The New York Times | http://nyti.ms/1m28QMp

SundayReview

What Data Can Do to Fight Poverty

Gray Matter

By ANNIE DUFLO and DEAN KARLAN JAN. 29, 2016

IF social scientists and policy makers have learned anything about how to help the world's poorest people, it's not to trust our intuitions or anecdotal evidence about what kinds of antipoverty programs are effective. Rigorous randomized evaluations of policies, however, can show us what works and what doesn't.

Consider microloans. This celebrated and sensible-sounding strategy — advancing small sums of money to help women in developing countries become entrepreneurs — has been supported by inspiring tales of people pulling themselves out of poverty by creating small businesses. But studies show that such stories are outliers. Six randomized evaluations of microloan programs, for example, published last year in the American Economic Journal, found that microloans, though helpful for the poor, didn't actually increase income for the average borrower.

Two other recent studies, conducted in sub-Saharan Africa by field researchers working with scholars of behavioral science in the United States and England, also tested antipoverty strategies and found in each case that conventional instincts about what would work were wrong. (These collaborations were organized by our nonprofit, Innovations for Poverty Action, which has overseen more than 500 such evaluations in 51 countries.)

The first study took place in Uganda. As is the case in many poor countries, even when children in Uganda can go to school, they often lack the money for basic school supplies, which can limit their learning. Research has shown that "commitment devices," which keep savings out of reach until a date or savings goal is reached, can be effective in helping people save. So one of us, Professor Karlan, along with the University of Texas economist Leigh Linden, collaborated with two education organizations in Uganda to find out if commitment devices could help students save for school supplies — and if so, how best to design the commitment strategy.

Public primary school students were given the chance to deposit money weekly into a lockbox, and they were informed that their accumulated savings would be returned to them at a school-supplies fair at the beginning of the next trimester. Schools were randomly assigned to one of three groups. In the first group, students were offered a "hard" commitment: Their accumulated savings would be returned in the form of a voucher that had to be spent on school supplies. In the second group, students got a "soft" commitment: Their savings would be returned in cash, and could be spent as they wished. The third group of schools continued as normal, serving as a comparison group whose savings and spending money were also observed.

You might think that the "hard" commitment would be the best strategy, since it forces the money to be spent on school supplies. But surprisingly, as we report in a working paper, the soft commitment worked better. Students who got their savings back in cash saved more, and when the program was combined with parental involvement (which was also randomized), the students also bought more school supplies and achieved higher test scores.

The second study took place in Zambia. One problem there, as in other low-income countries, is how to recruit the "right" kind of workers for jobs like teachers and health workers — where "right" refers to those who are capable and genuinely interested in helping the community, not just looking for money and a steppingstone to another job. There is often resistance to increasing what these jobs pay, or otherwise improving their benefits, for fear of attracting opportunists.

The researchers Nava Ashraf and Scott Lee from Harvard Business School and Oriana Bandiera from the London School of Economics and Political Science tested this conventional wisdom by varying whether one particular job benefit —

opportunities for career advancement — was advertised in a government recruitment drive for a nationwide health-worker program. The researchers randomly assigned some rural communities to receive advertisements for the jobs that announced opportunities for career advancement, whereas in other areas, the advertisements were silent on this issue.

Contrary to expectation, the researchers reported in a working paper released last year, those recruited with “career” advertisements were more qualified and scored higher on exams during training, and also exhibited the same degree of emphasis on community service. The “go-getters” also outperformed the “do-gooders” on the job, seeing the same number of patients in their health clinics while conducting 29 percent more home visits and twice as many community health meetings. (After being recruited, everyone was told about the opportunities for career advancement, so that no differences in performance could be attributed to differing incentives.)

More important, updated data show that communities served by the “go-getters” are doing better on key health benchmarks such as facility-based childbirth, breast-feeding, vaccinations and nutrition. Based on these findings, the Zambian government changed its recruitment advertising as it looks to expand its health-worker program.

These two insights — committing to cash savings, recruiting “go-getters” for community service jobs — are just the tip of the iceberg. We have found that pairing experts in behavioral science with “on the ground” teams of researchers and field workers has yielded many good ideas about how to address the problems of poverty. Hope and rhetoric are great for motivation, but not for figuring out what to do. There you need data.

Annie Duflo is the executive director of Innovations for Poverty Action, of which Dean Karlan, a professor of economics at Yale, is the founder.

A version of this op-ed appears in print on January 31, 2016, on page SR12 of the New York edition with the headline: What Data Can Do to Fight Poverty.