Policy Formulation and Implementation as a Design Challenge

Development is a tricky business. With each success comes a new wave of challenges. Great strides have been made toward getting all children enrolled in primary school, but the next problem to tackle—getting them to actually learn—is much more complex. Many countries have introduced enlightened regulatory policies to protect health while improving environmental sustainability—but aligning incentives to achieve compliance is difficult.

As the end of extreme poverty comes into sight, approaching the next round of development challenges will require a fresh approach, but what will that entail?
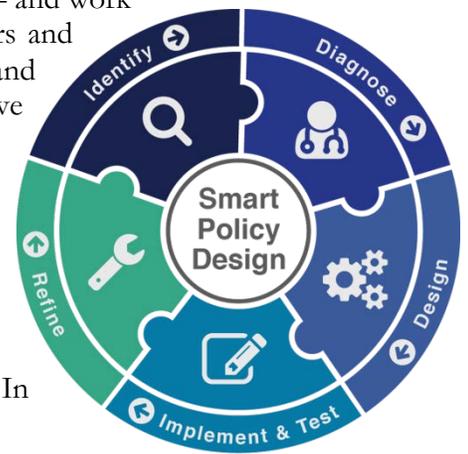
EPoD's Approach: Smart Policy Design and Implementation

Evidence for Policy Design is a policy research initiative based at Harvard Kennedy School and working around the world to optimize public policy and improve the lives of poor. We practice – and work to promote – a *problem-driven, collaborative* approach, where policymakers and researchers come together, employing their collective expertise to design, test and refine solutions. In each of our policy-research engagements, we follow the five steps of *Smart Policy Design and Implementation:*

◊ **Identify** pressing policy problems
◊ **Diagnose** underlying causes
◊ **Design** high-potential and feasible policy solutions
◊ **Implement & Test** solutions with rigorous evaluation
◊ **Refine** those solutions based on continuous monitoring and feedback

Each of these stages incorporates both economic theory and rigorous evidence. In all our work, we strive to make evidence accessible to policymakers – through dialogue, training, support for innovation, and interactive tools employing data visualization.

Recent innovations – like the spread of cheap mobile technology across poor populations and the advent of big data – are creating a base of real-time evidence that is unprecedented in size and scope. Possibilities for empowerment through new knowledge abound. But knowledge, even when it is relevant to policy, is not enough. At EPoD, we not only produce research, we also build mechanisms that enable policymakers to refine and implement smart policy.

Case Study: Improving Educational Outcomes in Pakistan

Starting in 2001, EPoD collaborated with government partners and researchers from other institutions on the Learning and Educational Achievement in Pakistan Schools (LEAPS) project to investigate the poor educational outcomes in Pakistan. Using data from more than 100 Pakistani villages, we **identified** that test scores were low, but that a rising number of small private schools were outperforming public schools at lower cost. We looked at both sides of the educational market and **diagnosed** that schools were constrained in how to offer and signal quality, while parents had little information to use in selecting schools. We **designed** an experiment where parents and schools received reports on learning outcomes in all schools in the village. When this was **implemented** in over 800 schools across 112 villages, average test scores and enrolment went up and school fees went down. These results changed the educational debates in the country, but the intervention also revealed the financial and educational innovation constraints schools face in enhancing quality. So we are **refining** our model by offering financial and informational support to schools in a new ongoing intervention and testing the result.