reduced supply of workers in the village, and the presumably unchanged demand for labor. Preliminary results from the latest round of study suggest that migrant workers are not typically paid higher wages in destination cities than what workers at origin locations report, but are able to work more days than their home counterparts.

Increases in household income are larger in the 50%-intensity villages than in the 10%-intensity villages.

Consumption

Analysis of an aggregated measure of food consumption per capita showed a statistically significant increase in consumption, consistent with the results of previous experiments.

Price of food

There is some concern that labor migration may cause inflation of food prices without an increase in the amount of food in the village, as a result of increased income and the possibility of market failure in the transport and distribution of food. Evidence Action surveyed village food sellers about food prices and did not find any changes.

Ongoing analysis of collected data

The intervention has scaled up fairly significantly over the years, from 1,900 households in 2008 to 5,764 households in 2014. Data collection on various topics during the 2014/2015 round of study was intended to examine any unanticipated positive or negative effects of seasonal migration that could potentially become problematic as the intervention scales up further, including:

- Changes in ways of thinking, such as social and political attitudes.
 - A political scientist at Yale University (Tariq Thachil) is analyzing data to track the political opinions and beliefs of people in the village, such as the propensity to vote.
 - Evidence Action has collected data about beliefs on women's roles, gender issues, and intra-family relationships.
- Long-term child health outcomes including stunting and middle-upper arm circumference.

Data in all of these areas has been collected and is being analyzed by Professor Mobarak and his colleagues. Results should be available within the next few months. This data is

intended to create baseline measurements against which future measurements can be compared. Child health outcomes are also being tracked in part to determine the effects of the intervention in 2008.

Evidence Action continues to track the villages which participated in the 2008 experiment, including pure control villages where no intervention has ever taken place and including some villages in which no further interventions have been conducted since 2008.

Repeated migration

Professor Mobarak estimates that the intervention will lead to repeated seasonal migration for about 3 years, after which it may be necessary to offer travel grants again for people to continue migrating. The initial migration helps people to build connections with employers, but concerns about changes in the employment conditions in the city may prevent people from continuing to migrate without an additional incentive.

Evidence Action's cost-effectiveness estimates assume no repeated migration and therefore are likely conservative.

Grants vs. loans

Evidence Action is in discussions with RDRS to explore whether it makes sense to offer travel subsidies in the form of a grant or a loan. Evidence Action may choose to offer grants rather than loans because while it would be helpful to recover some of the money invested, the high cost of recovering loans may not be worthwhile given the small size of the loans, and because some households may be more reluctant to accept a loan than a grant. It is possible that Evidence Action will offer loans instead of grants in the future.

Room for more funding

4-year growth plan

Evidence Action has created a plan to scale up No Lean Season over four years, with significant growth from year to year. The first year would include a round of rigorous evaluations to determine the program's feasibility at scale. Evidence Action will be able to implement the scale-up most effectively by working with its partner organization, RDRS Bangladesh (RDRS), which has 160 branch offices in Rangpur that could be used to administer the program at scale. RDRS seems to have adequate capacity to grow its personnel and throughput over the four-year period, but will be more eager to do so if it is confident that there will be adequate funding for all four years.

The total cost for the first year is about \$1.2 million, and Evidence Action is looking for an initial funding commitment for the first 1-2 years.

Cost-effectiveness

In the first year, taking into account the full cost of the scale-up plus the cost of an evaluation, No Lean Season would be more cost-effective than comparator food- and cash-transfer interventions in Bangladesh, and would become increasingly cost-effective in years 2-4. The cost per recipient household in year 4 is expected to be about \$22.15, including the cost of the subsidy.

Potential donors

Before beginning the scale-up, Evidence Action would like to gauge potential donors' interest in the project and discuss the possibility of making an advance commitment to ensure the availability of funds for all four years. If donor interest in scaling up the project is low, testing the scale-up in the first year may not have a high value for money.

Evidence Action is just beginning to contact potential donors about their interest in this project. Potential donors that have expressed some interest include Unorthodox Philanthropy and an anonymous funder that has requested more information. The Copenhagen Consensus Center may influence donations towards the No Lean Season project.

The Copenhagen Consensus Center's new project, Bangladesh Priorities: Smarter Solutions for Bangladesh, aims to identify potential high-impact areas and cost-effective interventions in Bangladesh by consulting researchers and experts in government and non-governmental organizations (NGOs). The Copenhagen Consensus Center is organizing an event in Dhaka involving the government and NGOs including BRAC, and has asked Evidence Action to prepare a report and give a presentation on No Lean Season at the event.

Evidence Action also plans to apply for grants from Development Innovation Ventures (DIV) with combined stage 2 and 3 applications submitted either in succession or simultaneously. However, it aims to maintain fairness for other applicants who may have less insider knowledge, and to avoid the appearance of conflict of interest due to Mr. Brown's previous position as Managing Director of DIV. While at GIF, Mr. Brown was firewalled (i.e. not involved, formally or behind the scenes) from all USAID/DIV activities starting August 1, 2014.

For one year from his date of separation from GIF (18 September 2015), Mr. Brown will be fully firewalled from any Evidence Action applications to, or negotiations of terms with, GIF, or any related decisions, regardless of whether Evidence Action is a prime or a sub on an application; as well as firewalled from work-related communications with any GIF staff, including advocacy, lobbying or representation. This is not expected to have a significant effect on Evidence Action's funding situation. Any conversations with GIF in this time will be led by Karen Levy and Laliteswar Kumar.

Next Steps

Evidence Action plans to prioritize the completion of its current analysis before conducting further analysis on additional outcomes of the experiment.

All GiveWell conversations are available at <http://www.givewell.org/conversations>