

Using Evaluation Findings to Inform Inclusive Growth Policy-Making

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Moderator: So we're starting the last session, Using Evaluation Findings to Inform Inclusive Growth Policy-Making. So we started touching on this a little bit in some earlier conversations, so now we're going to be focusing on the whole question of policy-making. We have Hector Salazar Salame and Lina Marliani from – both from Indonesia. Is that correct?

Hector Salazar Salame: No. We work in Indonesia.

Moderator: They worked in Indonesia

[Laughter]

[Crosstalk]

Moderator: That's what I meant. That's where you flew from. So please let's begin.

Hector: Okay. I hope you don't mind that I'll stand, keep the energy going. It's the last session of the day, and this poses many challenges and some opportunities. The challenges of course is that we're the only thing standing between a panel and then happy hour. And secondly, that we've had a great number of presentations so far this morning and this afternoon. That provides an opportunity for us to be able to link our presentation a little bit more to a lot of things that we've already discussed and talked about.

The challenge of course to that is that this might – the PowerPoint might not necessarily reflect small changes and tweaks that we want to now make, so bear with us, as there may be some changes in

order that we – that we do to a couple of the slides. But generally, we’re extremely excited to be here, and we’re very excited about the opportunity to discuss not only this project that we’ve been working on, but generally what J-PAL does, and a lot of the work that you all do as well.

One of our objectives is to be as quick as possible about our presentation so as to leave as much time as possible for discussion. So I want to get started and give you – I’ll skip that one. I just want to give you a brief overview about what J-PAL is. We’re the Poverty Action Lab. Essentially, we’re a network of affiliated professors around the world that conduct random controlled trials.

To date, we have six offices around the world, and we’ve done over 375 impact evaluations in 52 countries, conducted by 78 professors from over 30 universities. In June of this year, we’ve launched our fifth regional office. The sixth is the North America office, which we’ll open up in a few months. But the fifth office is us, and that’s based in Jakarta, in Indonesia. And we serve the Southeast Asia region.

Now one key point that I want to highlight is why did we open in Indonesia and why Jakarta? Well, J-PAL has been conducting evaluations and working in Indonesia for over ten years, and there’s been some type of ongoing evaluation that J-PAL has been doing in that country since its founding in 2003. This is a key point, because as we’ll be talking about throughout the rest of the presentation, developing relationships with policy makers, researchers in the countries where we work, it’s a key aspect of being able to turn the findings that we find from, in our evaluations into policy impact.

And not only that, but also getting donors on board, and getting the interest for new, rigorous evaluations, and we're developing innovative strategies to tackle some of the most pressing issues. But I wanted to highlight that that's one of the reasons we opened our office in Indonesia, and that we have a longstanding relationship working there.

Our mission. I won't go through all the details, but essentially, we want to ensure that policy is based on scientific evidence, and that research is translated into action. I want to focus on the last point, that research is translated into action. I think everyone in this room, I can confidently say that we're all here because we're interested, one, in evaluation, two, we're evaluation professionals, and three, we're here because we want to make some type of policy change. We want to make some form of impact. We're not doing research just for the sake of research. And that's embedded in the DNA of J-PAL.

And along these lines, the three areas where we work are aimed at that objective. Not only do we conduct research, we also try to conduct training and outreach to policy makers and to local researchers, so that they can conduct these types of evaluations themselves, but also so that they understand what these evaluations are, and more importantly, the importance of evaluation and evidence-based policy-making, and ultimately, as well, the policy outreach component. How do we translate a lot of the findings that we have beyond a 50 to 60 page academic journal article that no one's – most people – are not going to read into policy documents and then presentations that we can present to policy makers and make some form of difference?

RCTs. I won't spend too much time on this, but essentially, RCTs are a methodology, a rigorous evaluation methodology, that allows us to test the causal impact of a particular intervention. So this is an incredibly useful method, particularly when you're trying to understand what the actual impact of a policy is on the ground. We can talk about this in more detail if you have questions about it or afterwards. I won't go into the RCT specifics, but generally, when it comes to impact evaluations for social policies and you're looking for causality, RCTs, if possible, are the best approach to accomplish this.

Okay. So let's talk a little bit about, from evaluation to policy impact. And here is where I want to delve into a little bit and bring together some of the things that we've heard so far. We've talked about macro level indicators. We've talked about anecdotal evidence from the ground. We've talked about issues related to gender. We've been talking about issues related to inequality. So how does this all come together, and how can we all collaborate together to come up with new and interesting research and policy ideas and topics?

The first thing that I wanted to highlight, and I think from this discussion today that comes to mind, is that together as a group and also as individual organizations, we have to really take advantage of policy openings. Take advantage of policy openings, because that's where we have the ability to potentially have real impact on future decisions that are made.

Now policy openings can come in many different shapes and forms. In some cases, they come out of crisis, a financial crisis, a newspaper information crisis that highlights a particular issue in a

particular area that creates a lot of tension around a particular topic, or in some cases it comes out of simply pressing reforms that are forthcoming.

In Indonesia, for example, there's a universalization of healthcare which is supposed to take place in 2019, so right now, the government is trying to figure out how are we going to implement this? How are we going to get the informal sector and the formal sector covered, and how are we going to get the informal sector to actually contribute into the health insurance system?

So this is a pressing question, and so for us, for example, this is one that we're beginning to explore now, because we know that in a few years, if not sooner, the government is going to start trying to answer these questions, and if we're prepared and ready with some ideas and some evidence about things we can test and things that we can do to try to make this transition into universal healthcare as good as possible, then it's going to open a lot of doors.

And so it's about not only taking advantage of those policy openings, identifying them, and also in some ways creating them, right? And that could be done through advocacy, through meetings, through making sure that you develop those relationships. And it goes back to what I was saying before. Having worked in Indonesia for ten years as an institution, we've developed a lot of these relationships. When we launched our office in June of 2013, we had the honor to have the president of the Republic of Indonesia serve as our keynote speaker, and that serves to just highlight that we were able to create these linkages and these collaborations with governments.

And this chart I think reflects the precisely the inception part of an idea for research. Who are all the actors that come together? You have to bring government, the government actors, donors, researchers, and in this case, J-PA- SEA, our institution. So you have to bring in all these actors to consider ideas, to consider what is the new pressing issues? What are the issues that we most care about, that policy makers are focused on at this particular point in time?

To this end, from the government point of view, we work with the National Planning Agency in Indonesia. We work with the Ministry of Social Affairs. We've worked with the Ministry of Home Affairs for all of our projects. Not only were these government actors engaged in terms of identifying what the key issues were, but they became the active partners in all of our projects.

So all the projects that we've conducted, the government partners have been implementing partners. And so by having buy-in from them, not only in the design process and the implementation process, but then also in the findings process, when we have the results, the door is already open for us to be able to share those results with them. And that's a very important aspect of our work.

Similarly, getting donors involved, because ultimately that's many times where the funding comes from for these types of evaluations, and the researchers. And all of us can be considered in many ways, researchers, and bringing together a lot of learnings that we have collaboratively in this room, building off of the knowledge instead of continually reinventing the wheel, and really identifying the research perspective. What are the

really interesting and key questions that we still have yet to answer?

So bringing all of these actors together to collaborate on a particular project is a key determinant, we've found, generally for J-PAL Southeast Asia, and generally J-PAL overall, in being able to create some type of policy impact at the end of the day.

So this is kind of a high level discussion. It's kind of the macro indicator. And so we – Lina and I really wanted to take a moment to give you a very concrete example of how this has worked and how this process has functioned for us as the J-PAL Southeast Asia office, and give you an overview of a project that we've currently been working on, that – that's been going on for approximately one year, and it's already made a policy impact that has touched 15.5 million households in Indonesia.

So I'll pass it over to Lina, who is J-PAL SEA's Research Director, to talk a little bit about that project.

Lina Marliani:

So rice comprises a large part of the budget of poor households in Indonesia. So in 1998, after the financial crisis, the government of Indonesia introduced a subsidized-rice program called Raskin to reduce the financial burden on many of the poor. So in 2012, like the government would like to target 15.5 million poor and near poor households across Indonesia.

So this is a very largest – the largest social assistance program in Indonesia. However, many poor households do not receive their entitled subsidy. So last year, they intended to distribute like 15 kilograms of rice per month, with the price

of 1,600 rupiah per kilogram. So this is around like \$0.60 per kilogram.

But in the reality, like the poor households only received like one – only five kilograms of rice per month, with price 25 percent higher. So this has happened because of two things. The first one is like because like many poor households doesn't know that they're actually entitled with the subsidy. And if they know that, they know how much should they pay for the rice.

And the second thing, due to the decentralization, the local government is actually responsible to distribute the rice to the beneficiaries, to the poor households. But then the local government, they distribute it more widely than the central government intended to do. So the central government only wants to distribute to 15.5 million households, but then the local government, they distribute more to – like around like 50 percent of the households in Indonesia.

So then here so the Vice President's Office for Poverty Alleviation, called the _____, they think that, oh, like they want to improve the targeting of the program, so then the program could be like more effective. So one idea that they have, like they want to introduce like the Raskin card. Raskin card means like they give the identity card to the poor household, that they're actually eligible to get the Raskin.

So now to implement more widely, they need evidence. They said that they cannot go to the other ministries and say, oh, you should implement the card. So then you need to have like evidence. So this is like the key research policy questions for the government, and then this is also like open

collaboration for us. So they ask us like whether that we can actually collaborate together, like to – like making the evaluation of the Raskin card.

So this is a really good one. Like we think this is very good, like a great opportunity, that we can handle. But they didn't come to us like in one night, like, "Can J_PAL do it?" But because like we already like build a relationship for the last ten years, like we work with the government agency, like with the other project, and then to evaluate other programs.

So then when we – when the government come to us, like whether that you can actually evaluate this program, like they didn't ask just present the idea, but we worked together, like from beginning, like from the design, from the implementation, because we have the expertise to do the evaluation, but the government has the expertise, like how to do the operational and that.

And then so then– the location of this study, like to have a good population to evaluate, we did it in 572 villages within six districts in three provinces, and then – so then two things we wanted to do. The first one is like the – we want to know whether that distributing the Raskin card is actually effective, and the second is like whether the socialization is actually – can improve the program.

So then this is like a randomized controlled trial and evaluation. So we randomized the location into the 378 villages received the card, and then 194 villages as a control. And then within the villages who received the card, we select randomly who got the enhanced socialization, and got the standard socialization.

So then like three months and after, three months and six months of implementation, we did a household survey to measure the impact. So then – so this is like the result from the six months’ evaluation. Like the three months’ evaluation is actually basically the same, the same as this, so we only provide the six month evaluation.

So we found in the first one is actually like the eligible household’s in the treatment area, they purchased more rice. And the second finding that we found is like they pay lower price. So then they buy more rice with lower price. It means that the subsidy to go to the household is actually improved.

So when we calculated how much that subsidy go to the household, we calculated it’s around like 6,000 rupiah per household per month. So this is around like \$0.60 per household per month. This is like very small, right? Because when we presented to the government, the government said, oh, this is like so small.

So what we did, the program is intended to 15.5 million of households in Indonesia. So then we calculate, like when we present it to the government, we calculate this, so subsidy increase times the number of Raskin beneficiaries times the 12 months, and then we get around like 1.1 trillion rupiah per year. This is around \$100 million US per year.

So when we distribute the Raskin card, it’s only 25 percent of household get – receive it. So getting it actually – the household – so all households can get the card, so that the impact is like multiplied.

And then so the second one that we want to see, whether the socialization actually can improve the

program, so that the first thing that we found is actually really like the standard – the enhanced socialization, like the house – the eligible household in enhanced socialization buy more rice, and then the satisfaction of the household is like higher than the control area.

So then from these two – and so then when we presented to the government, we always give like the key points. So the key points is actually this bigger thing that I think of is that it actually improved the program, that the households get more rice with lower price, and then the socialization make it even like higher – improved the programs.

So then the government, after – so after three months of implementation, we already present the government what the findings, and then the government say, oh, we want to implement it nationally. So this has happened, because like the Vice President's Office for Poverty Alleviation Program, it only -- this is the new office, and it will only run until 2014, because then at that time, like next year, there will be an election, so the office will not be there anymore.

So then they want to implement it now. They want to implement now. But then we try like two things, like, oh, like three months' evaluation like is very short term. We don't know if the six month evaluation will give the same message. So we try to give to them like please like wait, like say – like to see after the six months' implementation, whether this actually works or not.

And it turns out that essentially, like the same process. So in June, in like – in June 2013, they

have this card, and then they distributed to 15.5 million households in Indonesia.

So as we can see, the socialization is actually like put – improve the program much better, so then the government like put like very wide socialization and better resource-allocation. They used television, they used radio, to socialize about the program.

So overall, the message that we can take from this is actually like there is the open door. So the government needs to ask whether we can do the evaluation. So we take the opportunity to work with them, but then we're working with them like from the beginning until the end. So again from the design, implementation and after it. So then we can actually – when we have the result, we can actually say to the policy-makers that this is actually work, and this is like a benefit that you can get from the program.

Hector Salazar Salame: Okay. So that was a very quick overview of – and of course, you can imagine the results and all of the information relating to that project, much more nuanced – just to give you a sense, when we gave out the cards that we did for our pilot study, there was actually 16 different permutations. Some of them had price printed on them. Some of them had coupons. So we tried a lot of different sub-treatments, which obviously we don't go into detail in this presentation, but we're happy to talk about in terms of how the research is actually designed.

But generally, just to wrap up, and we wanted to do this as quickly as possible to give time for discussion, but building relationships and obtaining buy-in from policy makers from the start has been

a key aspect of what has made our work successful in so many countries, and has led to so many scale-ups of J-PAL work.

Identifying policy relevant research topics is also a very key aspect, we think, in relation to this process. The Raskin project presents one example, and that's the government coming to J-PAL because they already know we're there, and they've already worked with us before, and asking us to rigorously evaluate this approach. But this is not the only way that we function. Other times, researchers themselves have the pressing question, and then we try to match-make with the government and with the donors, etcetera.

Sometimes it's the donors that have a pressing question, and they have money ready to spend on a particular question. In that case, again, we're trying to match-make with government officials and with researchers to see how we can get a team together.

One of the ways that we attempt to do a lot of this is through conferences. So we put together policy conferences where we invite all of these different stakeholders, from bilateral/multilateral institutions, to NGOs, the INGOs, local NGOs, policy-makers, etcetera, bring them all into the same group, and with varying themes discuss just what are the pressing issues at this point, and what are the things that we're interested in.

And that's a great way for all these actors to be in the same place and to start thinking about, oh, well, we're interested in this. Oh, so am I. And then all of a sudden you have a nice team together that can start working on a research idea.

Number three is conducting high quality, rigorous evaluations. I'll stop there for one second before continuing with the sentence. That's I think of paramount importance. Ultimately, if you start building these relationships and you start creating – you create relationships, they trust you enough to get their administrative data to implement something, and then you produce something that's not rigorous, then that burns you ultimately in the end, and it's not good for evaluation, our practice professionally, nor is it good for them, nor is it good generally for what we're attempting to do.

So making sure that whatever methodology you're utilizing for evaluation is rigorous, and that it's something that you're continually engaging the policy-maker and the other actors on, and the importance of rigorous evaluation, why you're doing it in that particular way.

Moving on to the second part of that sentence, it's to do it as quickly as possible. Right? And from a research point of view, that's always the conundrum, right? Policy-makers want it now. And as I mentioned I think earlier today, I used to work in government, and so I now see myself reflected in the – now that I'm on this side of the table, telling people, okay, hold on a second, we just need three more months, you know, and the policy-makers, oh, we want it – we want to act now. We want to do something.

And so it's always finding that balance. And I think as Lina said, being able to convince the government, for example, to wait 12 more weeks so we can get another round of survey, another round of data, to make that our results were stable, and that they weren't just short term. Those are key things that we need to keep in

mind. But at the same time, being able to be ready to move as quickly as possible when these opportunities come up.

And again, going back to this concept of this health insurance that I mentioned in Indonesia, we're doing a lot of background research now. We're talking to a lot of people, and we're basically revving up the engine so that when we have a policy opening that we find, we're ready to jump in. And if we get a meeting with the Ministry of Health, we can come in and say, hey, we've been doing research on this for three months, and here are like four brainstorming ideas that we've been thinking about for projects, so we're ready to go with that, and ready to move forward as soon as they are as well.

Ultimately, the last point, communicate and disseminate the findings to a policy audience effectively. We've talked quite a bit about this today, from whether to use costing, to not use costing, to use visualization, etcetera. As Lina highlighted in this particular case, being able to cost out what the benefits were economically to the government, not that every household is now going to save \$0.60 a month, but the government of Indonesia is going to save \$100 million – or it's going to better utilize \$100 million that are going to the subsidy that they're supposedly providing, is a much stronger argument when you're talking to the central government. And so thinking through how you want to present those findings is very important.

So that's generally the points we wanted to highlight. We hope that the examples weren't too quick, and that these are some interesting points, and that we've been able to tie in a little bit some

of the discussions that we've already had. And we very much look forward to your comments, any questions, and of course, over the next couple of days, having conversations with you. Our office is in – based in Jakarta. We serve the Southeast Asia region. And if you have any ideas for RCTs in Southeast Asia region or in Indonesia, please, we're here, we're open. Please contact us at any point. There's our information. Thanks.

[Applause]

Moderator:

All right. So we have the good example of a policy level decision that needed to be made, that the government had determined themselves, and asked this firm to do the work that they need in order to make the decision. So interesting presentation and an interesting model. Questions specific to the presentation that was just made? Any questions? Comments?

Audience Member 1:

So I guess yours was somewhat of an ideal situation, where it was the government who wanted the information, and essentially commissioned part of it. And I guess some my work, I work in both M&E as well as strategy design, and often, they're quite divorced worlds, unfortunately. And I wonder what kind of advice that you might have for us from your experience of how you might work with the government or how to work with a government that may not be as interested in this level of rigorous evaluation to inform decision making.

Lina Marliani:

So I think like it's not exactly like directly, that when we're working with the government, then they already, they know us in one night. But it's actually like – it's not always successful at – with this kind of ideal situation. But I told before that

we already did like some of like _____, evaluation, but smaller part. So then we tried to build like the commitment with the government, and tried to like more make more presentations, like just like to knock on their door, just like – so you need like the evidence-based, and we are here, we can help you. It's just like – so I don't know, maybe they're tired of us like saying like this. But I think like that's like one of the key things that we try to do.

Hector Salazar Salame: Yeah. So obviously, this is a very specific example. You know, so our office has been open now for approximately a year, in operations, so this is the main project that we've been focusing on. We've been developing at this point probably about 12 to 13 other initiatives, which half of them have already stalled. You know, three-fourths of them will probably not go forward or move in to anything. And there's the small percentage of maybe two or three ideas that we've been working to develop for almost eight months now that maybe will get to some form of implementation phase.

So, you know, this is by no means meant to say that this process is easy. It's very challenging. Even having worked in Indonesia for this long, and having a reputation as an institution in Indonesia, it still requires just literally, as I said, you know, hitting the pavement, you know, and continually educating and reeducating policy makers and local stakeholders about who you are, what you do, why this is important, etcetera. Policy makers change all the time, and so you have to keep at it.

Oh, and the last thing is from a policy maker perspective, one of the key questions is always what are you going to do for me today, right? And

so if you already have some evidence of something that you've already done for them previously, then at least they know what you potentially can do for them.

Moderator: Okay. We've got a question back her, hold on. I wish it were a little closer to the front.

Audience Member 2: Thank you for a very nice presentation. So it's very impressive that you did a very thorough and nice run background control trial for the program. I just wonder, like with the culture of – government control trial, you can see that the program achieved that impact or not. But in the pathway from the program to the final outcome or output, there's a lot of things happen in between.

For example, if program implement like it's intended to be, and what is other things that can be affected, and also influence, and how the people absorb it or intend to get it. So several of them, now they suggest that we might have some like process, evaluation, innovation, so we can see that – how the program can impact, and why it has impact, or why it has not.

So I just wondered if you had done that or not, and if you do, can you share with us a little bit of experience? Thank you.

Lina Marliani: Thank you. It's a very interesting question. Again, the process evaluation is actually – matters a lot. So then we do the randomized control trials, like the advantage is that it's like we can – when we see like whether that the program, for example, distributing the Raskin card – is actually working well, then we can – when we select randomly, like the treatment and the control, so we can make sure like in the beginning like both of area is like on average statistically equitable.

So when we do the program, we know that the result from the program is because of the program itself, and not because of the other like socioeconomic or poverty or anything else.

And then so like for the process things, like so we did a field visit, like so we didn't really like see like the process evaluation, like the percent, but then we – so we send people to the villages to see like what actually happened in the village. So this, we collect like sample data to answer like why does this happen and why does this not happen.

Hector Salazar Salame: Yeah. To give you a concrete example, so monitoring throughout the entire RCT is of paramount importance, because ultimately, in order to be able to say that this worked or didn't work, you have to make sure that the intervention was actually applied as designed. And so, you know, we have two research assistants that basically are full-time on this project, and they oftentimes spend three weeks at a time literally traveling from site to site to site to make sure that the project is being implemented appropriately, and to keeping very copious notes of what's happening, what's going wrong, what's not working.

One area, for example, that we identified as a significant challenge was that when you sent out the cards, we sent them through the post office, the government post office, and what was happening many times was that the postmen were just giving the cards to the village leaders instead of actually distributing directly to the households. And so that's one challenge that we found in the

process, and we documented very carefully, and presented that to the government.

So when they distributed the 15.5 million cards, they thought very carefully about how they were going to operationalize the actual – just distribution of the card itself.

Moderator:

Okay, folks. Since you did such a good job before lunch and your table activities, I'm going to give you another assignment at the table.

[End of Audio]