

BIOMETRIC AND FINANCIAL INNOVATIONS IN RURAL MALAWI

DOWA TIME PREFERENCE PROJECT 2010

FIELD WORK HANDBOOK



General Overview

A. Introduction

The BFIRM time preference project 2010 is a new project that builds on previous BFIRM savings and credit projects. BFIRM works with financial organizations in Malawi in order to introduce and evaluate new financial products for rural Malawians.

There are three main parts that need to be conducted during the field visits this year.

1. Identify previously interviewed households
2. Collect basic demographic and identifying information about the location and members of pre-selected households in Dowa
3. Conduct an interactive meeting with respondents in order to collect information about their preference for money across time periods
4. Conduct a baseline survey of farmers in Kasungu and Dowa who receive loans for tobacco farming from OIBM

B. Innovations for Poverty Action

Innovations for Poverty Action (IPA) applies rigorous research techniques to develop and test solutions to real-world problems faced by the poor in Malawi. IPA-Malawi's aim is to connect leading academic researchers in development economics, behavioral economics, and psychology with organizations in Malawi for the purpose of investigating and evaluating policies and interventions targeted at Malawian farmers, entrepreneurs, disadvantaged people and people living in poverty.

IPA's mission is to conduct research in pursuit of more effective policy for addressing problems and challenges faced by Malawians living in poverty.

IPA prides itself in its commitment to the confidential data collection, ethical probity, and integrity of research. IPA conducts independent research in order to ensure that data collection and analysis are conducted with the main purpose of identifying the effectiveness of a specific policy for the benefit of Malawians. When conducting research, we respect the needs and desires of all research participants and aim to ensure that research is done for their benefit. Whenever possible, findings will be disseminated and shared with study participants as well as a wide range of interested parties that include Malawian organizations, firms, donors and development organizations in Malawi and worldwide.

C. University of Michigan

The University of Michigan is a public institution in the United States that provides higher education in a wide range of disciplines. The University of Michigan is also a leading research institution in the world.

D. Relationship with Farmers in Dowa

For this study, we will be working with approximately 1000 households in Dowa. All of these households have a tobacco farmer that participated in a previous research study with BFIRM.

E. Manual for the visit to the household

Section 1: Materials

For each household, each 2-person survey team need the following:

- 1) TWO surveys, with pre-printed cover sheets for the male and female respondents
- 2) GPS device
- 3) 40 beans
- 4) 2 coins
- 5) 2 sets of sorting bowls
- 6) 4 small blackboards
- 7) 2 pieces of chalk
- 8) 2 sets of index cards for recording individual choices (2 cards are for practice choices).
- 9) 2 dry-erase markers
- 10) 4 dice
- 11) 2 Token Multiplication Table
- 12) 2 ink pads
- 13) Carbon paper
- 14) Results sheet that has HHIDs already listed

Section 2: Arrival

Note on the cover sheet *for each respondent* the GPS coordinates of the house. Also write down directions to the house, so that the follow up team can easily find the dwelling again.

Identify and separate the respondents (husband and wife). One enumerator should work with the husband, and one with the wife. The interviews should be separate, so that neither person can see or hear the other. The team should alternate gender of respondents between each household visited (if one RA interviewed the husband in a household then that RA should interview the wife in the next household). **It is not ok to have one research assistant do the training for both people. The people should have separate, private trainings.**

Both spouses must be present in order to go ahead with the visit. If only one person is home, ask someone to go find the other spouse. If the other spouse is not available, make an appointment to come back as soon as possible. You cannot do any part of the visit (apart from taking GPS coordinate and directions to the dwelling) unless both people are available.

Instructions in the following sections should be followed by each enumerator, working separately with his/her respondent.

Section 3: Informed consent

The informed consent must be read out loud to the respondent. Have the respondent sign or fingerprint the form and write the RESPID of the respondent at the top of the consent form in the provided space. A signed consent form is required in order to allow the respondent to participate in the study. If your respondent refuses to sign the consent form after several attempts to explain the project, stop the interview. The household visit should proceed if at least one of the respondents in the household agrees to sign the consent form, but only the spouse that signs the consent form is allowed to participate.

Section 4: Survey

Administer questions in Section A of the survey.

Section 5: Training about time allocations

After section A of the survey, you will administer a training module. The goal of the training is for respondents to understand making choices about receiving money now or later, when they can get more money by waiting to receive it later.

Say:

As part of this project, families that participate are going to be given some money. The money will be divided into some money that you receive sooner, and some money you receive later. Today, we will be giving your household a voucher that can be redeemed for cash in Mponela (ADD LOCATION).

You will get to make choices about how to divide the money into sooner and later. I will show you how the choices work, and you can make some practice decisions. You should think about how much money you need soon, and how much money you will need later. When you choose to receive money later, it will be held safely for you until the later date, so you will be sure to have it then. If you decide to take the money later, you will also get more money than if you took it sooner. We will give you one voucher for the money that you want sooner and one voucher for the money that you want later. Each voucher will have a date written on it, you will not be able to change these dates and will not be able to redeem the voucher before the date written on it. The voucher can be redeemed any date after the date written on it.

Take out 10 of the beans and one sorting mat. Then, say

*This first bowl is for money you get in one month from tomorrow. The second bowl is for money you will get two months from tomorrow (**Research Assistant: say the date**). If you get the money one month from tomorrow or two months from tomorrow, you will collect it the same way – redeeming the voucher for cash.*

See these 10 beans? The beans are going to represent money. They will be worth one amount of money if you choose to redeem them one month from tomorrow, and a larger amount of money if you choose to redeem them two months from tomorrow.

For example, in the first choice, each bean you put in the bowl for one month from tomorrow is worth MK 50, and each bean you put in the bowl for two months from tomorrow is worth MK 60.

So, if you put 10 of the beans in the bowl for one month from tomorrow, you'd get MK 500 one month from tomorrow, and nothing two months from tomorrow.

Put all 10 beans in the "one month from tomorrow" bowl, and write "10" and "MK 500" on the Example 1 index card for "one month tomorrow". Write "0" and "MK 0" on the index card for "two months from tomorrow."

Instead, if you put all 10 of the beans in the circle for "two months from tomorrow," you'd get nothing one month from tomorrow, and MK 600 in two months from tomorrow.

Erase the index card for Example 1. Put all 10 beans in the "two months from tomorrow" bowl. Fill out the card with the new values.

But you do not have to choose to have all of the beans in one circle or the other. You can divide them between the two circles. You could put four beans in the bowl for "one month from tomorrow," and the other six beans in the circle for "two months from tomorrow." If you did that, you would get MK 200 one month from tomorrow, and MK 360 in two months from tomorrow.

Erase the index card for Example 1. Put 4 of the beans in the "one month from tomorrow" bowl, and put 6 of the beans in the "two months from tomorrow" bowl. Fill out the index card to indicate 4 beans/MK 200 in one month from tomorrow, and 6 beans/MK 360 two months from tomorrow.

The amount you get one month from tomorrow and in two months from tomorrow depends on how you divide the beans. Here, I will give you the beans and you can divide them between one month from tomorrow and two months from tomorrow. Remember, the beans you put in the bowl for "one month from tomorrow" are worth MK 50 each, and the beans you put in the bowl for "two months from tomorrow" are worth MK 60 each.

These decisions are just for practice. They are not the decisions about the money you are actually going to receive. I will tell you before I ask you to make decisions about the money you are actually going to receive. Now, I just want you to practice making decisions between money for one month from tomorrow, and money for two months from tomorrow.

Erase the index card for Example 1. Give all 10 beans to the respondent. Let him divide the caps between the two bowls, and then use your Token Multiplication Table to figure out how much he would get tomorrow and how much in one month from tomorrow. Write the numbers on the index card for Example 1.

Ok. Now, we will write down your answer to this practice decision. See this card? We will write your answer on this, and later we will roll dice to show you how we will choose between your answers to these practice questions.

Write the answer on the index card for the practice questions.

Now, we can make another decision based on different values of the beans. Let's say that the beans you redeem one month from tomorrow are still worth MK 50 each, but the beans you redeem in two months from tomorrow have gone up to MK 70 each. Before, when you put 4 beans in the bowl for "one month from tomorrow" and 6 beans in the bowl for "two months from tomorrow," you would have gotten MK 200 one month tomorrow and MK 360 in two months from tomorrow. Now, you would get MK 200 one month from tomorrow, and MK 420 in two months from tomorrow.

Put 4 beans in the "one month from tomorrow" bowl and 6 beans in the "two months from tomorrow" bowl. Fill out the index card for Example 2 to indicate 4 beans/MK 200 in one month from tomorrow and 6 beans/MK 420 two months from tomorrow.

You can choose a different way to divide the beans, and I will tell you how much money you would get.

Erase the card for Example 2. Give the respondent the beans, and let him divide them between the two bowls. Write the appropriate amounts on the index card.

Now, we will write down your answer for this question on another index card.

Turn over both index cards to show the respondent that there are numbers written on the back of each card.

When you make the real decisions later in our meeting, we will record your answers on cards like these. Then, we will use dice to decide which card actually gets the voucher. It could be any of them, so make careful decisions! Here is how we will decide between your choices. See the numbers on the back of these cards? We will roll these two dice, and then whichever card has the number that comes up on the dice is the decision that we will use for your voucher.

Give the respondent the two dice, and let him roll.

*Since the total of the two dice is ____, that matches this card. **(Point at the number on the appropriate card.)** This was just for practice, but if it had been the real decision, this is the card we would use. **(Turn the card over).** Since this card won, we would give you a voucher for MK ____ that you could redeem any day one month from tomorrow or later, and a voucher for MK ____ any day two months from tomorrow or later. It is good that you made careful decisions because even though this card won, the dice could have been different, and the other card could have won instead.*

Section 6: Actual allocations

In the questionnaire, you will see that there are two parts to Section B:

Time Preference A refers to decisions that the respondent will be asked to make about money tomorrow versus money a month from tomorrow.

Time Preference B refers to decisions that the respondent will be asked to make about money two months from tomorrow versus money three months from tomorrow.

In some questionnaires, Time Preference A is asked first with Time Preference B coming later in the questionnaire. However, in other questionnaires Time Preference B comes before Time Preference A. ***NOTE: It is very important to follow the exact order of the questionnaire as it is printed and given to you. Research assistants are not allowed to change the order of the questionnaire's sections.***

READ THIS SECTION FOR TIME PREFERENCE A

Now, you will explain how the real choices will work. Take out all 20 beans, plus the index cards for B1 to B5. Say:

Now that you understand how to choose between money now and money later by dividing the beans, you will make some decisions with 20 beans, and different values than we used earlier. The cost of putting some of your beans into the bowl for one month from tomorrow is that you have to wait a month longer to get the money from those beans. The benefit is that, if you are willing to wait, we would give you more money. As you make your decisions, you will see that we will increase this benefit from waiting. As we progress through the decisions, beans assigned to the later bowl will be worth more and more.

Lay out all five index cards B1-B5. Show the respondent that the amount for "tomorrow" stays the same, but the amount for "one month from tomorrow" increases.

I will write down your answers on the survey paper, and also on these cards. Later, we will roll some dice, and one of the choices you or your husband/wife chooses will actually happen. We will use vouchers to match what you told me when you divided the beans! So please think very carefully about money you want to have tomorrow and money you want to save for one month from tomorrow. Think about things you need to buy right now, and about what you are going to need in a month. You won't be able to change your mind later.

We will use these same bowls. The first bowl represents money you will get in vouchers that can be redeemed starting tomorrow, and the second bowl represents money you will get in vouchers that can be redeemed starting one month from tomorrow. Now, there are 20 beans. Every bean that you put in the bowl for "tomorrow" is worth MK 100, and every bean that you put in the circle for "one month from tomorrow" is worth MK 110. I will give you the beans, and you can

move them around as many times as you want to try out different divisions. I will calculate the values for you.

Put away all of the cards except B1. Give the respondent all 20 beans. Let him sort them into the two bowls. Write the value on the index card for question B1. Then, ask:

The way you have divided the beans, MK ____ will go into your vouchers that can be redeemed starting tomorrow, and MK ____ will go into vouchers that can be redeemed starting one month from tomorrow. Do you like that division, or do you want to try again?

Let the respondent sort as many times as he wants. After he has said that he does not want to try again, write the answer on the survey form. Then, move on to the next question:

Ok. Now we will do this again, with different values for the beans. Remember to make careful decisions, since any of the decisions could be the one that we use when we really pay you. Now, beans that you put into the bowl for “tomorrow” are worth MK 100 but beans that you put into the bowl for “one month from tomorrow” are worth MK 125. How would you like to divide your beans now?

Give the respondent the 20 beans. Let him sort, and write down the values on the index card for B2. As before, give him the option to re-sort. When he is satisfied, write the answer on the survey.

Repeat this for each of the remaining three values of the beans.

Put away the index cards, beans and bowls. Make sure that the respondent is not able to look at this first set of index cards when making the second set of decisions.

READ THIS SECTION FOR TIME PREFERENCE B

Now, you will explain how the real choices will work. Take out all 20 beans, plus the index cards for B6 to B10. Say:

Now that you understand how to choose between money now and money later by dividing the beans, you will make some decisions with 20 beans, and different values than we used earlier. The cost of putting some of your beans into the bowl for three months from tomorrow is that you have to wait a month longer to get the money from those beans. The benefit is that, if you are willing to wait, we would give you more money. As you make your decisions, you will see that we will increase this benefit from waiting. As we progress through the decisions, beans assigned to the later bowl will be worth more and more.

Lay out all five index cards B6-B10. Show the respondent that the amount for “two months from tomorrow” stays the same, but the amount for “three months from tomorrow” increases.

I will write down your answers on the survey paper, and also on these cards. Later, we will roll some dice, and one of the choices you or your husband/wife chooses will actually happen. We will vouchers to match what you told me when you divided the beans! So please think very carefully about money you want to have two months from tomorrow and money you want to save for three months from tomorrow. Think about things you need to buy in two months and about what you are going to need in three months. You won't be able to change your mind later.

We will use this same bowls. The first bowl still represents money you will get in vouchers that can be redeemed starting two months from tomorrow and the second bowl still represents money you will get in vouchers that can be redeemed starting three months from tomorrow. Now, there are 20 beans. Every bean that you put in the bowl for "two months from tomorrow" is worth MK 100, and every bean that you put in the bowl for "three months from tomorrow" is worth MK 110. I will give you the beans, and you can move them around as many times as you want to try out different divisions. I will calculate the values for you.

Put away all of the cards except B6. Give the respondent all 20 beans. Let him sort them into the two bowls. Write the value on the index card for B6. Then, ask:

The way you have divided the beans, MK ____ will go into your vouchers that can be redeemed starting two months from tomorrow, and MK ____ will go into vouchers that can be redeemed starting three months from tomorrow. Do you like that division, or do you want to try again?

Let the respondent sort as many times as he wants. After he has said that he does not want to try again, write the answer on the survey form. Then, move on to the next question:

Ok. Now we will do this again, with different values for the beans. Remember to make careful decisions, since any of the decisions could be the one that we use when we really pay you. Now, beans that you put into the bowl for "two months from tomorrow" are worth MK 100 but beans that you put into the bowl for "three months from tomorrow" are worth MK 125. How would you like to divide your beans now?

Give the respondent the 20 beans. Let him sort, and write down the values on the index card for B2. As before, give him the option to re-sort. When he is satisfied, write the answer on the survey.

Repeat this for each of the remaining three values of the beans.

Put away the index cards, beans and bowls. Make sure that the respondent is not able to look at this first set of index cards when making the second set of decisions.

Section 7: Survey

Continue with sections C to K of the survey.

Section 8: Additional allocations

TIME ALLOCATION A

Take out the beans, mat, and the index cards for B1 to B5. Say

*Now, I am going to ask you to make some more choices about when you would like to receive money. Before, the bowls represented “two months from tomorrow” and “three months from tomorrow.” Now, they represent “tomorrow” (**Say the exact date of tomorrow**) and “one month from tomorrow” (**Say the exact date of the day one month from tomorrow**). Money for beans you put in the circle for “tomorrow” would be redeemable by voucher on _____ (DATE) and money for the beans you put into the circle for “one month from tomorrow” would be redeemable by voucher on _____ (DATE). Think carefully about what you will need to buy in two months, and what you will need to buy in three months. The cost of putting some of your beans into the bowl for one month from tomorrow is that you have to wait a month longer to get the money from those beans. The benefit is that, if you are willing to wait, we would give you more money. As you make your decisions, you will see that we will increase this benefit from waiting. As we progress through the decisions, beans assigned to the later bowl will be worth more and more.*

Lay out all five index cards B1-B5. Show the respondent that the amount for “tomorrow” stays the same, but the amount for “one month from tomorrow” increases.

Remember, I’m going to ask you several questions, but you should make careful decisions each time because we will give you real money for one of the decisions and you will not be able to change your mind later.

For the first decision, beans you put into the bowl for “tomorrow” are worth MK 100, and beans that you put into the bowl for “one month from tomorrow” are worth MK 110. How would you like to divide them?

Put away all of the cards except B1. Give the respondent all 20 beans, and let him sort them into the two bowls. Write the value on the index card for B1, and let him change his mind if he wants. When he is satisfied, write the answer on the survey and the index cards.

Repeat this process for all five questions.

TIME ALLOCATION B

Take out the beans, mat, and the index cards for B6 to B10. Say

Now, I am going to ask you to make some more choices about when you would like to receive money. Before, the bowls represented “tomorrow” and “one month from

tomorrow." Now, they represent "two months from tomorrow" (**Say the exact date of the day three months from tomorrow**) and "three months from tomorrow" (**Say the exact date of the day three months from tomorrow**). Money for beans you put in the bowl for "two months from tomorrow" would be redeemable by voucher on _____(DATE) and money for the beans you put into the bowl for "three months from tomorrow" would be redeemable by voucher on _____(DATE). Think carefully about what you will need to buy in two months, and what you will need to buy in three months. The cost of putting some of your beans into the bowl for three months from tomorrow is that you have to wait a month longer to get the money from those beans. The benefit is that, if you are willing to wait, we would give you more money. As you make your decisions, you will see that we will increase this benefit from waiting. As we progress through the decisions, beans assigned to the later bowl will be worth more and more.

Lay out all five index cards B6-B10. Show the respondent that the amount for "two months from tomorrow" stays the same, but the amount for "three months from tomorrow" increases.

Remember, I'm going to ask you several questions, but you should make careful decisions each time because we will give you real money for one of the decisions and you will not be able to change your mind later.

For the first decision, beans you put into the bowl for "two months from tomorrow" are worth MK 100, and beans that you put into the bowl for "three months from tomorrow" are worth MK 110. How would you like to divide them?

Put away all of the cards except B6. Give the respondent all 20 beans, and let him sort them into the two bowls. Write the value on the index card for B6, and let him change his mind if he wants. When he is satisfied, write the answer on the survey and the index cards.

Repeat this process for all five questions.

Section 9: Survey

Continue with sections L and M of the survey. This is the end of the survey portion of the interview.

Section 10: Choosing an allocation

Take out all 10 index cards, and the two dice. Say,

Thank you for being patient with all of these decisions. Now, we will find out which one of your decisions will be used for the voucher. First we will roll dice to find out which of your cards is eligible. Then we will roll again to see if it is your choice or your husband's/wife's that we use.

Turn all 10 of the cards for the real decisions over, so that you can see the numbers on the back. Give the dice to the respondent to roll. When he rolls, show him which card wins.

Since you rolled a ____, this is the card that matches. Now, when your husband/wife is done, we will see if we use this card, or his/her choice.

Let the respondent hold the index card that was chosen, to take it to the contest between the two spouses.

Section 11: Choosing a spouse

DO NOT move on to this section until both spouses have finished the survey and both have finished their choices. Make sure that the spouse who finishes first does NOT go and watch the spouse who is still working. When both people are finished, bring them together. (If only one spouse agreed to sign the consent form, then this section should be skipped and the decision of the spouse that signed the consent for is automatically selected.)

Put each individual's winning index card out. Then, give each individual one die. Whoever rolls the highest number has his card chosen. If they roll the same number, have them both roll again.

On the cover sheet of EACH person's survey, record whether the individual's card was chosen or his spouse's card was chosen. This means that you write "individual" for one person, and "spouse" for the other person. The answer to this question will be different for each person.

On one voucher, complete the following steps:

- 1. Write the name of the spouse that won the dice roll.**
- 2. Write the sooner amount of Malawi Kwacha that is on the winning index card of the spouse that won the dice roll.**
- 3. Write the date when the household is able to redeem the sooner amount of money**
- 4. Have the spouse that won the dice roll sign the voucher or impress his/her thumbprint.**
- 5. Date and sign the voucher with your name and Enumerator ID.**

On the second voucher, complete the following steps:

- 1. Write the name of the spouse that won the dice roll.**
- 2. Write the later amount of Malawi Kwacha that is on the winning index card of the spouse that won the dice roll.**
- 3. Write the date when the household is able to redeem the later amount of money**
- 4. Have the spouse that won the dice roll sign the voucher or impress his/her thumbprint.**
- 5. Date and sign the voucher with your name and Enumerator ID.**

Then, on the cover page of the questionnaire, record the date when the household is able to redeem the sooner amount of money. This answer will be the same for each person.

Then, on the cover page of the questionnaire, record how much money is to be given to the respondent when the voucher is redeemed. This will be the same for each person's questionnaire.

Section 11: Storing materials

When you finish, put the two surveys in the survey folder. Put the two informed consents in the informed consent folder. Write the name and RESPID of the selected participant on the selected index card and place this in the survey folder. Put all of the index cards in the box for used cards..

II. Responsibilities

1. Storage of completed questionnaires:

Research assistants are responsible for keeping all the completed questionnaires safely at the end of each field visit. These completed questionnaires will be collected from them by their supervisor at the end of each day.

Prior to submitting the questionnaires to the supervisor, every research assistant should ensure that all of the pages of the questionnaire are attached, that the questionnaire is complete and that the respondent number (RESPID) is written on the top of each page on the questionnaire.

2. GPS devices

Supervisors are responsible for capturing the geocoded location of the club meeting using the GPS device provided. The GPS devices should be properly cared for and kept dry as regularly as possible.

3. Replenishment of materials

The field manager will have extra survey questionnaires, pens, paper, and all other stationary during his field visits. If your team requires additional materials, you should request these from the field manager. Research assistants have to plan for every week and collect the materials during the field manager's visit. Should obtain enough materials from the field manager to allow for several days of field work.

4. Liability for equipment

You are responsible for all the equipment that you will be carrying and possessing during the duration of the project. You should return all equipment back to the manager at the end of the project and they should be in good working order at the time of return. The equipment

should be maintained and kept in good condition during the entire duration of the project and if any of your equipment is found to malfunction due to your negligence you will be charged the cost for repair or replacement.

Communication

1. Cell phone minutes

Field Staff will be supplied with credit for cell phone minutes each week. You will use these minutes to send a text message to the field manager in case of any problems you face in the field. You do not need to call the field manager and its enough to text him. The manager will call you back once he has received your text message. The cell phone minutes provided should also be used in case of an emergency where RAs want to call the supervisor for information or direction. These cell phone minutes are for work use and you must not use them for your personal phone calls. The cell phone minutes provided will be adequate enough to send text messages to the manager. If you run out of minutes within a week you are responsible for using your own money for buying cell phone minutes and sending the required text messages to the field manager.

2. Unable to reach field manager

If for some reason you are unable to communicate to the field manager or the field manager does not call you immediately after you send him a text message you must contact your team supervisor for immediate help.

III. Payment and Contract

1. Wages/Allowance

The RAs will be paid a daily wage consisting of 900 MK in salary and 700 MK as a per diem. Per diem will be paid for any day in which field work was conducted the same day or will be conducted the following day. You will receive a full week's per diem on the Monday at the start of each work week. Salary will be paid at completion of the contract.

You will receive wages only for days when you are working. You will complete a time sheet that will be verified by your team supervisor before submitting for payment.

2. Leave policy

The RAs are paid on a daily rate and therefore any leave they may take during the course of the project work will result in loss of wages for the days they are out of work. However, if RAs are unable to work on certain days they should inform their supervisor and the field manager in advance so that alternative arrangements can be made by the project team to cover for the RAs absence.

3. Termination

The project manager and field manager reserve the right to terminate your contract in case of negligence of duty. The manager will make random visits to the site to check on enumerators and if on any such visit you are not found in the village for reasons not already

known to the manager, he may terminate the contract. In case of termination of contract, your wages will pro-rated to the number of days you have worked.