More Than Good Intentions: Improving the Ways the World's Poor Borrow, Save, Farm, Learn, and Stay Healthy

Dean Karlan, Jacob Appel
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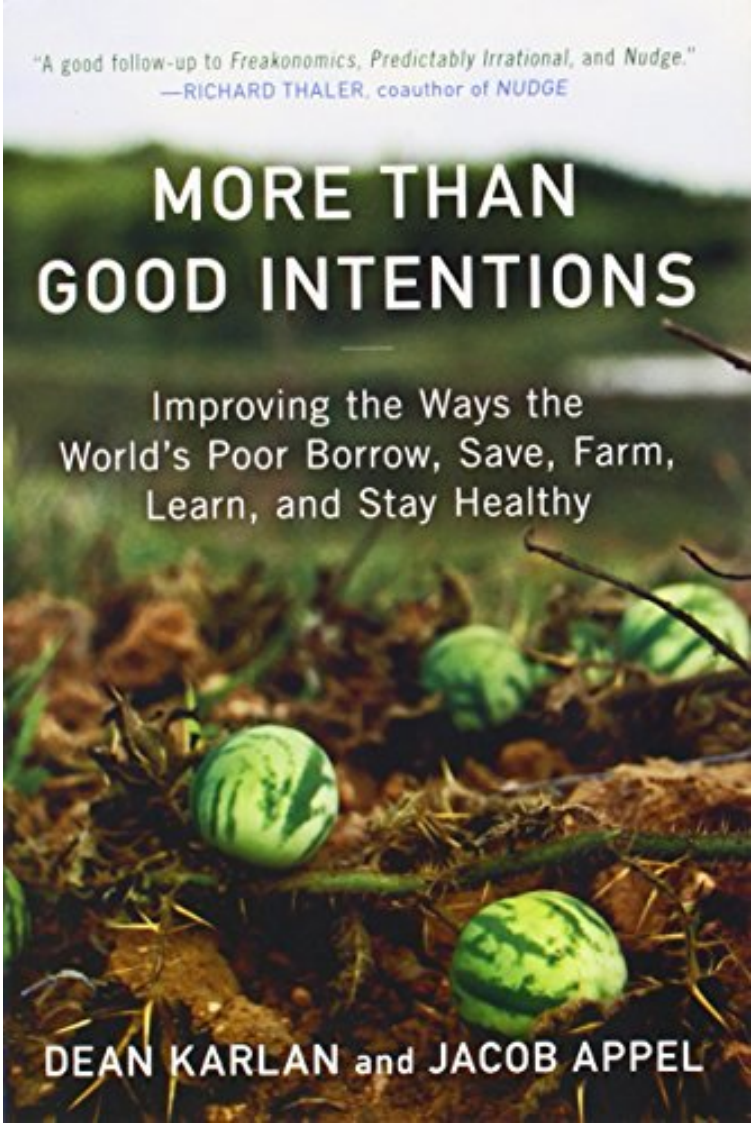

#107346 in Books Dean Karlan 2012-03-27 2012-03-27Original language:EnglishPDF # 1 8.00 x .70 x 5.30l, 1.39 #File Name: 0452297567320 pagesGreat book! | File size: 73.Mb

Dean Karlan, Jacob Appel : More Than Good Intentions: Improving the Ways the World's Poor Borrow, Save, Farm, Learn, and Stay Healthy before purchasing it in order to gage whether or not it would be worth my time, and all praised More Than Good Intentions: Improving the Ways the World's Poor Borrow, Save, Farm, Learn, and Stay Healthy:

2 of 2 people found the following review helpful. Getting the Most Development Bang for the Philanthropic BuckBy Etienne RPI remember the first time I came across the results of a randomized evaluation of a development project. I was enthusiastic about what I read, and so I went to the head of the evaluation unit in the aid agency that was employing me. "Randomized evaluations? We do that all the time," was how she reacted to my pitch. "Our evaluation surveys pick up projects beneficiaries at random." Despite my efforts, she wasn't interested in learning more about randomized control trials, or RCTs. My failure to convince her was also explained by the lack of user-friendly texts about what these new research projects were all about. Now there is a wealth of survey papers, blog entries, and books that explain the matter in non-technical terms. More Than Good Intentions provides such an introduction to this fascinating new area of development economics, where academic rigor meets with philanthropic generosity to generate maximum impact in poor people's lives. The book has been described as the perfect tool for workers in this field to give to their friends and relatives in order to explain what they do. It certainly would have answered all the questions by aid bureaucrats about what randomized evaluations were all about and why we should do more of them.Talking about RCTs will put off a lot of people otherwise interested in development issues. The semantic should not frighten them. The key word in RCT is "control", as in "control group": in drug testing, as in other RCTs, the control group is a set of people who don't get the treatment or policy measure being tested. "Randomized" means these people are picked at random within the target population, simply by flipping a coin. "Trial" suggests you proceed by trial and error: your evaluation gives you results about what works and what doesn't, in order to replicate, scale up, or tweak your project for maximum impact. RCTs have been around for a long time, but it is only recently that they have been applied to poverty reduction projects in developing countries in a systematic way. Dean Karlan was one of the early movers in the field, where the most authoritative academics are still in their thirties or forties and have gained awards and medals emphasizing their "genius", "outstanding contribution", and "intellectual leadership" at an early stage in their careers.Karlan's specific angle was, first, to apply the new evaluation tools to the business of microfinance, an area that has generated over-enthusiasm but was still under-researched, and, second, to use recent advances in behavioral economics to understand better how and why people make decisions the way they do. For those familiar with Thaler and Sunstein's book, Karlan uses "nudges" or gentle pushes to ease people's choices, and applies them to the fight against poverty. His co-author, Jacob Appel, is a field worker and a blogger endowed with a quick mind and a sharp pen. He holds the pen most of the time, but is referred as "Jake" in the third person by the "I" who narrates the book. Appel may be representative of a cohort of research assistants or RAs who seldom get proper credit for scientific breakthroughs, but who nonetheless play an indispensable role in making things happen. RCTs have offered a new generation of RAs tremendous opportunities to go to the field, design large-scale surveys, manage big budgets, and learn real-life economics. However, there are signs that the field of RCTs is crowding out already: the enthusiasm of pioneers and first movers has given way to large organizations and bureaucratic processes, papers describing research results are harder to place in top academic journals, and ambitious young minds are now actively looking for the next big thing."The power of an RCT lies in its ability to give an objective, unbiased picture of the impact a program has on its participants," write Karlan and Appel. It turns out not so many people are eager to learn. NGOs usually don't advertise their programs by measuring how much difference they make in people's lives, but by putting nice pictures and uplifting quotes on their websites and promotion documents. When they indicate a metric, it is most often to emphasize how low their administrative costs are compared to overall services expenditures targeted at beneficiaries. But according to the authors, this is a very bad metric, and for several reasons. Some interventions simply cost more to manage than others: but if they have a strong impact, produce useful lessons that help increase project effectiveness, or help aid agencies overcome the "last mile problem", they are definitively worth the try. In addition, administrative cost figures are fairly arbitrary. Many items can be counted either as overhead or as program services. "The gray area of nonprofit accounting is just that--gray," write the authors.Another argument NGOs put forward for advertising their programs is to claim their ultimate goal is to achieve "sustainability". By this, they mean that after a while the program will walk on its own and will no longer need external support. This is a key argument in microfinance, where indiscriminate subsidies to poorly managed microfinance institutions can drive out the efficient ones, as bad money chases out the good money. I am also familiar with the argument of sustainability from personal experience. The same nonprofit organization would come every year to the subsidy window our aid agency was operating in order to help it market coffee and other "fair trade" products to rich customers. Every year the argument was the same: "you need to prime the pump, the market will soon take off, and we will no longer need your support," they said. This was an obvious example where a program should stand on its own, without donors support. But the truth is, many development programs cannot be sustainable. More Than Good Intentions gives many examples of such programs where you simply cannot pull the plug on the poor.An example that is famous by now is deworming, which can have a huge impact in the lives of families and school kids at the cost of eighty cents per person for a year. Deworming is a public good since much of its social benefit comes through reduced disease transmission. A case like this, where the general public benefits when an individual gets treatment, practically cries out for an intervention. As a randomized evaluation conducted by Michael Kremer in western Kenya demonstrated, efforts to replace subsidies with sustainable worm control measures were ineffective: a cost-recovery program charging the patients for the pill

resulted in a massive reduction in take-up; health education did not affect behavior; and a mobilization intervention failed. At least in this context, it appears unrealistic for a one-time intervention to generate sustainable voluntary local public goods provision. Another example is bed nets that are designed to protect people from the bite of malaria-carrying mosquitoes. Like the deworming pill, bed nets also confer indirect benefits on the broader community by breaking the chain of disease transmission. Economists have long debated whether these nets should be distributed for free or for a charge. Based on the result of several experiments, the authors favor free distribution. But the point is, nobody argues that the nets should be distributed at full cost to the poor. They simply cannot afford it. The need to refumigate the nets regularly also calls for a long-term intervention: simply equipping families with bed nets is not sustainable.Many interventions the authors are concerned with address the so-called "last-mile problem". This is how Karlan and Appel describe it: "We have a perfectly viable solution, but we've failed to get it into the hands of the people who need it most." In public health, the last-mile problem refers to the challenge of ensuring that available medicines of good quality are accessible to and correctly used by the people who need them. Besides deworming pills and bed nets, other examples include nutritional supplements for expectant mothers and babies, chlorine diluted in drinking water to prevent diarrhea, or agriculture fertilizers to increase crop yields. The key for delivering the goods to the people at the bottom of the pyramid is to take innovative insights from behavioral economics or marketing and to adapt them to the local context. Good intentions and products or services with a proven track record of life-enhancing efficiency are not enough: the poor have to choose to sign up for them; they have to "buy" them, even when these goods are available for free. This doesn't come easy to development workers and especially to aid bureaucracies. As the authors conjecture, "Maybe the reason we don't think much about the marketing of aid and development is that we don't want to feel like we are peddling something. It clashes with our idea of what aid should be."As noted, however, NGOs have become expert in the "dark arts" of advertising and marketing in order to gather contributions from rich donors and philanthropists. They try to make people feel good by doing good. The promoters of RCTs and efficient giving see an opportunity here: "How much more good could we do in the world if impact-informed giving came to be seen as the coolest thing of all?" Simply put, we ought to find out where our money will make the biggest impact, and send it there. This applies to the whole donor community, and not only for individual contributors. This is why aid agencies should also actively learn from RCTs, and apply their results to the fight against poverty.1 of 1 people found the following review helpful. More Than Good IntentionsBy AbdulrahmanThe book More Than Good Intentions is very organized; chapters flow nicely and are easily connected. In their book, Karlan and Appel speak in a way that catches your attention and never gives it back to you; you will find yourself reading more and more as each chapter makes you wonder what is coming next. It is written in a language that paints a picture. Most of the time, you will feel like you are watching a video instead of reading.Karlan and Appel speak about a very complicated yet sensitive issue that is recognized universally; it is poverty. just as what you mightve guessed!The book tells their long journey to find a solution for poverty as they travel across the world. They mention techniques that could help poor people continuously changing their lives. They not only talk about how poor people should interact with society, but also how society can interact with the poor.I like their book because it relates a lot of aspects in our lives; it is not only to benefit the poor, but how to grow as a society.0 of 0 people found the following review helpful. Focus on what aid programs the data shows are effectiveBy J. MillerVery interesting; provides details on the aid programs that actually are shown to have a positive effect - shown by random controlled studies. Actual data can be surprising! Is thought provoking and makes the reader want even more information (for example,why don't doctors and nurses come to work? Especially if they are being paid, why don't they fulfill their duties to those who need their medical help? Can this situation be changed?) The book also gives data that subtly makes point that some people choose to not do what is good for them or their children; but point is that aid should provide useful opportunities to people, even if some don't opt in.

A revolutionary approach to poverty that takes human irrationality into account-and unlocks the mystery of making philanthropic spending really work. American individuals and institutions spent billions of dollars to ease global poverty and accomplished almost nothing. At last we have a realistic way forward. Presenting innovative and successful development interventions around the globe, Dean Karlan and Jacob Appel show how empirical analysis coupled with the latest thinking in behavioral economics can make a profound difference. From Kenya, where teenagers reduced their risk of contracting AIDS by having more unprotected sex with partners their own age, to Mexico, where giving kids a one-dollar deworming pill boosted school attendance better than paying their families to send them, More Than Good Intentions reveals how to invest those billions far more effectively and begin transforming the well-being of the world.

From Publishers WeeklyKarlan, a behavioral economist, and Appel, an aid worker, use psychological insights and empirical studies to assess and trouble-shoot development initiatives (especially the ballyhooed microcredit movement, to which they devote several sympathetic but critical chapters). They focus on small fixes with outsized payoffs: "commitment" savings accounts that make depositors accumulate a fixed amount before they can withdraw;

well-side chlorine dispensers to purify water; paying parents to take kids for checkups; increasing the application rate to a microloan program by, yes, putting photos of hot chicks on the brochure. The authors write in an engaging prose tinged with Freakonomics-style cutesiness"It hadn't dawned on me that hookers' prices could be a topic for serious economic research"and illustrated with Appel's vivid reportage on underdevelopment in Ghana. Their program of tweaking spending and saving behavior (sending text messages reminding individuals to save money each month, for example) can seem faddish and insufficient, given the vast needs of poor countries; still, theirs is an enlightening and optimistic take on smartening up development aid. (Apr.) "The first half of the twenty-first century will be remembered by historians as the time when the world eliminated much of its poverty. A few geniuses like Dean Karlan will be seen as responsible. Here is a triumph of careful analysis and creative invention over deep problems that have been seen as endemic and hopeless." -Robert Shiller, Arthur M. Okun Professor of Economics, Yale University, and author of Animal Spirits, The Suprime Solution and Irrational Exuberance "A page-turner that guides donors to strategies that improve the lives of the world's poorest people. Karlan and Appel lucidly describe the research supporting their findings while demonstrating how psychological "nudges" combine with economic incentives to make the strategies succeed." -Paul Brest, President, The William and Flora Hewlett Foundation "Karlan is one of the most creative and prolific young economists in the world. His research lies at the intersection of two of the hottest areas in the field: behavioral economics and development-microfinance . . . . A good follow-up to Freakonomics, Predictably Irrational, and Nudge with a development and poverty spin." -Richard H. Thaler, coauthor of Nudge "Dean Karlan is one of the most energetic and enterprising members of a new breed of economists who are trying to fight poverty and change the world, one randomized trial at a time. This book with Jacob Appel conveys not only new and exciting findings from these studies, but also, with its brisk and engaging tone, the sheer joy of search and discovery. An uplifting and stimulating read!" -Esther Duflo, Abdul Latif Jameel Professor of Poverty Alleviation and Development Economics, Department of Economics, MIT, 2010 John Bates Clark Award winner "A terrific book for anyone interested in what can really be done about global poverty. Karlan and Appel strike a balance between irrational exuberance for donating money to anything that sounds noble and stern pessimism about any attempt to do good in the world. Here is a clear, workable way forward- described with a compelling, human touch." -Michael Kremer, Gates Professor of Developing Societies, Harvard University "Stimulating, breezy, Intellectual; this book has it all. Once I picked up this masterpiece, I found myself opening up a birthday present every time I turned the page. A must read for anyone serious about the most important problems facing humanity today." -John A. List, Homer J Livingstone Professor of Economics, University of Chicago "This book wraps a world-changing idea in an immensely readable narrative. If we are going to overcome global poverty, we need more than good intentions, and Dean Karlan and Jacob Appel show us exactly what we need and how to get there." -Peter Singer, Ira W. Decamp Professor of Bioethics in the University Center for Human Values, Princeton University "An accessible account of 'the new development economics' based on field experiments and randomized control trials... Valuable, insightful... Anyone interested in a readable discussion of this truly new approach to poverty should pick up this book." -Tyler Cowen, professor of economics, George Mason University, author of The Age of the Infovore and co-author of the blog marginalrevolution.com "The most urgent challenge in the world is economic development, and Karlan is right at its cutting edge...An important book-and a captivating one." -Tim Harford, author of The Undercover Economist and the Dear Economist column at Financial Times "The types of research that Dean Karlan and his colleagues at Innovations for Poverty Action conduct are critical for helping foundations like the Ford Foundation." -Frank deGiovanni, Director of Economic Development, Ford Foundation, former Chair of the Executive Committee, Consultative Group to Assist the Poor "Karlan is one of the world's leading experts on microfinance in developing countries, and he's done pioneering research around the globe. His work smashes old boundaries within economics to answer some of the most pressing issues facing poor countries today. Most of what we know today about how to make microfinance work for the poor flows from Dean's research." -Edward Miguel, Professor of Economics, U.C. Berkeley "More Than Good Intentions offers a new way forward in the battle against poverty. It's a data-driven path, but one populated with real-life stories and full of the human spirit. Karlan and Appel call us to be rigorous in our decisions-and we need to listen to them, for the stakes couldn't be higher." -Jacob Harold, Program Officer, Philanthropy, The William and Flora Hewlett Foundation A "This wonderful book, by one of the leading combatants, brings us directly to front--lines of the battle for a more reasoned approach to fighting poverty." -Abhijit Banerjee, the Ford Foundation International Professor of Economics at MIT "This book invites you to a conversation. The topic could not be more compelling: global poverty. Your partner could not be more fascinating: one of the leading scholars in the world working on it. The result is everything you would hope for." -Sendhil Mullainathan, Professor of Economics, Harvard University "Be prepared to have your preconceptions about international development sharply challenged, as Karlan and Appel break down what really works to alleviate poverty." -Justin Oliver, Executive Director, Center for Microfinance, Chennai, India "Karlan offers that all-too-rare combination of academic research excellence and its application to international development practice. Karlan is creating a breakthrough." -Chris Dunford, President of Freedom from Hunger "Karlan and Appel write that their goal is 'to speak directly to readers, to lead them into some corners of the world they might not otherwise encounter, and bring them face-to-face with the people who populate

those places.' They have succeeded admirably, as both advocates and analysts." -KirkusAbout the AuthorDean Karlan is Professor of Economics at Yale University and president of IPA. He lives in New Haven, Connecticut. Jacob Appel is a field researcher for IPA. He lives in Montclair, New Jersey.