

Conversation with GiveDirectly, December 7, 2013

Participants

- Paul Niehaus – Co-Founder and President, GiveDirectly
- Elie Hassenfeld – Co-Founder and Executive Director, GiveWell
- Eliza Scheffler – Research Analyst, GiveWell

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

Summary

GiveWell spoke with GiveDirectly about issues that might arise if GiveDirectly were to increase in scale significantly. The conversation addressed how GiveDirectly's engagement with government and other aid organizations may change as it grows, and what GiveDirectly is doing to mitigate potential issues, as well as potential concerns about crime and how they could be mitigated. GiveDirectly also commented on its recruitment of new staff and fundraising efforts.

Future expansion and potential issues

The field of Development Economics is overly focused on comparing the relative impacts of programs, instead of focusing on how to scale what works. Of the most evidence-based interventions, cash transfers are the simplest, and GiveDirectly has built a model that could scale well. It is important to GiveDirectly that it grow to the size of some of the smaller government cash transfer programs, in order to prove that its model can be effective at the national level. If GiveDirectly were to transfer \$1000 to each household in Kenya that meets its eligibility criteria and already uses M-Pesa (the mobile money service), it would require \$2.5 billion. (Data from 2005/6 Kenya Integrated Household Budget Survey, which includes housing materials, demonstrates that there are 3.5 million households that meet the eligibility criteria in rural areas; estimated 72% penetration rate of M-Pesa among Kenyan adults living under \$1.25 / day).

GiveDirectly may eventually conduct transfers in urban areas, where targeting criteria would have to change because common housing materials differ. It may also work in northern regions of Kenya in the future, where there is no mobile money provider, so GiveDirectly staff would have to either work with branch banks to distribute cash or take armored vehicles with cash on designated distribution dates. These processes would be

more expensive and higher risk, but it is something that GiveDirectly would like to build its capacity for.

GiveDirectly does not currently work closely with any partners, other than the mobile money services, because it does not want its expansion to be dependent on an outside entity. However, future expansion could bring about issues that GiveDirectly has not previously dealt with, and these may be hard to predict. For instance, when GiveDirectly is operating at a much larger scale, it could be more attractive for outside entities to try to influence or interfere with its cash transfer programs. One speculative example: if the poorest regions of a country, which GiveDirectly targets, are all controlled by one political party, the other party may try to stop GiveDirectly from operating in that country.

Engagement with outside entities

Government

Before launching a campaign, GiveDirectly secures the buy-in of Chiefs, who are elected to work at the regional level, presiding over Sub-Chiefs and Village Elders.

Chiefs appoint Village Elders to represent them in the villages and to handle dispute resolution. Village Elders receive salaries for serving in this role, which comes with some respect and status. GiveDirectly aims to not rely on Village Elders for any part of the cash transfer process, because they may be biased by personal relationships and therefore unreliable.

When GiveDirectly staff discover that a Village Elder has attempted to solicit bribes from recipients, the Field Director in that country reports the issue to the presiding Chief. GiveDirectly does not report Village Elders to the police or press charges, and it does not have the authority to remove Village Elders from their positions, though Chiefs do have this authority. There have been four cases in which Chiefs have removed Village Elders from their positions because of issues that GiveDirectly reported. (GiveDirectly has worked in approximately 120 villages total; each with one Village Elder). GiveDirectly has spoken with recipients in villages where the Village Elder was removed and with one of the replacement Village Elders, all of who expressed joy with the change. GiveDirectly has not spoken with any of the Village Elders who were removed. Power and corruption are huge issues in development, so it's possible that one of the greatest impacts GiveDirectly can have is in reporting Village Elders who are corrupt.

Other aid organizations

The poverty criteria that GiveDirectly uses to select villages tends to target relatively remote areas where other NGOs are not very active. GiveDirectly staff rarely interact with other aid workers in a professional capacity, though they do interact socially and have collegial relationships.

Efforts to mitigate potential issues of engagement

Working in multiple locations

Geographic diversification is one way of preparing for potential issues, because it gives GiveDirectly the flexibility to shift spending out of an area if problems arise. This is one benefit of GiveDirectly expanding to Uganda.

Networking in country

GiveDirectly is working to grow its network in East Africa. Having allies in the countries in which it works is helpful because they can alert GiveDirectly to potential issues and help diffuse issues that arise. Towards this goal, GiveDirectly is:

- Connecting with people in the press and politicians in the civil service who understand power dynamics in country and are generally “in the know.”
- Connecting with people who are “outsiders,” but have valuable expertise, such as John Githongo, who has worked on transparency and anti-corruption in East Africa.
- Actively recruiting East African figures to be involved in leadership.

Instances of crime

The randomized controlled trial of GiveDirectly’s program in Rarieda did not find an increase in crime, so at that scale it does not seem to be an issue. It’s possible that crime would be a more serious problem if GiveDirectly became a substantially larger and better-known organization.

Efforts to mitigate potential issues of crime

There are a few ways that GiveDirectly could try to prevent and manage instances of crime:

- Make sure that recipients have as much privacy as possible. Currently, 70-80% of recipients answer in follow-up surveys that others in their community know when they receive payments. It may be good to bring that number down. GiveDirectly is considering giving people more control over the timing of their payments, which could help address the issue of privacy.

- Call people regularly after transfers. GiveDirectly currently calls people after every installment of a transfer; if the recipient has been the victim of a crime, GiveDirectly can pause the transfers until the issue is addressed.
- Rely on local law enforcement. GiveDirectly can report instances of crime to local law enforcement; the reliability of this would vary by region, but Kenyan law enforcement has been reliable so far.

GiveDirectly staff capacity

Recruiting for Field Director position

GiveDirectly has historically hired people for the Field Director positions who are highly qualified and interested in living in Africa for some years early in their careers. Because these people do not expect to live in country long-term, GiveDirectly will have to recruit for Field Directors on a fairly regular basis, which can be very time consuming. Currently, GiveDirectly is considering three candidates for two new Field Director positions. GiveDirectly is hoping to transition these positions towards people who are native to the countries in which they work and view the Field Director position as a long-term career.

Field staff layoffs

GiveDirectly has laid off a few field staff for dishonesty or cheating; for example, one field staff person did some work on a Saturday but claimed that he had done it on a Monday. This was a case where digital data collection helped GiveDirectly increase accountability (because there was a time stamp marking the date the work had been completed).

Staff time spent on fundraising

Paul Niehaus, GiveDirectly's President, expects to focus solely on fundraising through January 31st, 2014, the deadline for the Good Ventures matching funds. After that, he will shift towards working on GiveDirectly's field operations.

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