Discussion of


by

Fangwa, Anicet and Flammer, Caroline and Huysentruyt, Marieke and Quélin, Bertrand V.,

Bar Ilan, Tel Aviv, December 2019

Marco Becht
Keywords

• Randomized Control Trial (RCT)
• Non-Profit organization
• Healthcare
• Democratic Republic of Congo (DRC)
• Governance
• Social impact
Governance of Non-Profits

• No shareholders
• Agency issues between donors and managers of non-profits
• “non-distribution constraint” (Hansmann 1980)
• US literature comparing for profit with non-profit hospitals
• Yermack on museums
Governance “Treatment” Variables

- Pro-social incentives
- Auditing
Outcomes

i) higher operating efficiency

ii) improvements in social performance (measured by a reduction in the occurrence of stillbirths and neonatal deaths)
Figure 3. Examples of health centers
Figure 4. Location of treatment and control health centers
<table>
<thead>
<tr>
<th></th>
<th>Health center operating efficiency</th>
<th>Health center employees</th>
<th>Volume of healthcare services</th>
<th>Quality of healthcare services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>△ Primary healthcare services per employee</td>
<td>△ Emp.</td>
<td>△ Doctors</td>
<td>△ Nurses</td>
</tr>
<tr>
<td>Treatment</td>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td></td>
<td>93.075*** (31.022)</td>
<td>-0.085</td>
<td>0.013</td>
<td>0.001</td>
</tr>
<tr>
<td>Province fixed effects</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>R-squared Observations</td>
<td>0.198</td>
<td>0.055</td>
<td>0.018</td>
<td>0.046</td>
</tr>
</tbody>
</table>

Notes. For each dependent variable we compute the change between the initial quarter (Q1) and the tenth quarter (Q10) after the treatment. When the dependent variable is a ratio—i.e., in columns (1) and (9)-(11)—△y represents the difference in y from Q1 to Q10. When the dependent variable is a level—i.e., in columns (2)-(8)—(% △y represents the percentage change in y from Q1 to Q10. In column (1), the units are in number of primary healthcare services per employee; in columns (9)-(11), the units are in percentage points. Standard errors are clustered at the health district level. ***, **, and *** denotes significance at the 10%, 5%, and 1% level, respectively.
What Works?

• Usual criticisms & advantages of RCT
• Clear question, setup and straightforward statistics
• Clear results (hopefully)
• But where is the theory? (here there is some)
• Can it be generalized? Would it work in e.g. Burundi?