



Trip Report: Microfinance in Theory and Practice

South Africa: April 15 – April 22, 2005

By Dean Karlan

Objectives:

1. Pilot test follow-up survey instrument for de-rationing experiment and information asymmetries experiment.
2. Conduct training of surveyor staff.
3. Initiate discussions for next experiments.

Summary of Activities

1. The week was spent almost entirely in Capetown at the Data Research Africa (DRA) offices and in the field pilot testing the survey. Luke Crowley, a research assistant for IPA, and I worked with the team from DRA to pilot test the survey, train the survey team, and work out all logistics. Much of the week was spent working on technical issues, as we are using laptops in the field to do the data entry, rather than pen and paper. This is new for us, as well as DRA, and so far seems promising. The main advantage of this is that it allows us to randomize questions in the field. This is helpful for some experimental economics questions that will help to understand more about the information asymmetries results from the first project.
2. Pieter LeRoux and I discussed next steps, specifically brainstorming on further experiments that can be conducted with alternative lenders. We agreed to pursue one particular lead in 2-3 months, once this phase of the project is complete.
3. Met with Darryl Collins, who helped to pilot test the survey instrument the week before.
4. Although a meeting was scheduled with USAID in Johannesburg, these were cancelled at the last minute because of time constraints for them, and because we do not yet have results on the derationing experiment to share with them. MFRC remains interested in hearing about the derationing experiment once those results are available.

Suggestions and Recommendations for Follow-up

Luke Crowley remains in South Africa to handle further programming needed on the software for the data entry as well as to manage the process, in conjunction with DRA. We expect the survey work to be complete within 3 months. We will then begin the analysis phase, as well as follow-up with Pieter LeRoux's contacts for further research experiments.

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