

## A conversation with Dr. Michael Cooke, April 17, 2017

### Participants

- Dr. Michael Cooke – Research Director, GiveDirectly
- Natalie Crispin – Senior Research Analyst, GiveWell

**Note:** These notes were compiled by GiveWell and give an overview of the major points made by Dr. Michael Cooke.

### Summary

GiveWell spoke with Dr. Cooke of GiveDirectly for an update on GiveDirectly's research projects. Conversation focused on five research studies that GiveDirectly either has completed or is currently running, as well as potential plans for future research activities.

### Overall learning agenda

GiveDirectly's overall learning agenda includes five main areas:

1. **The long-term impacts of transfers**, addressed by its general equilibrium (GE) study and future follow-ups within that sample
2. **How cash transfers affect local economies**, also addressed by the GE study
3. **Comparison of GiveDirectly's programs to other ways of delivering conventional aid**, addressed by its coffee study
4. **The impacts of a universal basic income (UBI) on communities**, addressed by its UBI study
5. **Which transfer designs maximize impact and value to recipients**, addressed by both its aspirations study and its transfer design study (carried out in partnership with ideas42)

GiveDirectly expects all of these studies to provide more information about how recipients spend their transfers, what kinds of assets they accumulate, and how their income changes, relative to control groups (with the exception of the ideas42 study, which does not have a control group). Modules on income, assets, and investment are common in most studies. Common forms of investment returns include:

- Income-increasing investments (e.g. livestock, fishing nets)
- Cost-reducing investments (e.g. iron roofs, home improvement)
- Investments in human capital (e.g. education, health)

### General equilibrium (GE) study

GiveDirectly has made all of the transfers for its GE study and the last set of pre-analysis plans is being finalized. Nearly all of the data collection is complete. GiveDirectly expects to have initial results in the next few months and to have draft papers on 18-month effects by early fall. GiveDirectly also plans for the GE study to include longer-term follow-ups.

## **Transfer designs study (with ideas42)**

About 550 households were included in a baseline survey. The study did not randomize which recipients received transfers and which did not. Recipients were randomized to either receive payments immediately or after a delay. The study also randomized what information recipients received at the start about potential investments they could make. Within participants receiving transfers, the study randomized which recipients received which payment structure (i.e. lump sum or smooth), with a small amount of weight given to the recipient's stated preference as assessed by a survey (i.e. recipients had a 55% chance of getting their preference between a lump sum or smooth transfer structure, if it was available).

Endline data collection is now complete. The study team has done some initial analysis of the results, which have been presented at talks, etc. Dr. Cooke expects there to eventually be a paper on the results.

## **Gender contracts study**

The pilot of GiveDirectly's gender contracts pilot study has been completed. This included 80 households in Nyando County. The measurement was done by the Busara Center for Behavioral Economics, and the results have been summarized in a blog post on the GiveDirectly website (<https://givedirectly.org/blog-post?id=5232788732927667500>):

"Preliminary results suggest that engaging households in structured financial planning prior to receiving the transfer has the potential to impact on couples' choice of financial goals and their adherence to those goals. Moreover, financial planning appears to be particularly important for households where women had little decision-making power ex ante. Experimenting with financial planning methods may thus be a valuable strategy both to increase female participation in decision-making, and to reduce spousal conflict."

GiveDirectly might potentially want to follow up this pilot study with a larger study designed as a randomized controlled trial. However, GiveDirectly is not running this study in the near term because it estimates that the cash transfers involved would cost at least \$5-10 million to deliver and it does not have the funding to allocate to this particular project. GiveDirectly would be open to discussing this with potential funders.

## **Universal basic income (UBI) study**

For its UBI study, GiveDirectly co-founders Michael Faye and Paul Niehaus are principal investigators (PIs) on the project, together with Abdul Latif Jameel Poverty Action Lab (J-PAL) co-founder Abhijit Banerjee, former Chair of the Council of Economic Advisors Alan Krueger, and Massachusetts Institute of Technology professor Tavneet Suri. GiveDirectly has contracted field work to Innovations for Poverty Action (IPA). GiveDirectly has gotten institutional review board approval from the American universities involved (MIT, Princeton, and UC San Diego) and from Maseno University in Kenya. It has also gotten a research permit from the

Kenyan government's National Commission for Science, Technology, and Innovation.

There haven't been any major changes from the original study design.

### **Process**

Once the 300 villages for the study have been selected, IPA will perform a census of every household in those villages, then do a baseline survey of 30 households randomized from within that census. Once all villages have been randomized into one of the three study arms (i.e. long-term basic income, short-term basic income, or lump sum transfers as the control arm), GiveDirectly's field officers will do a census of the villages (except for control villages) and enroll all eligible adults. Adults are eligible if they are 18 or older and have lived in the village for the last six months. For the long-term arm, GiveDirectly also plans to “pre-enroll” those aged 15 to 17 and incorporate them into the basic income program once they turn 18. (This is the only group that will be incorporated into the study later – people who are under 15 now, or people who later join the village, will not be added.)

IPA plans to begin the census and baseline process in Siaya County later this month and in Bomet County shortly after that. GiveDirectly expects the census and baseline process to last until July 2017 (ideally, it would be completed before Kenya's August election, though it is possible it will continue past that). Once IPA's process is complete, GiveDirectly plans to start enrolling people in the study; that process will last from roughly the third quarter of 2017 through the first quarter of 2018.

### **Potential funding shortfall**

For most aspects of the study, there is not a sharp line in terms of funding below which GiveDirectly would be wholly unable to examine a given question; rather, less funding would result in incremental decreases in study power (i.e. ability to examine smaller groups and detect smaller effect sizes).

### **Coffee study**

For its coffee study, GiveDirectly field officers did the data collection. GiveDirectly contracted IDinsight to provide independent input on the research design, survey instruments, and pre-analysis plan. IDinsight will also undertake the analysis of study data. The study was funded by Benckiser Stiftung Zukunft (BSZ).

The transfers are now more than 90% complete, and over 98% of transfer value will have been received by recipients by the end of April. The final \$55,000 of transfers will be distributed over May, June, and July. The endline survey is scheduled for the first quarter of 2018 (this was pushed back from the initial plan to correspond to the harvest schedule for coffee). This is the only endline survey GiveDirectly has planned for this study.

GiveDirectly expects the coffee study to help it better understand a) the overall impact of GiveDirectly's work in a Ugandan, rather than Kenyan, context, and b) whether coffee farmers make different investment choices and get different returns

than people who are not coffee farmers. GiveDirectly has various hypotheses about how releasing recipients from capital constraints could change their coffee farming practices (e.g. it might enable them to let crops ripen longer, and thereby sell them at a higher price, rather than harvesting and selling early to meet immediate consumption needs). GiveDirectly also expects the study to enable BSZ to compare the cost-effectiveness of cash transfers with the cost-effectiveness of other anti-poverty interventions for coffee farmers that it funds.

## **Aspirations study**

The aspirations study is led by external academics. The research field work is subcontracted to IPA, with whom GiveDirectly works to coordinate field activities.

GiveDirectly has increased the sample size substantially from the original plan in order to keep the study well-powered. The study now includes between 420 and 430 villages, half of which will receive cash.

As of this month, IPA has completed baseline surveying of all study participants and GiveDirectly has completed enrollment of all participants who will receive cash transfers. The aspirations intervention itself should be completed by July. In the villages that are receiving cash, the intervention will take place either just before or just after the first lump sum transfer. The first endline survey is scheduled for the first quarter of 2018. (The research team might perform additional subsequent follow-ups if it gets more funding.)

GiveDirectly expects this study to provide new and helpful information about both a) whether supplementing cash transfers with the aspirational intervention affects recipients' spending, and b) general information on cash transfers in these Kenyan communities, which are in new areas and for which GiveDirectly will be using new, poverty-based eligibility criteria (as opposed to the specific criteria used previously in Rarieda that targeted people with grass roofs).

## **Other research**

### **Operational research in remote villages**

GiveDirectly has done some non-experimental operational research in remote parts of Uganda to examine the feasibility of implementing its program in places where, e.g., there is no cell coverage, there are no local mobile money agents, villages are several hours on foot from the nearest road, etc. GiveDirectly hopes to gather information about these recipients' experiences of receiving cash transfers, withdrawing transfers, and generally test the limits of who it can get transfers to effectively.

### **Survey on money saved by buying an iron roof**

GiveDirectly did a small study asking recipients how much they have saved by buying an iron roof (i.e. how much they would have needed to spend on fixing a thatched roof). Dr. Cooke is not aware of plans for surveys like this for other categories of spending. GiveDirectly's income and expenditure modules tend to be

fairly detailed in terms of how recipients' income streams and spending change after receiving transfers (e.g., in terms of returns from different types of businesses).

### **Future research goals**

GiveDirectly is close to capacity with research projects at the moment, so its main priority is to ensure that the studies it has in progress are executed as well as possible before it adds any new projects.

If funding can be secured, GiveDirectly would like to perform long-term follow-ups on both treatment and control villages in a number of studies (rather than trying to treat all the control villages).

### **Proportion of recipients involved in studies**

A very high proportion (though not 100%) of GiveDirectly's transfer recipients are involved in a research study. For example, in Rwanda, many participants are involved in studies, but GiveDirectly also runs a core operations program with recipients who are not part of a study. In Kenya, the UBI study will be a major part of GiveDirectly's work for the next year, and many of its other Kenyan operations are associated with the aspirations study.

### **Dr. Cooke**

Dr. Cooke joined GiveDirectly in October 2016. He is the first person dedicated to coordinating GiveDirectly's research, which has freed up other staff members' time for other activities. Dr. Cooke is relatively new to the international development space, having worked previously in research roles in health charities, the United Kingdom government, and academia.

Dr. Cooke's day-to-day work involves calls and follow-up work with research PIs, IPA, field staff, etc., and troubleshooting if problems arise (for instance, if villages end up being larger than expected). For the UBI study, Dr. Cooke is working with IPA and the PIs on coordinating research operations with GiveDirectly field operations. He is also working with GiveDirectly's partners and fundraising staff to turn knowledge into useful communications, e.g. by reviewing existing research on education to incorporate into funding bids.

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