REFERENCE No. RES-167-25-0124

ACTIVITIES AND ACHIEVEMENTS QUESTIONNAIRE

1.   Non-Technical Summary

A 1000 word (maximum) summary of the main research results, in non-technical language, should be provided below. The summary might be used by ESRC to publicise the research. It should cover the aims and objectives of the project, main research results and significant academic achievements, dissemination activities and potential or actual impacts on policy and practice.

The study of human capital accumulation, and in particular the associated investment decisions (in nutrition, health and education), are a central component of the research conducted at the Centre for the Evaluation of Development Policies (EDePo) at IFS. The DFID/ESRC grant has been instrumental in financing and co-financing this research.

When it was started in 2002, EDePo's activities were mainly focused on the evaluation of large welfare programmes in Latin America. Our approach aimed not only to estimate the impact of specific programs but to understand the mechanisms behind the observed impacts of the programs under study. By identifying, for example, the way individuals reacted to relevant incentives. This approach involved the construction of rich data sets that could be used to model individual behaviour.

The analysis of data sets collected over the last few years, as planned in our research proposal, was a sizeable part of our work over the past few years. Not only did the data enrich the development of the research agenda started before the grant, but it enabled the initiation of a number of completely new projects. A special mention goes to the collaboration with the UCL Centre for International Health and Development at the Institute of Child Health (UCIHD). The collaboration started with the DFID/ESRC grant has grown over the last few years and is leading to new projects and collaborations.

The research we have conducted under the DfID/ESRC grant can be, ex-post, be divided in four parts.
  (1) The design, implementation and validation of new measurement tools utilised in a number of new surveys.
  (2) Estimation of the impact of several welfare programs in different parts of the world.
  (3) The estimation of structural models of individual behaviour.
  (4) Analysis of network effects in a community based programme in Nepal.

  (1) As mentioned above, the development of new measurement tools has been critical to our research agenda. This development has been possible because of our direct involvement in the design of several large scale household surveys. We have designed questions and tools aimed at the measurement of subjective expectations, returns to education, social capital and so on. We have worked on the validation of this data and its use in the estimation of economic models. This has allowed us to estimate much less restrictive and more credible models.
  (2) While we see the evaluation of the impact of welfare programs and various interventions as a first step in a broader agenda, it is nonetheless an important component of our work. We have evaluated a variety of interventions, but a special mention goes to our work on conditional cash transfers (CCTs) in several

countries. These programs have received much attention in the policy debate and our contribution to their analysis has been influential. In addition to the impact of CCTs we have also analyzed the impact of other types of intervention, ranging from workfare programs, through job training programs, to the impact of child care centres.

(3) The estimation of models of individual behaviour has been central to our research. We have estimated models of investment in human capital in different situations and contexts. For instance, in the case of conditional cash transfers, we estimated a model of individual schooling choices. By modelling how these choices react to different monetary incentives, we are able to simulate the effect of the programme in different contexts and extrapolate the effect of different versions of the same program. Moreover, we use the presence of the intervention to estimate more flexible and credible versions of the behavioural model.

(4) The effect of networks in shaping the impact of different interventions, and in particular of community-based interventions, is an important topic. In collaboration with the UCIHD, we have been investigating how these network effects can generate large effects for some interventions in which the diffusion of information is crucial.

Our focus on estimating structural behavioural models has put us in a position to be able to contribute to the policy debate. Both in the area of CCTs and for other programme we have been able to advise and debate with policy makers from different countries and, in some cases, make important inputs to the policy making process. In the case of the urban expansion of CCTs in Mexico, we have argued that it may be advisable to reduce the grant for primary school attendance and use the substantial savings one generates to increase the grant for secondary school attendance. This reform is now being implemented in two large cities in Mexico. We are involved in the evaluation of this new pilot.