

Conversation with GiveDirectly, July 7, 2014

Participants

- Paul Niehaus – Co-Founder and President, GiveDirectly
- Joy Sun – Chief Operating Officer, Domestic, GiveDirectly
- Piali Mukhopadhyay – Chief Operating Officer, International, GiveDirectly
- Carolina Toth – Manager, People and Partnerships, GiveDirectly
- Eliza Scheffler – Research Analyst, GiveWell
- Andrew Martin – Summer Research Analyst, GiveWell

Note: This set of notes was compiled by GiveWell and gives an overview of the major points made by GiveDirectly.

Summary

GiveWell spoke to GiveDirectly as part of its process of staying up-to-date on the progress of top charities. GiveDirectly prepared a written update to accompany this conversation, which is available here:

http://files.givewell.org/files/DWDA%202009/GiveDirectly/20140723_GW%20GD%20quarterly%20update.pdf. The following notes provide a supplement to this document; when specific page numbers are cited here, they refer to pages of the written update.

Topics covered in the written update and in this conversation include GiveDirectly's strategy, research, collaborations, revenue, expenses, operational improvements, community-based targeting pilots, future room for more funding, and adverse events.

Strategy

GiveDirectly aims to make cash transfers the “index fund” of development, a yardstick against which more actively managed, top-down interventions can be measured. Page 3 of GiveDirectly's written update depicts the index fund analogy.

GiveDirectly has two major goals: to increase the use of cash transfers and to improve the effectiveness of cash transfer programs. Page 4 of GiveDirectly's written update outlines the roles that GiveDirectly and Segovia will play in achieving these goals.

Page 5 of GiveDirectly's written update presents the “menu of projects” that GiveDirectly has “designed for maximum global impact,” including the rationale behind these projects.

Research

GiveDirectly hopes that by facilitating and conducting policy-relevant research of its cash transfer programs, it can have outsized impact through improving public sector cash transfer programs as well. Page 6 of GiveDirectly's written update provides information about GiveDirectly's current research projects.

Identifying policy-relevant research questions

Based on conversations with policymakers, GiveDirectly has identified gaps in the evidence-base for cash transfers that currently limit policymakers' ability to implement cash transfer programs or to do so effectively. GiveDirectly has spoken with policymakers in Kenya and Indonesia, as well as representatives of the UK's Department for International Development (DFID). The leading question that came out of these conversations was about the macroeconomic impacts, or "general equilibrium effects," of cash transfers when conducted at a national scale. This includes factors such as enterprise structure, prices, local public finance, and local government activities. This question is the primary motivation for GiveDirectly's top research priority: a study of general equilibrium effects.

Study of general equilibrium effects

Ted Miguel of the University of California, Berkeley will lead the study of general equilibrium effects. The minimum funding required for cash to be transferred as a part of this study is \$7.5 million, with ideal an ideal amount of \$15 million. GiveDirectly has so far raised \$7 million for this study. GiveDirectly's fundraising deadline for these transfers is January 2015, as that is when the baseline measurement will be complete for the first set of villages, so if measurement is going to be extended, the researchers would need to know by January. Increasing the number of villages in the study will also increase measurement costs, so it would be helpful for the research team to have lead-time for their own fundraising before January.

Currently, GiveDirectly is enrolling villages in Siaya district that will be a part of the general equilibrium effects study. It is also working to obtain permission from local government officials to conduct transfers in another county from which villages will be drawn to participate in the study. Villages may be assigned to treatment or control groups within zones, so that some zones can have a higher or lower percentage of treatment villages in order to aid in the detection of spillover effects. The researchers will start collecting baseline data in August 2014, before token transfers are sent.

This study will potentially include long-term follow up as well, to address a separate question raised by policymakers about the long-term impacts of cash transfers. Professor Miguel previously worked on a study of the impacts of deworming (Miguel and Kremer 2004) that involved follow-up over a period of ten years and obtained a high response rate, so he has experience in setting up effective systems for tracking study participants over time.

Paul Niehaus, GiveDirectly's Co-Founder and President, will serve as a Principal Investigator on the general equilibrium effects study. To mitigate potential bias when GiveDirectly staff are involved in research on the impacts of its programs, GiveDirectly has decided on a few safeguards: the research team conducting the study will 1) preregister their plans for measurement and analysis 2) use a (non-GiveDirectly staff) third party for measurement, and 3) include academic PIs who are not involved in GiveDirectly and have a reputation for honesty.

Collaborations

GiveDirectly is collaborating with the Center for Global Development to encourage the use of cash transfers as a “benchmark” for other aid programs (to compare the impacts of a top-down, actively-managed intervention with the impacts of the cost-equivalent of that program distributed in the form of cash transfers). GiveDirectly has already had positive conversations with DFID about how it might use cash to benchmark the “value for money” of its programs.

Influencing DFID's approach is one way to improve national cash transfer programs in developing countries, because DFID is a major funder of these programs and can therefore cause changes to be implemented. Cash transfers globally have problems with targeting individuals who are actually the extreme poor and preventing leakage, and DFID has pushed reforms to improve targeting among other matters.

Based on feedback from DFID and other large governmental and bilateral organizations over time, GiveDirectly would need to gain experience implementing cash transfers programs in different geographies (e.g., urban) and at a larger scale in order to work more closely with those organizations as an implementing and thought partner.

Revenue

Page 7 of GiveDirectly's written update outlines GiveDirectly's revenue in 2014. “Relational” refers to donations that GiveDirectly has actively raised from major funders; “retail” refers to donations that GiveDirectly has passively raised from smaller donors, without individually targeted solicitation.

Expenses

The projected expenses on page 8 of GiveDirectly's written update are based on expenses from Q2. GiveDirectly has since allocated an additional \$1 million of its budget for field expenses, including transfers. This money was made available because GiveDirectly is no longer looking to hire technology staff to build field technology products, since Segovia launched. GiveDirectly may still hire technology staff to work on its website.

GiveDirectly has allocated most of its current funds towards enrolling recipients in Kenya, in order to continue implementing the rolling model for field operations and to build the sample for the general equilibrium effects study. These goals will take precedence over GiveDirectly's work in Uganda, where it expects to stop committing to new recipients in August 2014, until funds allow for additional recipients (see page 12 of GiveDirectly's written update).

Relative to Kenya, core operations make up a higher proportion of costs in Uganda because more management time has been invested in setting up GiveDirectly's operations and building the organization in Uganda.

Operational improvements

Page 9 of GiveDirectly's written update describes operational improvements that GiveDirectly has implemented. GiveDirectly shared an example of the standardized operational reporting, available here:

<http://files.givewell.org/files/DWDA%202009/GiveDirectly/201406%20Monthly%20ops%20reporting.xlsx>. Page 10 of GiveDirectly's written update gives information about the scorecards that GiveDirectly developed for staff performance evaluation.

Community-based targeting pilots

Page 11 of GiveDirectly's written update discusses GiveDirectly's experience with community-based targeting. GiveDirectly is considering incorporating some form of community-based targeting into its standard model but is currently undecided as to whether and how to do this.

Future room for more funding

Page 12 of GiveDirectly's written update provides information relevant to GiveDirectly's room for more funding in 2015.

Adverse events

GiveWell and GiveDirectly discussed one particular adverse event, which GiveWell perceives to be the most serious case of conflict reported in the follow up tracker that GiveDirectly shared in April 2014

(<http://files.givewell.org/files/DWDA%202009/GiveDirectly/20140618%20Kenya%20follow%20up%20tracker.xls>). In this case (see row 37), it was reported that a husband and wife fought about how to use the transfer funds, that the husband physically abused the wife, and that she passed away after giving birth prematurely, while the child survived only a few days. When GiveDirectly found out about this case, Carolina (then Kenya Country Director) and a GiveDirectly field staff member visited the family of the deceased and others in the community. GiveDirectly staff shared their condolences and spoke with the parents and community members to get as much information as possible about the extent to which the cash transfer may have been the cause of the violence, and if there is anything that GiveDirectly could have done to prevent this situation from occurring.

GiveDirectly staff were told that the household had an 11 year history of domestic violence and that this particular case occurred 3-4 months after the first transfer was sent. No one in the community or in the family of the deceased could confirm or deny that the violence was related to the transfer. The parents of the deceased expressed that there was not anything GiveDirectly could have done to prevent this adverse event. However, people in the community, including the parents of the deceased, said that they did not want to report the incident because they were afraid that it would cause GiveDirectly to cancel the cash transfer program, which they did not want to happen. The family of the deceased wanted GiveDirectly to come to their community despite what had happened to their daughter, and declined help in prosecuting their son-in-law because they had forgiven him and wanted to look after the interests of their grandchildren.

In response to this case, and as a part of its ongoing process improvement and growth, GiveDirectly has:

1. Sent an experienced staff member who is a trained counselor to conduct qualitative deep dives with seven other households GiveDirectly had identified as having experienced domestic conflict to understand their cases deeply and gain insight to inform policy changes.
2. Increased its detection mechanisms for adverse events in follow up surveys administered after each transfer. GiveDirectly has added a question to ask

explicitly about “domestic violence,” rather than “violence” in general, because people may not consider the former to qualify as part of the latter.

3. Created a specialized role for the above-mentioned experienced staff member with a counseling background, in which she personally manages complex cases. This consumes a substantial amount of her time. She is assisted by one other staff member in this.
4. Increased automation of adverse event information to improve detection, escalation, and tracking.
5. Developed and is currently in the process of rolling out an additional detection mechanism in which GiveDirectly calls village elders at key points in the process to ask about adverse events, because they are likely to hear about issues and may feel more of an obligation to report them, relative to an average village member.
6. Worked with an academic to design a study testing a mechanism to reduce domestic violence and improve female empowerment (namely, informal contracts between husband and wife). GiveDirectly is hopeful that piloting will begin on this in 2015.

Intelligence gained through the deep dives confirmed the usefulness of GiveDirectly’s existing policies related to conflict. When it is reported to GiveDirectly that a household is in disagreement about how to use the transfer funds, GiveDirectly’s standard protocol is to suspend transfers until the household has resolved the issue and either have a staff member help arbitrate the case or ask the village elder to do so. Typically, GiveDirectly finds that people are able to find a way around their conflict, sometimes with arbitration from the village elder or facilitation by GiveDirectly staff. When the household is unable to resolve an issue, GiveDirectly will split the remainder of the transfer to avoid perpetuating cases of conflict. GiveDirectly also corroborated a finding from the RCT, which showed a statistically significant reduction in domestic violence both for treated households (as well as control households in treatment villages). Households attributed the reduction in violence to a reduction in stress from acquiring basic needs. Reduced stress was also an RCT finding, with a statistically significant reduction in cortisol level in saliva samples.

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