Cost-effectiveness in education in developing countries: experience, pitfalls, promises and innovations

Policymakers and funders of impact evaluations in developing countries are increasingly interested in cost-effectiveness analysis for individual programs, along with comparative analyses that look at cost-effectiveness for programs across a variety of contexts. Such comparisons have the potential to help policymakers and funders prioritize investments. However, conducting cost-effectiveness analysis and generating subsequent recommendations is not as straightforward as one might think. Rachel Glennerster at the Abdul Latif Jameel Poverty Action Lab (J-PAL), MIT will discuss lessons learned while developing a set of assumptions that J-PAL used in its cost-effectiveness analysis. Specifically, she will discuss how she and the J-PAL team worked through practical examples which helped inform a set of rules for making comparisons now used across J-PAL's program areas. David Evans from the World Bank will reflect on his paper employing cost-effectiveness, discuss some shortcomings in cost-effectiveness analysis generally, and consider the contexts in which such analysis is most useful. Steve Glazerman, a senior fellow at Mathematica Policy Research, has extensive experience conducting cost-effectiveness analysis, most recently of the Teacher Talent Initiative (TTI) in the US context. He will discuss how he has seen cost-effectiveness applied in policy decisionmaking, and the relevance of the US experience for Mathematica's impact evaluations of USAID's investments in reading in Latin America. Felipe Barrera-Osorio from the Harvard University Graduate School of Education will lead the discussion and incorporate his experience conducting and utilizing cost-effective analysis.