



The Role of RCTs in Development: 3 points

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1. RCTs are not The Gold Standard. One tool does not serve all purposes.

2. In using this tool, we should pay extra attention to ethical issues.

At the ‘micro’ level: informed consent, harm to participants

- ‘Enforcing Payment for Water and Sanitation in Nairobi’s Slums’, NBER Working Paper (July 2020), Aidan Coville, Sebastian Galiani, Paul Gertler, Susumu Yoshida

At the ‘macro’ level:

- Inequalities between researchers and research subjects (e.g. ability to do RCTs in low-income countries that you could not be able to do in high-income countries)
- How much do RCTs misfocus our attention on factors and hypotheses that can be studied with RCTs and away from more important ones?
 - ‘Randomizing Religion: The Impact of Protestant Evangelism on Economic Outcomes’, *Quarterly Journal of Economics* (2020), Gharad T. Bryan, James J. Choi, Dean Karlan

3. Be cautious in using RCTs to build knowledge on poverty and development. RCTs are like single case studies here, and drawing causal inferences from single cases is problematic.

‘How the Cases You Choose Affect the Answers You Get, Revisited’, *World Development* (2020).

First: what is a case study, what is ‘small n’ research, and why is it problematic for causal inference

- A **case**: ‘a spatially delimited phenomenon (a unit) observed at a single point in time or over some period of time’, which ‘comprises the sort of phenomena that an inference attempts to explain’. A **case study** then is ‘the intensive study of a single case for the purpose of understanding a larger class of cases (a population)’. (Gerring 2011)
- The problem of ‘**many variables, small n**’ (Liphart 1971)
- What to do? Increase the number of cases, systematic case selection, comparative methods...
appropriate caution in making causal claims

Second: RCTs – used to build knowledge on global development and poverty – are basically single case studies

- Let's distinguish two types of theories (Przeworski and Teune 1970):
 - Those formulated at the level of 'systems' (i.e. community, country, culture)
 - Those formulated in terms of variables observed within systems (e.g. individuals, households)
- RCTs are testing theories of the second type – i.e. how will individuals, in a given experimental site, react to an intervention?
- Findings from RCTs might sometimes hold across systems, but we should not assume they do. Even micro-theorists of development recognize that individual behavior is influenced by institutions, social norms, and social and economic context.
- It is only under very strong assumptions that we should expect findings from one system to apply seamlessly to all systems.

Third: Where do we go from here?

1. Current approaches to addressing the 'external validity' problem in experimental work are not adequate. They give us only weak leverage on how the 'cases' we chose affect the answers we get.
2. We can strengthen external validity by doing more to build on case study and comparative methods in the selection of experimental sites and the analysis of findings across RCTs.
3. Exercise appropriate caution in making causal claims.

Thank you!

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