

EXTERNALITIES IN PROGRAM EVALUATION: THE IMPACT OF A WOMEN'S EMPOWERMENT PROGRAM ON IMMUNIZATION

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Abstract

Impact evaluations of development programmes usually do not explicitly take into account externalities on non-participants. Based on a unique dataset we estimate the direct as well as the spillover effects of Mahila Samakhya, a women's empowerment programme in India, on child immunization. The survey covers both participants and non-participants in programme villages, as well as respondents in control villages. We account for participation selection bias using instrumental variables. We propose a direct test for the exclusion restriction using the control villages. We find both direct effects on the immunization rates of participants' children and significant spillovers on immunization rates of non-participants' children. The impact of interventions might be substantially underestimated if such external effects were not taken into account. Alternative estimation methods such as propensity score matching and a regression discontinuity approach yield comparable results. (JEL: C31, I10, O15)