

Discussion of:
“Breaking Out of the Pocket: Do
Health Interventions Work? Which
and In What Sense?”

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Brookings Development Conference

May 29, 2008

Improving the Relevance of RE

- Boone/Johnson make two important points about improving the usefulness of RE:
 - (1) REs should have mortality as an outcome
 - (2) REs should focus on packages of interventions

Should REs have Broader Outcome Measures?

- The majority of REs do not have mortality as an outcome
- For design of NGO programs or specific gov't policies, narrow focus makes sense
- But economists care about “welfare”: Should our REs have mortality & income as outcomes rather than ITN purchase or water purification?
- In particular, broader outcome measures would bring RE closer to what macro studies & would allow closer comparison of RE health interventions

Why not Measure Mortality?

(1) Need a huge sample size

- Since n is usually biggest determinant of cost of RE, measuring mortality means cutting back on something else
- One possibility is not measuring other, “intermediate” outcomes, such as demand and usage of bed nets, and focusing only on mortality

(2) Existing research on link between use of health tool/service & mortality

- Good estimates of, e.g., impact of bed nets on mortality, should we rely on these estimates?

Can we Use Existing Mortality Measures?

- If we want to know optimal price for bed nets or water purification, can we infer mortality from uptake or should we only be measuring “reduced form” effect of price on mortality?
- We cannot stop with demand/usage estimates if:
 - (1) Unmeasured selection effect of price affects the relationship between health tool usage & mortality.
 - (2) Price paid has spillovers to other health behaviors
- If (1) and (2) are important, suggests we should just focus on income, mortality, etc.
 - However, if focus on reduced form effect only, we will likely not be able to trace all the links from economic policy to mortality

What is lost by focusing on Mortality?

- If selection & behavioral spillover effects are important, suggests we should just look at relationship between intervention & mortality
- However, we will most likely not be able to trace all of the chains in that link
 - Will relationship hold in other countries/contexts?
 - Even harder in this case to gauge external validity
- But as Banerjee (here) points out, at least the RE method provides the opportunity to estimate each link, should we aim to do so

Should REs Focus on Intervention ‘Packages’?

- Boone/Johnson argue for packages of interventions to tackle child mortality along a number of dimensions
- Bundles of interventions could make RE more useful and relevant to policy makers, but more likely if they bundle supply + demand interventions together, rather than a few demand-side approaches only
- Most REs focus on encouraging/incentivizing some desirable behavior (e.g. subsidizing malaria medicine, lentils for vaccines, etc.)
 - But very rare to focus on how to incentivize suppliers to provide optimal services/products

Bundling Supply + Demand Interventions

- Boone/Johnson point out that a key element in child survival is intervening in the actions of the mother (education, incentives, etc.)
 - Mother must not only know to use ORS or get anti-malarials w/in 24 hours of fever, but be able to get them
 - This involves working with suppliers on prices and logistics/inventory. And what if she needs these medicines in the middle of the night?
- They also point out that a key reason for packaging interventions is b/c some may be substitutable (e.g. bed nets & malaria medicine)
 - This is also the case with supply & demand-side interventions

Example: Maternal & Newborn Mortality

- In E. Africa, woman's chances of dying in childbirth (over lifetime) are 1 in 7
 - Most complications can be simply avoided if skilled birth attendant is present with appropriate medicines
- Most women do not give birth at hospital/clinic, common reasons given are cost and transportation, so RE might provide voucher for costs of hospital stay or transport
- Many public clinics are awful & lack supplies—demand-side intervention would likely control clinic quality
- But incentives for clinics to improve quality would likely increase demand for services too, so might be substitutes & bundling these types of interventions might be sensible

Conclusion

- This paper offers a number of good ideas about how to use RE and other methods to decrease child mortality
- Broadening outcome measures & exploring intervention packages could increase impact of REs in general
- However, both of those changes require big increases in budgets & so will need to convince donors & foreign aid agencies of the value of these changes