SG4Africa – Launching a Pan-African Consortium using Policy and Program Experimentation

Speakers

Prof. Dr. Dana Redford, Policy Experimentation and Evaluation Platform
Prof. Dr. Grietjie Verhoef, University of Johannesburg
Prog. Dr. Christopher Boachie, Central University
SG4Africa – Launching a Pan-African Consortium using Policy and Program Experimentation

Prof. Dr. Dana T. Redford, *Policy Experimentation & Evaluation Platform*

Prof. Dr. Grietjie Verhoef, *University of Johannesburg*

Prof. Dr. Christopher Boachie, *Central University*
A pan-African research project
PROJECT GOVERNANCE

- PEEP
  - Project Coordinator
- AUAB EPRING
  - Regional Cluster Coordinator
- CENTRAL UNIVERSITY
  - Regional Cluster Coordinator
- Strathmore Business School
  - Data Management Leader
WHAT ARE SAVINGS GROUPS?

• Savings groups (SGs) are a global phenomenon, and especially prevalent across sub-Saharan Africa. Rotating savings and credit associations (ROSCAs) in particular have been identified as an indigenous African institution (Van den Brink & Chavas, 1997).

• The names for the savings group phenomenon vary by country: what is called Stokvel in South Africa, Chama in Kenya, and Susu in Ghana may differ in detail, but the concepts have striking similarities. Concepts related to SGs have strong cultural connotations, such the link between Kenya’s Chamas and Harambee which is Swahili for “all pull together” and is enshrined in the country’s coat of arms.
SG4AFRICA RESEARCH PROJECT

- a pan-African research project on savings groups
- composed of 35 partners,
- covering 26 African countries
- takes a pan-African approach to the phenomenon of savings groups in their diverse manifestations across the continent
- research aims to capture these differences in a comprehensive manner, resulting in the publication of findings
THE PROJECT’s FIVE LENSES

• Financial inclusion and formal financial institutions (relationship between savings groups and formal banking)
• Entrepreneurship and business outcomes (new business models surrounding savings groups, technology, etc.)
• Female empowerment and women in business (the role of savings groups in women empowerment)
• Social capital and social outcomes (social capital as personal networks and social outcomes as societal change)
• Urban and rural contexts (the importance of savings groups for people in cities as well as in the countryside)
POLICY EXPERIMENTATION
WHAT IS POLICY EXPERIMENTATION?

What comes to mind when we speak of policy experimentation?
### What are the types/uses?

<table>
<thead>
<tr>
<th>Type/Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad-based transformative policy experimentation</td>
</tr>
<tr>
<td>Small-scale policy experimentation</td>
</tr>
<tr>
<td>Implementation prior to legislation</td>
</tr>
</tbody>
</table>

“**This country needs, and unless I mistake its temper, the country demands bold persistent experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something.**”

- Franklin Delano Roosevelt
WHAT IS POLICY & PROJECT EXPERIMENTATION?

• The United States and other modern nations should be ready for an experimental approach to social reform, an approach in which we try out new programs designed to cure specific social problems, in which we learn whether or not these programs are effective, and in which we retain, imitate, modify, or discard them on the basis of apparent effectiveness [Campbell, 1969: 409].
WHAT IS POLICY EXPERIMENTATION?

Policy experimentation points to political-administrative procedures and initiatives that allow to discover or test novel instruments of problem-solving and thereby propel broader-based policy innovation or institutional adaptation in a given polity, economy or society.

Try out a variety of methods and processes to find imaginative solutions to predefined tasks or to new challenges that emerge during experimental activity.

Instead of observational studies of theoretical analysis, it informs policy by using experimental methods with direct interventions and control groups.

It is not equivalent to freewheeling trial and error or spontaneous policy diffusion.
WHAT IS POLICY & PROJECT EXPERIMENTATION?

Implementation prior to legislation

Source: Bason, 2016
THE IMPORTANCE OF EVIDENCE

The Evidence Ladder

No knowledge about outcomes

No documentation

“Sunshine stories”

Systematic documentation eg surveys, rigorous case studies, A/B testing

Research-based documentation eg randomized controlled trials, meta studies

Documented outcomes

Apparent outcomes

Proven outcomes

Source: Bason, 2016
## WHAT IS POLICY EXPERIMENTATION?

### Experimental Policy vs. Policy Experimentation Methods

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Traditional policy (operations)</th>
<th>Experimental policy (innovation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Documentation, accountability, performance</td>
<td>Learning, adaptation, redesign (or termination)</td>
</tr>
<tr>
<td>Focus</td>
<td>Optimizing the use of existing resources</td>
<td>Discovering additional resources to be leveraged</td>
</tr>
<tr>
<td>Data</td>
<td>Mainly quantitative</td>
<td>Quantitative and qualitative</td>
</tr>
<tr>
<td>Tools</td>
<td>Statistics, surveys, other</td>
<td>A/B test, RCT’s, cases, design research, future probes, etc.</td>
</tr>
<tr>
<td>Time horizon</td>
<td>Long-term systematic measurements; on-going</td>
<td>Tailored on concrete prototype or programme design</td>
</tr>
<tr>
<td>Challenge</td>
<td>Setting right KPIs - and meeting them!</td>
<td>Capturing causal elements of hypotheses of change</td>
</tr>
</tbody>
</table>
Designing Experimentation Programs – Tracking Changes

Source: Bason, 2016
Billions spent on innovation, entrepreneurship and growth support programmes...

£10 billion

€152 billion

... but little evidence on what works, and what doesn’t

Source: http://www.innovationgrowthlab.org/blog/much-%E2%82%AC152-billion-spent-across-europe-supporting-businesses-does-it-work
Billions spent on innovation, entrepreneurship and growth support programmes...
There is little credible evidence that demonstrates impact

14740 evaluations

Credible (2.4%) + Impact (0.6%)

1700 evaluations

Credible (3.7%) + Impact (0.4%)

Source: Charts based on the systematic reviews conducted by the What Works Centre for Local Economic Growth (Credible: Level 3 Maryland Scale – Positive impact on employment)
1. Experiment

2. Evaluate

3. Scale-up

Control group

+ + + +

= 

- - 

+ 

= 

- - 

+ 

= 

- - 

+ 

= 

- - 

+ 

= 

- - 

+ 

= 

- - 

+ 

= 

- - 

+
EXPERIMENTATION IN EASTERN REGION GHANA

• Small scale farmers, untapped market for crop price insurance
• Farmers in the area are served by Mumuadu Rural Bank (MRB)
EXPERIMENTATION IN CROP INSURANCE IN GHANA

- Standard Mumuadu procedure is to invite farmers to meet in a group with Mumuadu employees. Farmers on the list were randomly assigned to one of four groups.

- Farmers who were offered the **standard Mumuadu loan product**;
- Farmers who were offered the **Mumuadu loan product with complimentary crop price insurance**;
- Farmers who received **financial literacy training**, before being offered the **standard Mumuadu loan product**;
- Farmers who received **financial literacy training**, before being offered the **Mumuadu loan product with complimentary crop price insurance**.

- The crop price insurance changed farmers’ investment behavior
EXPERIMENTATION IN CROP INSURANCE IN GHANA

Control Group
• Farmers who were not offered the standard Mumuadu loan product

New Treatment Group
• Farmers who received financial literacy training, before being offered the Mumuadu loan product with complimentary crop price insurance.
What was discovered:
• Farmers who took up the loan had improved productivity
• Those who borrowed were older and more open to risk
• Increased investment in farming inputs guaranteed increased output

Why this is important:
• Take up of loans among the farmers increased
• Crop price insurance changed farmers (New Treatment Group) investment behaviour
• Crop price uncertainty was mitigated by long term benefit
• Improved financial literacy
There are many ways PE can be performed
And, there are many reasons why it should be performed
Based on your experience and expertise...
  o  Is there any specific fields where you could contribute by performing PE?
  o  How would working with PE make you more relevant?

Grab your neighbor and go for a coffee
Introduce yourself briefly based on the two points above
After the break we will work on new PE ideas and projects
THE FIELD

THE FIELD

What makes a field suitable for Policy or Project Experimentation?

Relevance
- The impact
- The importance

Resources
- The feasibility
- Availability of funding
- Opportunities to save costs?
WHY IT NEEDS TO BE DONE

EXERCISE

WHY DOES THIS NEED TO BE DONE?

Relevance
- What is the added value compared to other methods
- What type of impact/outcome are you looking for?
- Be specific
- Can you tweak your design to produce more interesting results?

Resources
- Are other methods suitable?
- Should it be mixed methods?
## THE EXERCISE

<table>
<thead>
<tr>
<th>FIELD</th>
<th>OUTCOME</th>
<th>DESIGN</th>
</tr>
</thead>
<tbody>
<tr>
<td>RELEVANCE</td>
<td>RELEVANCE</td>
<td>RELEVANCE</td>
</tr>
<tr>
<td>The impact/outcome</td>
<td>What type(s) of impact?</td>
<td>Added value</td>
</tr>
<tr>
<td>The importance</td>
<td>Why important?</td>
<td>What makes your design special?</td>
</tr>
<tr>
<td>RESOURCES</td>
<td>RESOURCES</td>
<td>RESOURCES</td>
</tr>
<tr>
<td>Availability of funding</td>
<td>Feasible / Ethical issues</td>
<td>Other methods</td>
</tr>
<tr>
<td>Cost savings</td>
<td>Other datasets?</td>
<td>Mixed methods</td>
</tr>
<tr>
<td></td>
<td>Possible to randomize?</td>
<td></td>
</tr>
</tbody>
</table>

Possible to randomize? Challenges / Contamination?
THANK YOU
AND PLEASE GET IN CONTACT WITH US!

Dana T. Redford, PhD
Policy Experimentation & Evaluation Platform
dana.redford@peep.pt

Grietjie Verhoef, PhD
University of Johannesburg
gverhoef@uj.ac.za

Christopher Boachie, PhD
Central University
cboachie@gmail.com