

Timeline

2020-2021

Study Type

Randomized Evaluation

Article Link

<https://www.povertyactionlab.org/initiative-project/effects-universal-basic-inc...>

Research Implemented by IPA

Yes

The Effects of a Universal Basic Income in Kenya: Impacts of COVID-19

Researchers

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Abstract

In 2017, IPA launched a randomized controlled trial in Kenya to test the effectiveness of a Universal Basic Income (UBI) in eradicating extreme poverty. Participants in the study treatment groups have been receiving regular cash transfers for over two years and will continue to receive these transfers over the next several months. This provided a unique opportunity to study how digital cash transfers can help during a crisis such as the COVID-19 pandemic. Against the backdrop of this pandemic, researchers conducted three rounds of phone surveys to (a) track the prevalence of COVID-19 and its collateral effects (e.g. social distancing requirements) in treatment and control communities, (b) measure outcomes potentially affected by these shocks (e.g. employment, business revenues and profits, agricultural harvests, food security and mental health), and (c) measure behaviors associated with viral transmission. This data collection enabled researchers to answer whether and how UBI moderates the impacts of such a crisis, as well as the transmission of the disease.

Project Outcomes of Interest

Prevalence of COVID-19 and its collateral effects (e.g. social distancing requirements); outcomes potentially affected by these shocks (e.g. employment, business revenues and profits, agricultural harvests, food security and mental health), behaviors associated with viral transmission

Partners

J-PAL Digital Identification and Finance Initiative in Africa

Key Findings

- Transfers significantly improved well-being on common measures such as hunger, sickness and depression in spite of the pandemic, but with modest effect sizes.
- They may have had public health benefits, as they reduced hospital visits and decreased social (but not commercial) interactions that influence contagion rates.
- During the pandemic (and contemporaneous agricultural lean season) recipients lost the income gains from starting new non-agricultural enterprises that they had initially obtained, but also suffered smaller increases in hunger. This pattern is consistent with the idea that UBI induced recipients to take on more income risk in part by mitigating the most harmful consequences of adverse shocks.

Read the full summary [here](#).

Link to Results

[Link to the working paper](#)

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

Results