

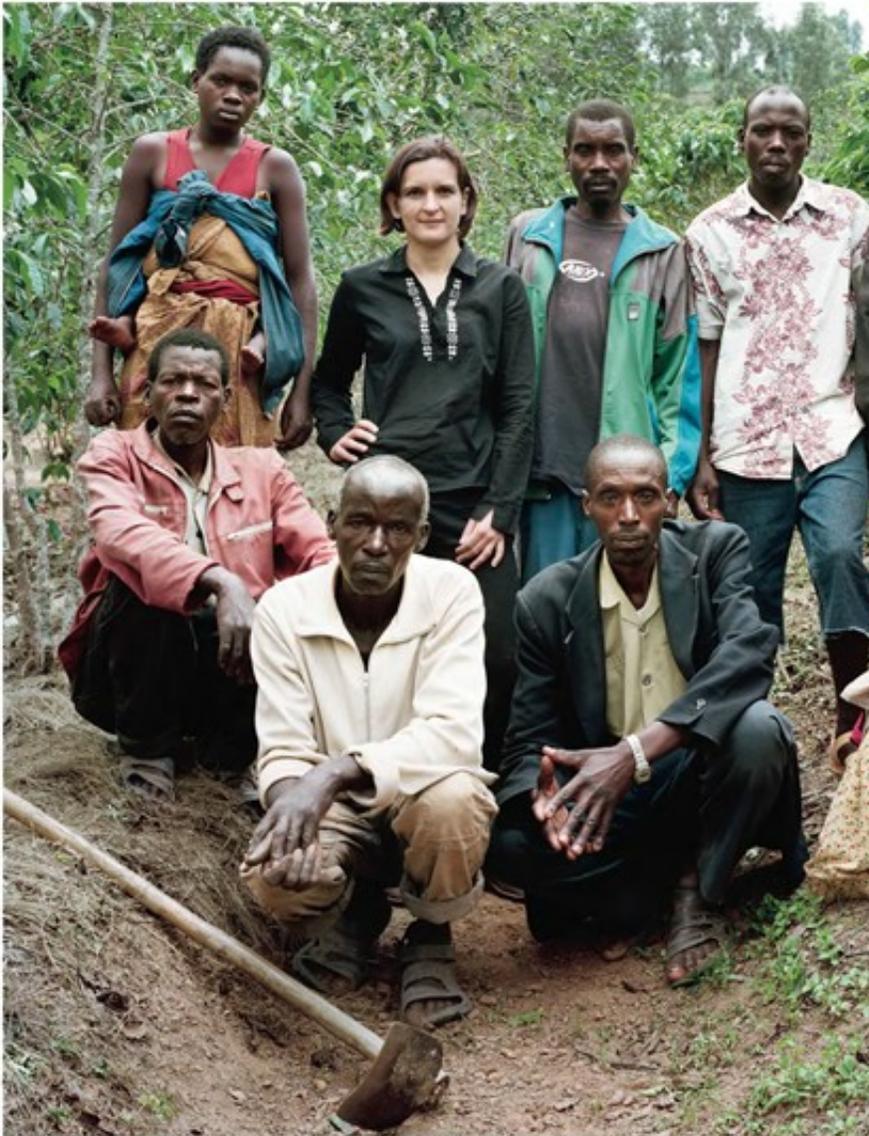


The Challenge of Public Policy Research

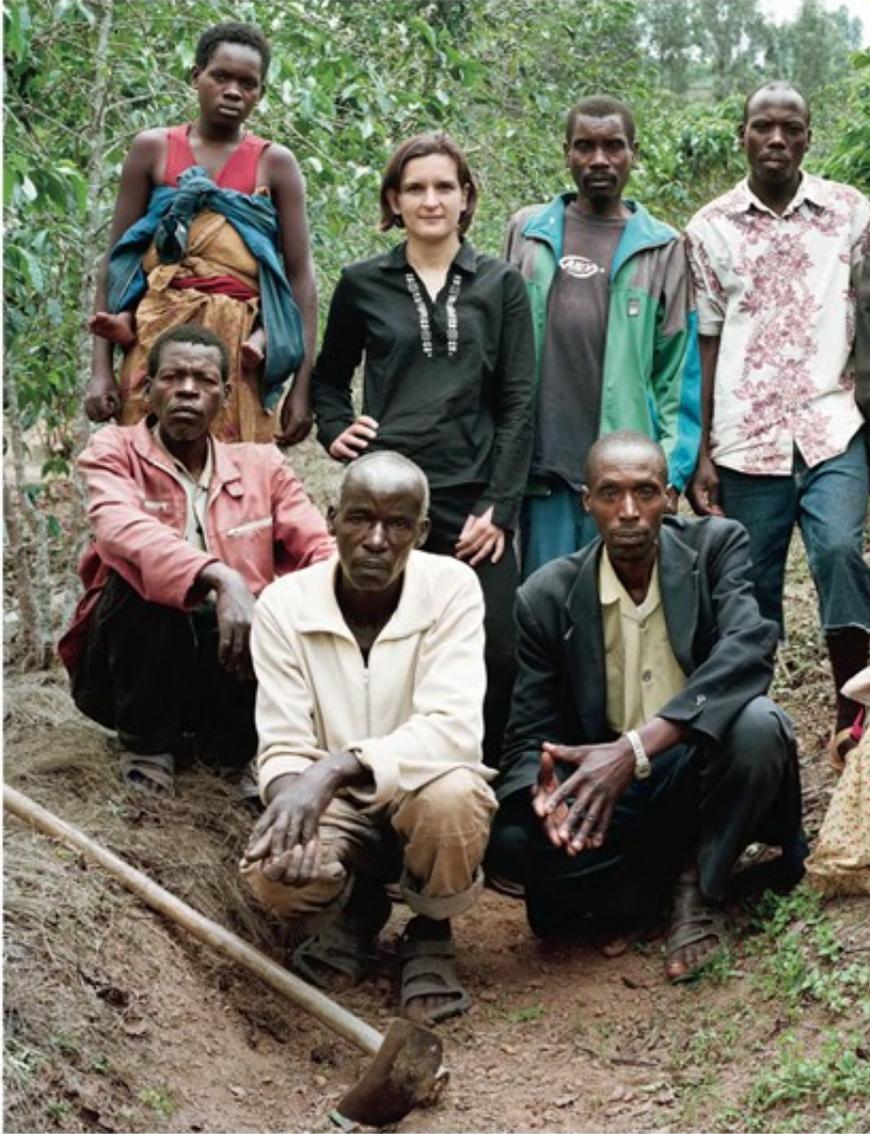
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A recent issue of *The New Yorker* (May 17, 2010) includes an interesting article called "The Poverty Lab." It features Esther Duflo, a faculty member at MIT who co-directs [the Abdul Latif Jameel Poverty Action Lab](#). She is an economist from France who is interested in helping people in poverty.

There essentially are two competing views on how to help poor countries. One view says that you concentrate large amounts of money in those countries. The other view holds that large amounts



of money have yielded little in terms of long-term economic improvement. The second view says that poverty is more likely to be “eradicated by the local action of democracy and markets.”

Esther Duflo believes that there is no data to support either argument, and her approach is to test these and other social policies through randomized control trials. Here is a link to [a talk she made on this point at the TED conference](#). According to Duflo, randomization “takes the guesswork, the wizardry, the technical prowess, the intuition, out of finding out whether something makes a difference.” There are practical and ethical limitations on when social policy questions can be answered by randomized trials—it requires large treatment and control groups that may be hard to create, and “[r]andomization causes some part of the population to miss out on the new thing.”

The article is especially interesting to me because it highlights the challenge of getting people to accept research on the effectiveness of particular public policies. For example, Duflo wanted to use her experimental methods to evaluate the effectiveness of microfinance as a tool for combating poverty. “I have one opinion—one should evaluate things—which is strongly held. I’m never unhappy with the results. I haven’t yet seen a result I didn’t like.” Many in the loan industry responded defensively, however, when her study of microfinance showed that it did not improve the economic well-being of loan recipients. It surprised Duflo because she “can hardly imagine people who do not welcome solid, hard-won data about their field of interest.” The article questions one of her key assumptions—that policymakers “surely want to be associated with ideas that work.” “After all, a politician may prefer to be associated with hoopla, or with cash in plain envelopes.”

The Poverty Lab’s “overarching experiment, perhaps, is a study of whether it can make its own agenda irresistible to decision-makers.” Duflo describes the next phase of her work as “the effort to engage decision-makers not just as experimental partners but as adopters of programs that have already been vetted.” One of our greatest challenges in implementing our public policy initiative will be to work in ways that maintain the School’s credibility with policy decision-makers. Can we structure our policy work to increase the chance that they will value the results? How do we avoid being viewed as advocates for certain policy outcomes? I am confident that the strategic planning implementation committee co-chaired by Aimee Wall and John Rubin will come up with a good plan. We don’t have the option of responding to North Carolina officials the way Duflo responded to the microfinance community: “We tried to help them. They don’t want to be helped. Too bad.”