Cash and Compliance with Social Distancing: Experimental Evidence from Ghana

Researchers

Robert Darko Osei, Dean Karlan, Matt Lowe, Isaac Osei-Akoto, Ben Roth, Christopher Udry

Abstract

As coronavirus begins to spread in developing countries, an important question is whether poor households will adhere to social distancing given the likely inability to work remotely, and the subsequent large income losses. In such a context, mobile money transfers may not only help households maintain consumption levels, they may also complement social distancing policies - those that get the cash may work less, and stay at home more. We are launching a three-arm mobile money transfer study in Ghana to test this idea. Specifically, using a subset of relatively low-income households from the Ghana Panel Survey (a representative panel dataset collected over the last decade) we will randomly assign households to a treatment group that receives eight weekly transfers or a control group that receives only a single transfer. We will examine effects on a battery of economic and psychological measures of well-being as well as adherence with social distancing and self-isolation.

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Project Outcomes of Interest

With bi-weekly follow-up phone surveys we will answer the following research questions: 1) Do regular [small/large] cash installments increase adherence
with social distancing? 2) How does the cash impact welfare (consumption, K6 depression scale, corona-related symptoms)? 3) Does the cash cause individuals to believe that the crisis is more serious, by reducing the tendency for "wishful thinking" (i.e. motivated beliefs)?

**Link to Results**

IGC Blog: Cash transfers as COVID-19 relief: Evidence from Ghana

Well-targeted mobile money transfer programmes can be an effective policy tool to smooth consumption during pandemics, especially among the neediest populations.

Working Paper: Social Protection and Social Distancing During the Pandemic: Mobile Money Transfers in Ghana

**Impact Goals**

- Build resilience and protect the financial health of families and individuals
- Improve social-safety net responses
- Reduce COVID-19 transmission rates

**Project Data Collection Mode**

- CATI (Computer-assisted telephone interviewing)

**Results Status**

No Results Yet