A conversation with Evidence Action, January 22, 2015

Participants

- Dr. Alix Zwane – Executive Director, Evidence Action
- Dr. Mushfiq Mobarak – Advisor, Evidence Action and Associate Professor of Economics, Yale School of Management
- Elie Hassenfeld – Co-Founder and Co-Executive Director, GiveWell
- Rebecca Raible – Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Alix Zwane and Mushfiq Mobarak.

Summary

As part of its work aiming to support the creation of future GiveWell top charities, GiveWell spoke with Drs. Zwane and Mobarak about seasonal income support (via subsidies for temporary migration) in Bangladesh. Conversation topics included Dr. Mobarak's previous research on migration subsidies, Evidence Action's current research exploring the unintended consequences of migration, and its future plans to scale up its seasonal income support program.

Seasonal income support (via subsidies for temporary migration)

Dr. Mobarak's previous research has shown that providing subsidies for temporary migration effectively increases migration rates and household consumption. Dr. Mobarak and colleagues have documented this positive consumption effect (i.e., migrant households show increased expenditures on food and non-food items) in randomized controlled trials conducted over three years with two different rounds of interventions. During this time, Dr. Mobarak also gathered non-experimental data to explore the mechanisms behind the consumption gain. This included information such as:

- How successful migrants are in finding employment
- How much migrants are making at their destination
- How much migrants are able to save and send home

This data is not considered experimental because it is only asked of migrants and cannot be compared to a control group.

Evidence Action's current research

Evidence Action is supporting a 4,000 household study in northern Bangladesh in order to explore further the potential of scaling up a migration subsidy program:

- In October, Evidence Action's local implementing partner, RDRS, distributed a $12 travel loan to participating households ($48,000 distributed in total).

- Participants are now in the process of migrating, finding employment, and sending remittances home.
- The local research partner, Innovations for Poverty Action (IPA), has completed three rounds of data collection.
- Over the next two months, there will be three more rounds of data collection (one in January and two in February).
- A final survey will be completed by the end of February.
- Some data will be available for analysis by the middle of February; final survey data will be ready by the middle of March.
- Complete results should be ready for regression analysis by April.

Evidence Action is not attempting to document again the positive consumption effect. Measuring this effect is expensive and Evidence Action is confident it will persist. This study is still tracking the amount of remittances migrants send home, but the focus is on the unintended consequences of migration (at both origin and destination). Evidence Action is exploring these consequences by asking questions such as:

- Does sending many unskilled laborers to a single city change wages?
- Does migration influence housing prices at destination cities?
- What kinds of housing opportunities are migrants finding?
- Does migration affect food prices in villages of origin?
- Does migration change gender dynamics (e.g., what changes occur when women are left at home to manage home finances when men migrate)?
- Are there are any unintended consequences for households who do not send a migrant?

Multiple rounds of data collection will allow Evidence Action to understand how these effects persist over time.

Evidence Action's future goals

Assuming that the current study indicates that Evidence Action can expand its seasonal income support program without sacrificing impact, it would like to scale up its program significantly in 2015-2016. Ideally, Evidence Action would have a funding proposal for this program ready by April or May. This proposal would include data from its current research.

Evidence Action will likely provide grants rather than loans in the upcoming program. Based on conversations with its current local partner, RDRS Bangladesh, it believes that the administrative costs of collecting loans are too high to make it cost-effective. In the past, Evidence Action has funded the necessary monitoring costs to ensure that participants migrated. Buying bus tickets rather than providing cash might be a cost-effective way to ensure this conditionality, but Evidence Action would need to discuss this option further with any local partner and understand trade-offs, as it seems that now people can migrate for less than the costs of a bus ticket by using other means of their choosing.

Funding

Evidence Action will seek a significant investment in the next stage of scale up, on the order of $5-$10 million.

Evidence Action hopes that GiveWell will consider continuing to fund its work. It could also seek funding from groups interested in evidenced-based programs, migration, nutrition etc.. Because GiveWell is unlikely to issue any grants or top charity recommendations before November, Evidence Action would have time to thoroughly test its expanded program and explore other possibilities throughout 2015. If GiveWell did not fund the next iteration of its program, Evidence Action will continue to seek funding from other sources

Scaling up concerns

It is important that local partners have the capacity to manage additional funding and that this work fits with their strategic priorities. This will be a focus for Evidence Action as they develop scale up plans.

Evidence Action will likely help build capacity of local partners by providing professional and financial support and guidance for conducting the necessary monitoring and evaluation of its program. Evidence Action provides this type of support to Action Foundation for Social Services (AFSS), its local partner for its deworming work in India.

Evidence Action may be well prepared to support this expansion because this initiative may be logistically similar to its work on deworming. Both involve distributing through a cascade design, money, training, and management materials and collecting information and unused money.

One topic to understand further is the "lumpiness" of this program. It will require a big push during a few months, and relatively less staff and attention at other times in the year. This can pose a management challenge. Evidence Action also experiences this with deworming. It will be important to understand to what extent this lumpiness can be mitigated.

The likely next stage of expansion will be significant, but will not cover all people that could benefit from the program. There are probably something on the order of three million possible target households in northern Bangladesh.

Expanding to other regions

There is potential to expand this program to other regions.

In order for this intervention to work, there must be seasonality and a nearby labor market that can support new migrants. A nearby labor market is important because it would be very difficult to induce and support international migration. Areas in Indonesia and Ghana may fit these requirements, for example.

This intervention will not work in areas where people are rich enough that the cost of a bus or train ticket is not the key restraint to migration. For example, it is harder

to induce people to migrate in South India because people are three or four times wealthier than they are in Northern Bangladesh

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