



PATHWAYS OUT OF EXTREME POVERTY: TACKLING PSYCHOSOCIAL AND CAPITAL CONSTRAINTS WITH MULTI-FACETED SOCIAL PROTECTION PROGRAMS IN THE SAHEL

Thomas Bossuoy – Dean Karlan – Harounan Kazianga – William Parienté –
Patrick Premand – Christopher Udry – Julia Vaillant – Kelsey A. Wright

Motivation (1)

Strong interest from governments to scale up multi-faceted programs through social protection systems

We set-up a 4-country RCT of government-led multi-faceted interventions delivered to (women) beneficiaries of national cash transfer programs in the Sahel

We assess the overall effectiveness of government-led economic inclusion programs

- Effectiveness may differ from efficacy of NGO-led programs
- We study a low-cost, highly scalable model
- We analyze effectiveness across settings in the Sahel:
 - **Rural** (Niger and Mauritania): most of the graduation literature to date
 - **High insecurity** (Burkina): complements studies from Afghanistan, Yemen, South Sudan, Cote d'Ivoire
 - **Urban** (Senegal): more limited evidence base

Motivation (2)

Important questions remain on the nature of the big push needed to address the root causes of poverty

- What combination of constraints drive poverty persistence?
- What is the scope of multi-faceted interventions necessary to address these multiple market failures/constraints?
- How to select cost-effective components in multi-faceted interventions?

We study the relative importance of alleviating capital and psychosocial constraints as part of a multi-faceted intervention

- **Value-added of cash grants**
 - Complements research on traditional “economic” interventions such cash grants, cash transfers or micro-credit
- **Value of adding psychosocial components to a “more traditional” graduation intervention**
 - Links to literature on psychosocial interventions
 - Our psychosocial interventions not only aim to **build women beneficiaries’ skills**, but also to **strengthen support from their household and community**:
 - Life skills training for beneficiaries
 - Light-touch community programming— community film screening and discussion targeting social norms and collective

The economic inclusion intervention

Recipients are women cash transfer beneficiaries

Core components



Group formation and coaching



Facilitation of community savings and loan groups (VSLA)



Micro-entrepreneurship training



Access to markets



Community sensitization on aspirations and social norms:

Screening of a video showing a couple working together to diversify livelihoods
Followed by community discussion on aspirations and social norms.



Life-skills training: Group training (7 half days).

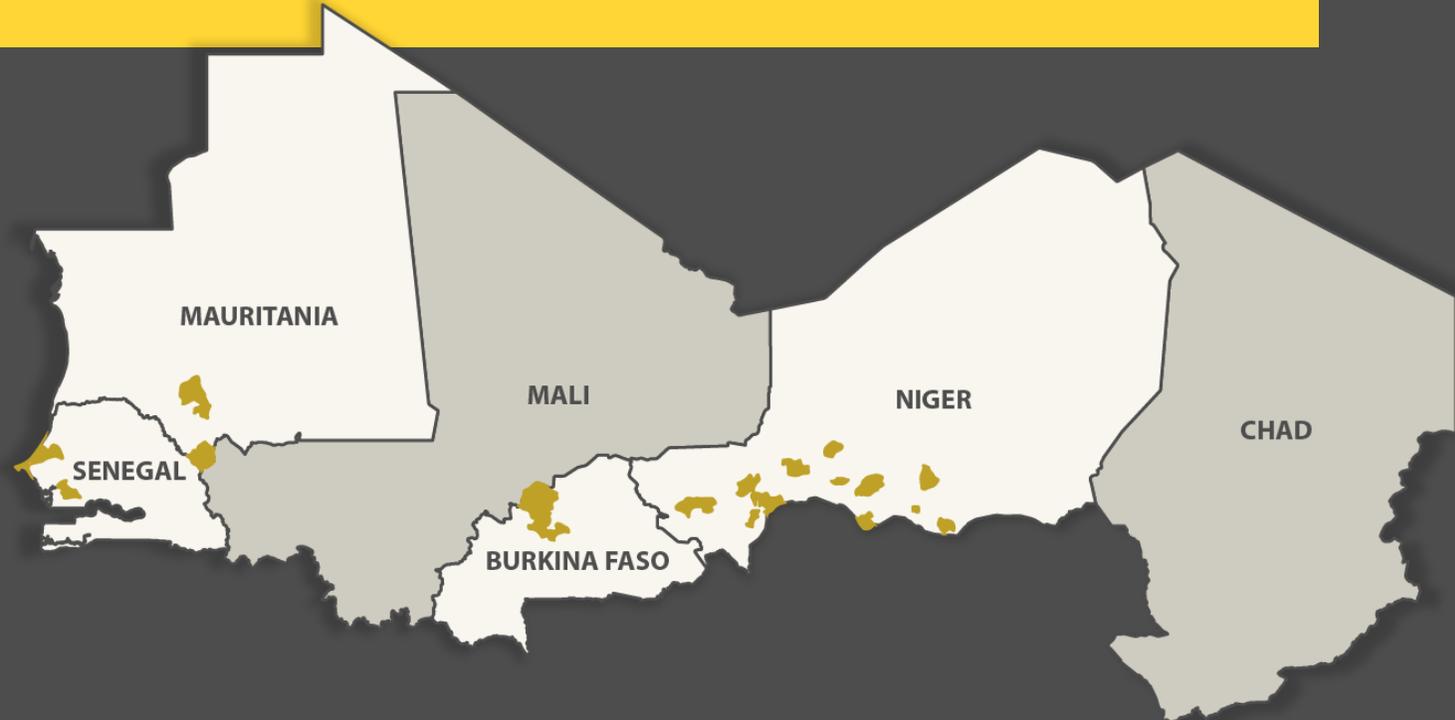
Topics: self-esteem, personal initiative, aspiration, social norms, gender relations,...



Cash grants: Lump-sum grant of \$140-280 (80,000-160,000 FCFA)

Intervention settings

	Beneficiaries (households)
Burkina Faso	17,900
Mauritania	2,000
Niger	16,700
Senegal	14,800
TOTAL	51,400



Target areas chosen by governments. Differences in settings:

- ▶ Urban areas in Senegal; rural areas in other three countries
- ▶ High insecurity provinces in the North of Burkina Faso (border with Mali)

Target national cash transfer program beneficiary households. Within households:

- ▶ Select cash transfer recipient: 95% women
- ▶ Additional filters in Senegal (if CT recipient <45 years old; select his/her daughter) and Mauritania (select only CT recipients < 49 years old). In Burkina, cash grant only to youngest adult beneficiary within hh.

Implementation Lessons

Systematic effort to synthesize lessons from implementers, M&E, process evaluations,...

Overall good quality delivery through government system

- Despite differences in delivery modalities
- More reliance on community volunteer coaches in Burkina & Niger; program/NGO technical staff in Senegal & Mauritania

High attendance rates (often >90%)

- But: lower in urban settings in Senegal
- Lower frequency of individual coaching visits (by design, stronger emphasis on group coaching given intended scale)



Savings Group



Group Coaching



Community sensitization



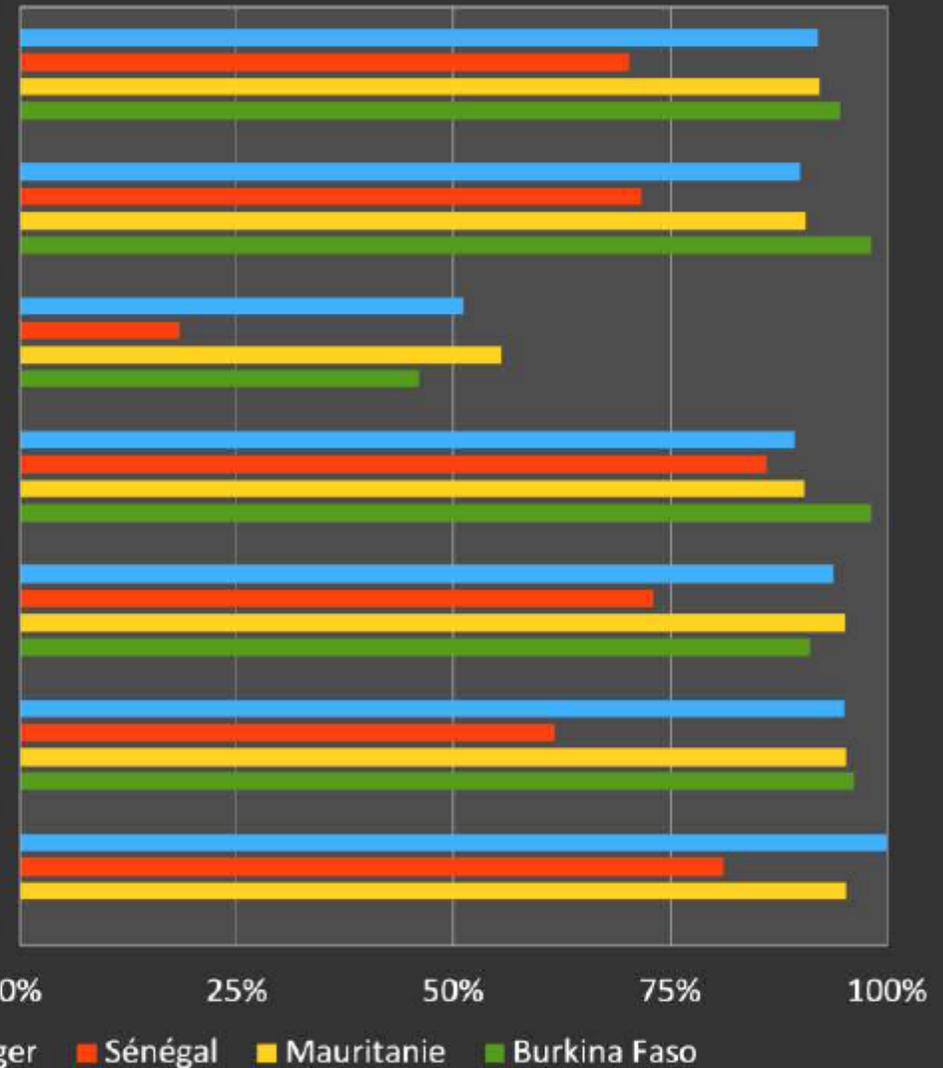
Life skills training



Entrepreneurship training



Cash grant



RCT design (similar across countries)



Control

(No productive measures)



Capital Arm



Groups and Coaching
Savings and loan groups
Micro-entrepreneurship training
Access to markets



Cash grants



Psychosocial Arm



Groups and Coaching
Savings and loan groups
Micro-entrepreneurship training
Access to markets



Community sensitization



Life-skills training



Full Arm



Groups and Coaching
Savings and loan groups
Micro-entrepreneurship training
Access to markets



Community sensitization



Life-skills training

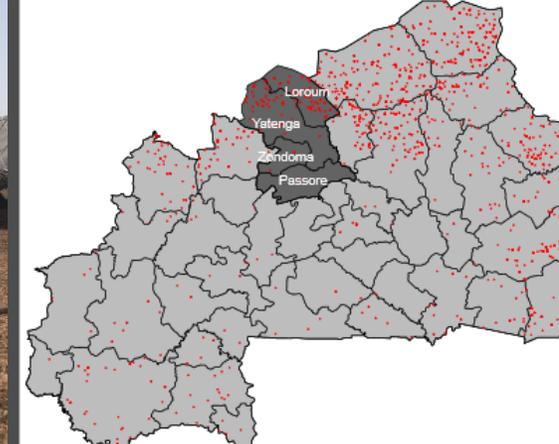


Cash grants

All beneficiaries receive regular Cash Transfers (CT)

Study samples

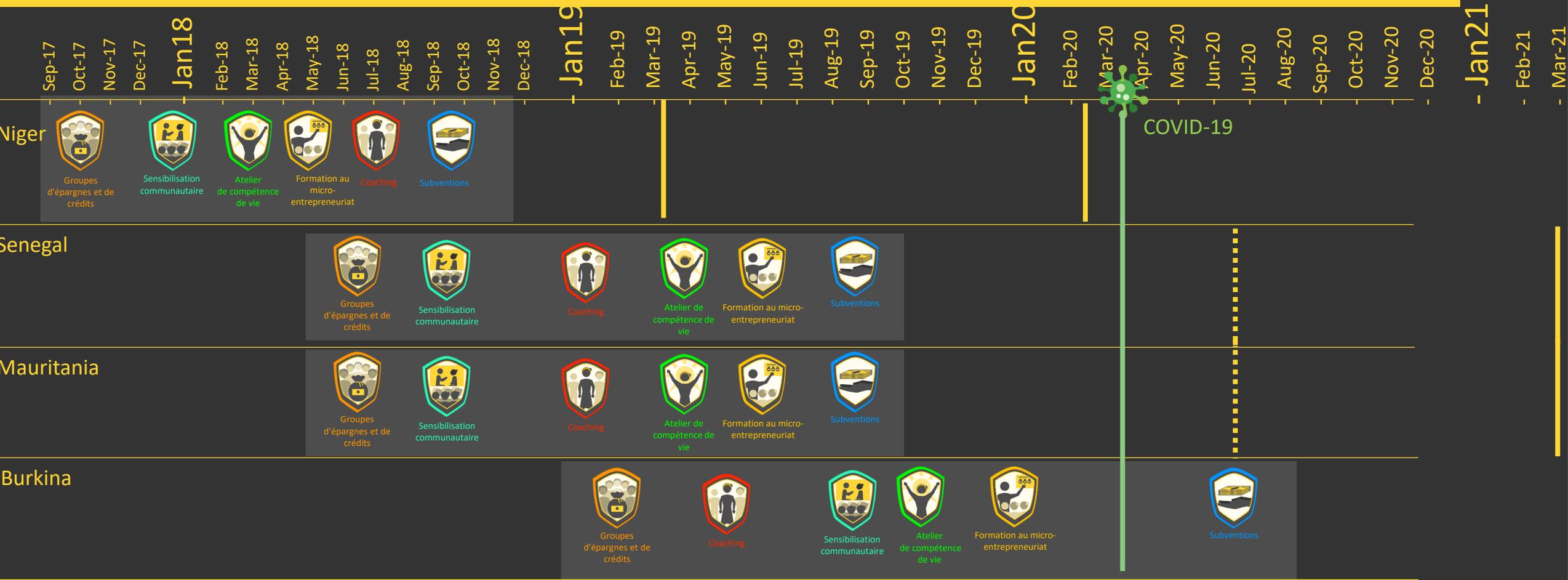
	Niger	Senegal	Mauritania	Burkina Faso
Unit of randomization	Village (rural)	Neighborhood (urban)	Social promotion space (rural)	Village (rural)
Randomization units (clusters)	325	279	114	192
Sample households	4608	5634	2682	3859
Individual Beneficiary	Cash beneficiary	Household member aged 18-45	Cash beneficiary if aged 18-49	Cash beneficiary; multiple beneficiaries possible per household
Geographic area	Dosso, Maradi, Tahoua, Tillabéri and Zinder	Dakar, Thiès and Kaolack	Selibaby and Barkewol	North Region (<i>high insecurity</i>)



Beneficiary baseline profiles

	Niger (rural/remote)	Senegal (urban)	Mauritania (rural/remote)	Burkina Faso (conflict)
<i>Beneficiary (average)</i>				
age	38	32	36	40
years of education	0.4	4.7	0.9	0.4
literacy	7%	60%	27%	11%
has non-ag business	37%	37%	16%	32%
<i>Household (average)</i>				
consumption per adult equivalent, USD PPP	\$2.23	\$3.94	\$3.52	\$1.88
cultivates land	97%	6%	52%	99%
count of non-ag businesses	1.1	2.0	0.3	0.7
minutes to market	72	18	64	40

Timeline



Baseline before economic inclusion intervention started.

Follow-up surveys **18 months** after cash grants.

Niger: implementation and surveys before Covid. Other countries: some activities or surveys during Covid.

Estimation

Main Specification: $Y_i = \beta^p T^{psychosocial} + \beta^c T^{capital} + \beta^f T^{full} + QY_{i,0} + \gamma_s + \varepsilon_i$

- γ_s : randomization strata fixed effects
- Y_0 : control for baseline outcomes
- Standard errors clustered at the unit of randomization (village, neighborhood or social promotion space)

For today, we focus on a few key (pre-specified) economic outcomes and provide estimate separately for each site.

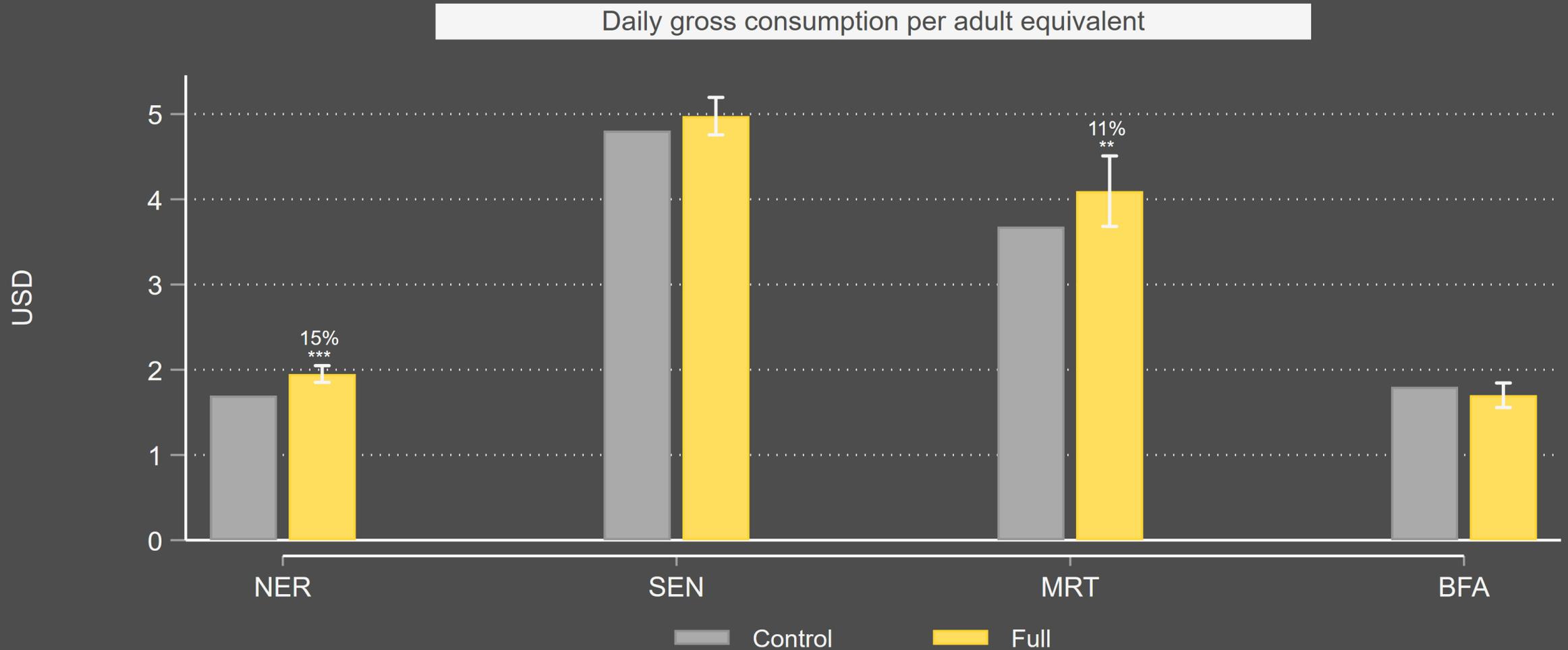
- Estimates 18 months after the end of the program
- Preliminary estimates for Mauritania and Burkina
- We first present estimates for β_f , then estimates for $\beta^p, \beta^c, \beta^f$

Additional hypothesis to analyze pathways:

- H1: $\beta^f - \beta^p = 0$. Test added value of cash grant (gross marginal effect)
- H2: $\beta^f - \beta^c = 0$. Test added value of psychosocial interventions (community sensitization + life skills training) (gross marginal effect)
- H3: $\beta^c - \beta^p = 0$. Test equality of Capital and Psychosocial arms (equality of gross marginal effects of cash grants and psychosocial components)

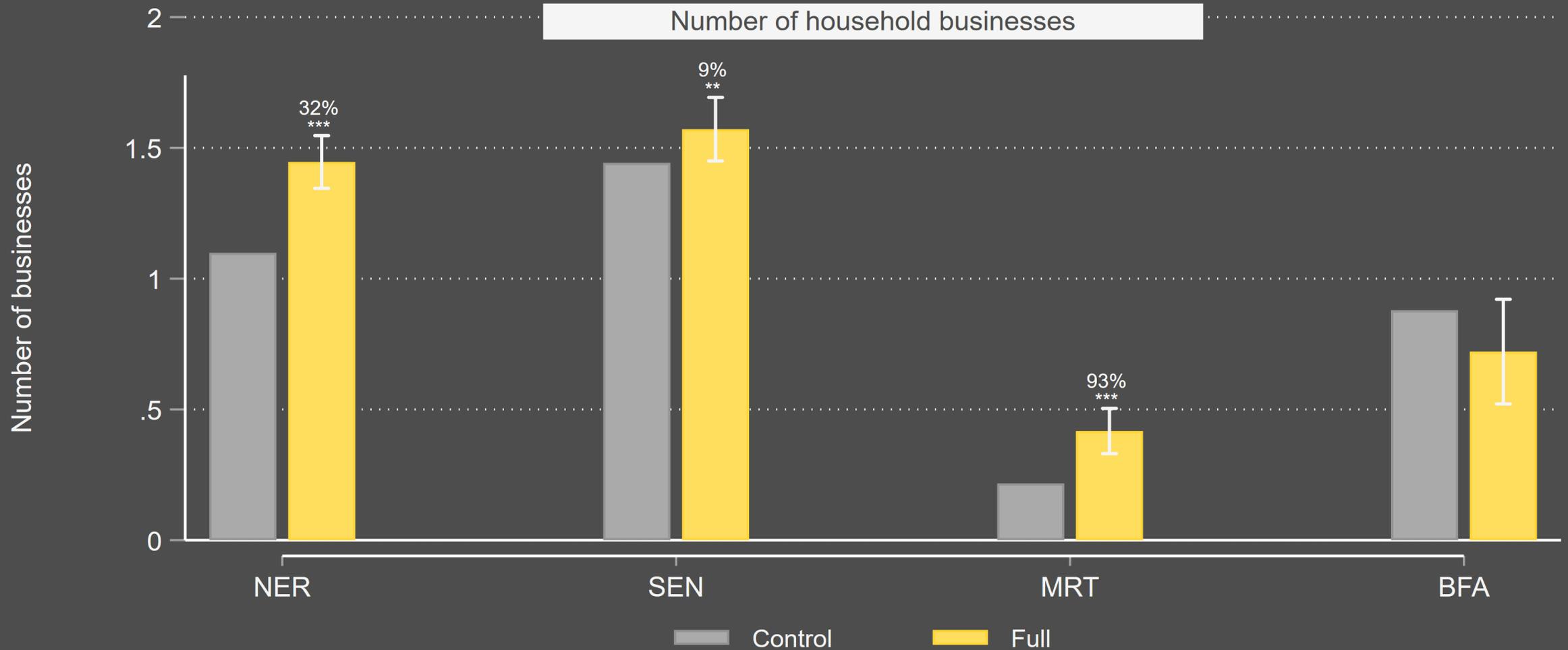
Impacts of full treatment arm

Daily consumption per adult equivalent (PPP)



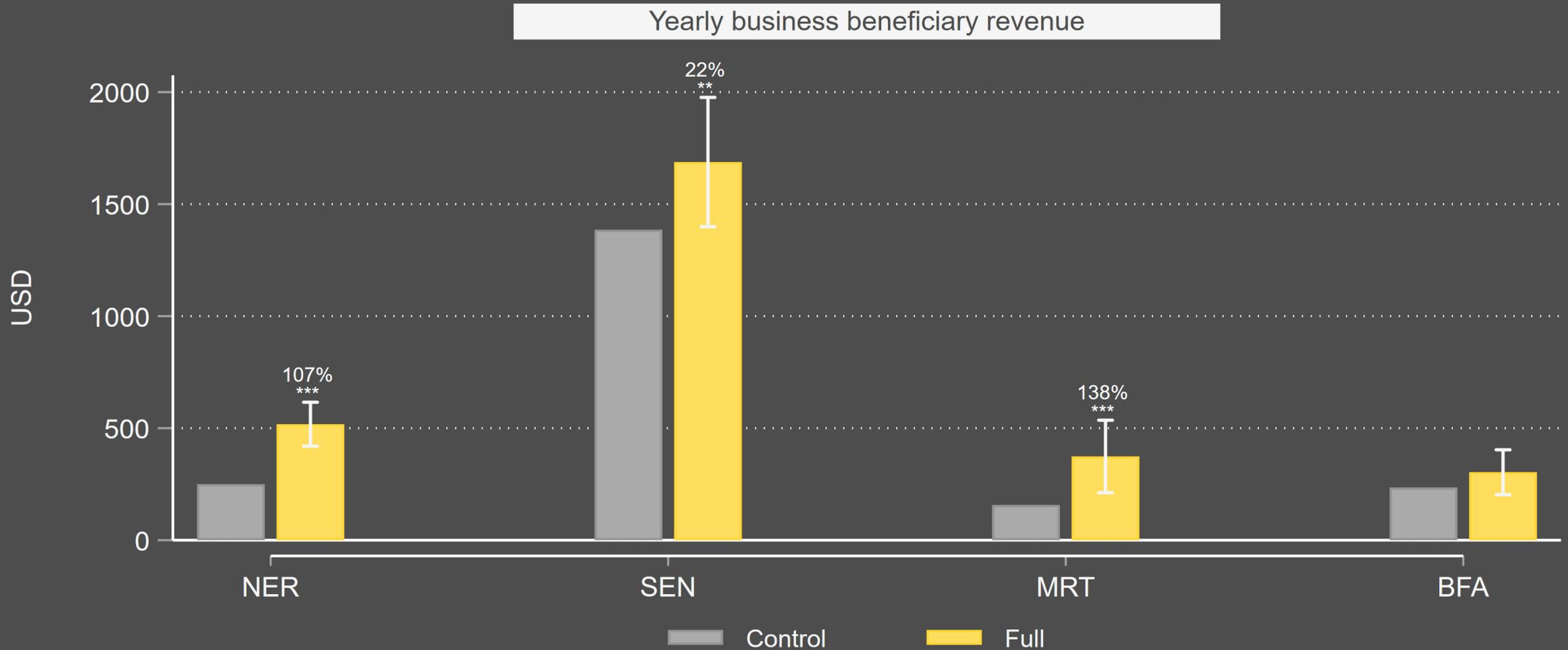
- Significant effect of full package on consumption 18 months after cash grants in rural Niger and Mauritania
 - Substantial magnitude: \$0.25 in Niger, \$0.42 in Mauritania
- Positive point estimate (\$0.17, 6%) but marginally not statistically significant in urban Senegal
- No statistically significant effect in conflict-affected Burkina setting

Number of household businesses



- Consumption results line up with impacts on off-farm businesses.
- Increase in the number of businesses 18 months after cash grants, ranging from +0.13 in urban Senegal, +0.20 and +0.35 in rural Mauritania and Niger.
- No statistically significant effect in Burkina Faso.

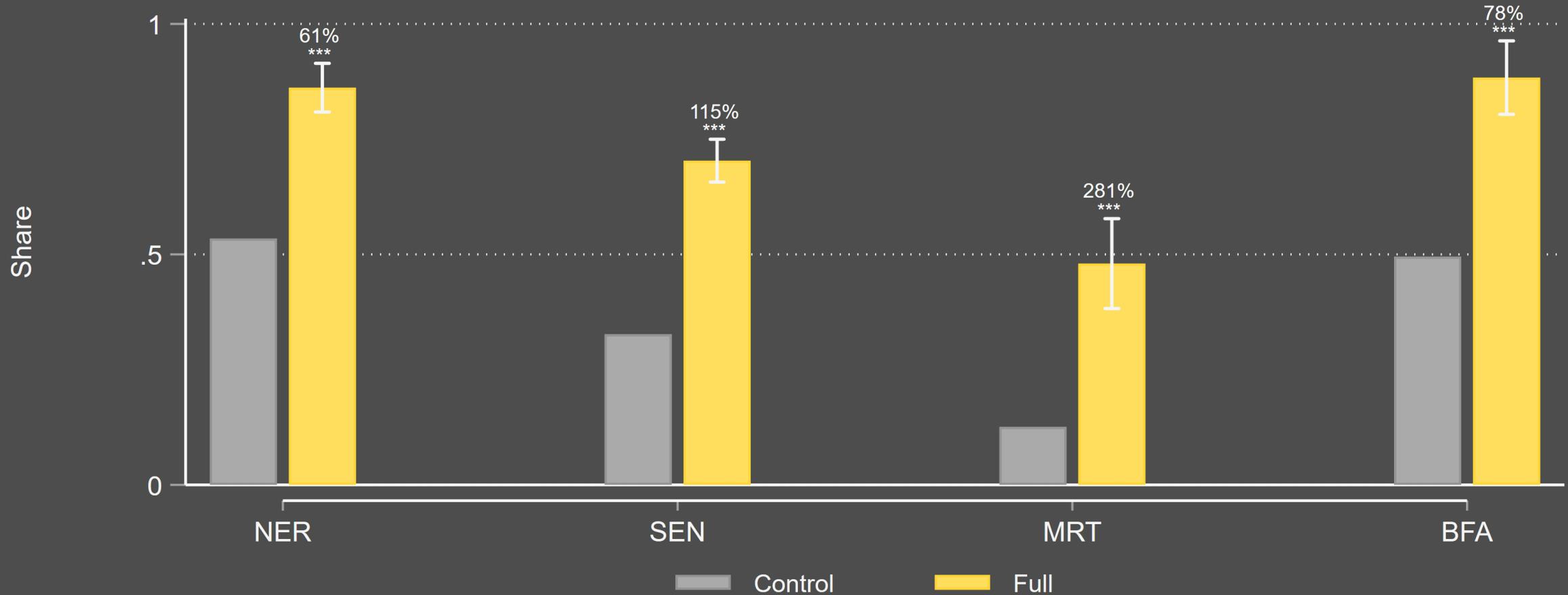
Yearly beneficiary business revenues (PPP)



- Consumption results also line up with impacts on beneficiaries' off-farm business revenues
- Large effects on off-farm beneficiary business revenues in rural Niger (+\$268) and Mauritania (+\$198).
- Positive effects also in urban Senegal (+\$302)
- No statistically significant effect in Burkina Faso.

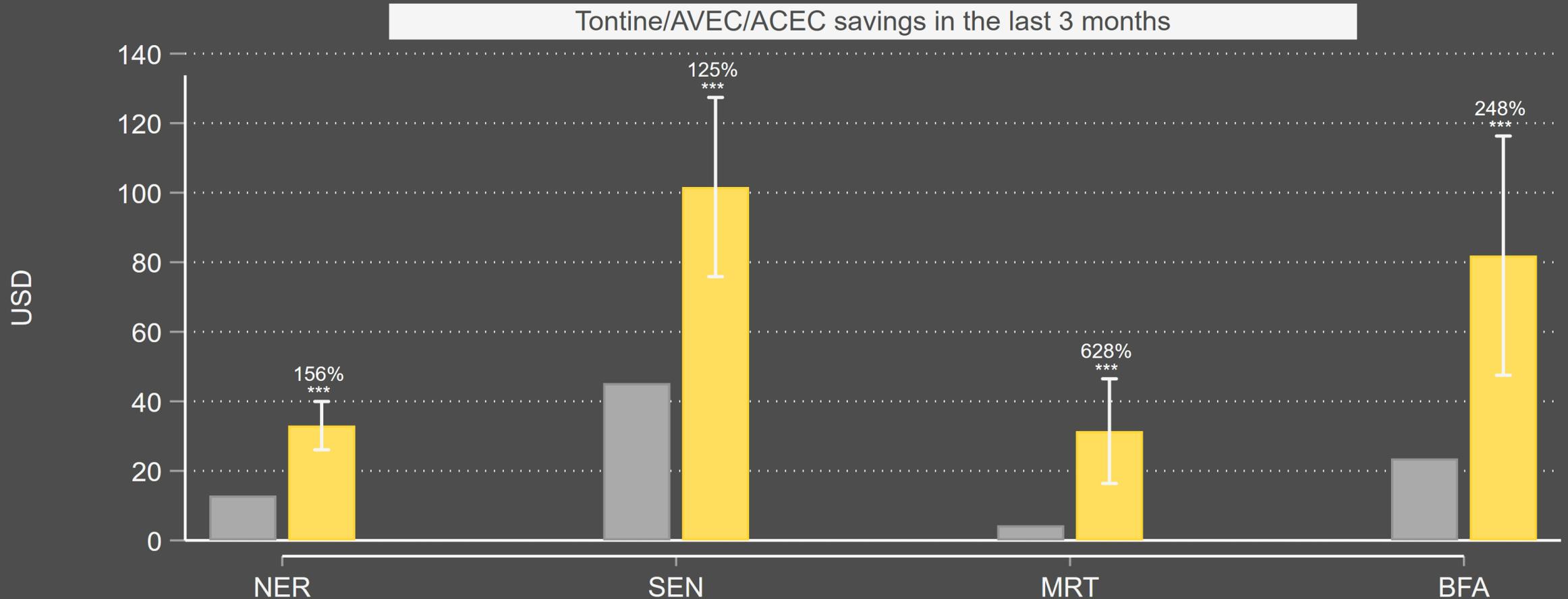
Savings group participation

Takes part in tontine/AVEC/ACEC



- Large effect on savings group participation in all settings
- Large share of beneficiaries remain in active in saving groups 18 months after the end of the program
 - Remarkably: 90% in Burkina
 - 48% in Mauritania, 71% in Senegal, 86% in Niger

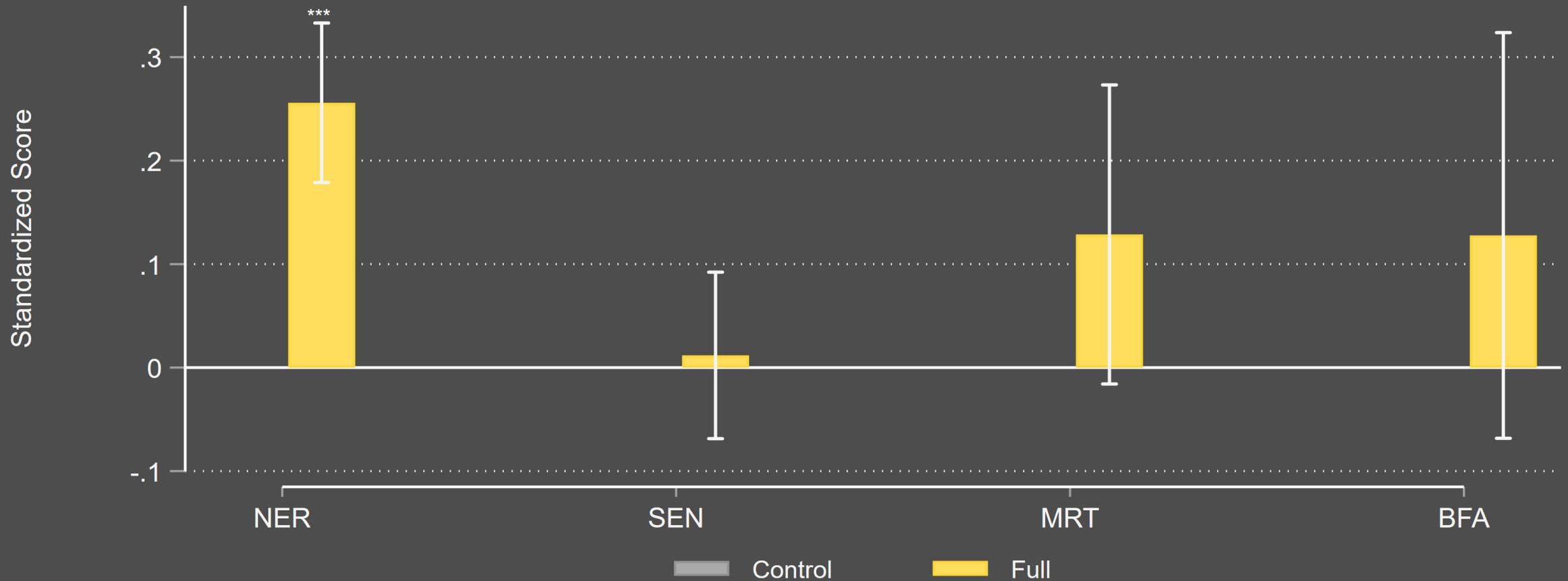
Contributions to savings groups (PPP)



- Beneficiaries also keep saving into savings groups, with large effects across all settings
 - Substantial savings flows over last 3 months: Niger (+\$20), Mauritania (+\$27) Senegal (+\$56)
- Largest absolute effect on savings in Burkina Faso (+\$62). Higher precautionary motives in conflict settings?

Mental health

Mental health index

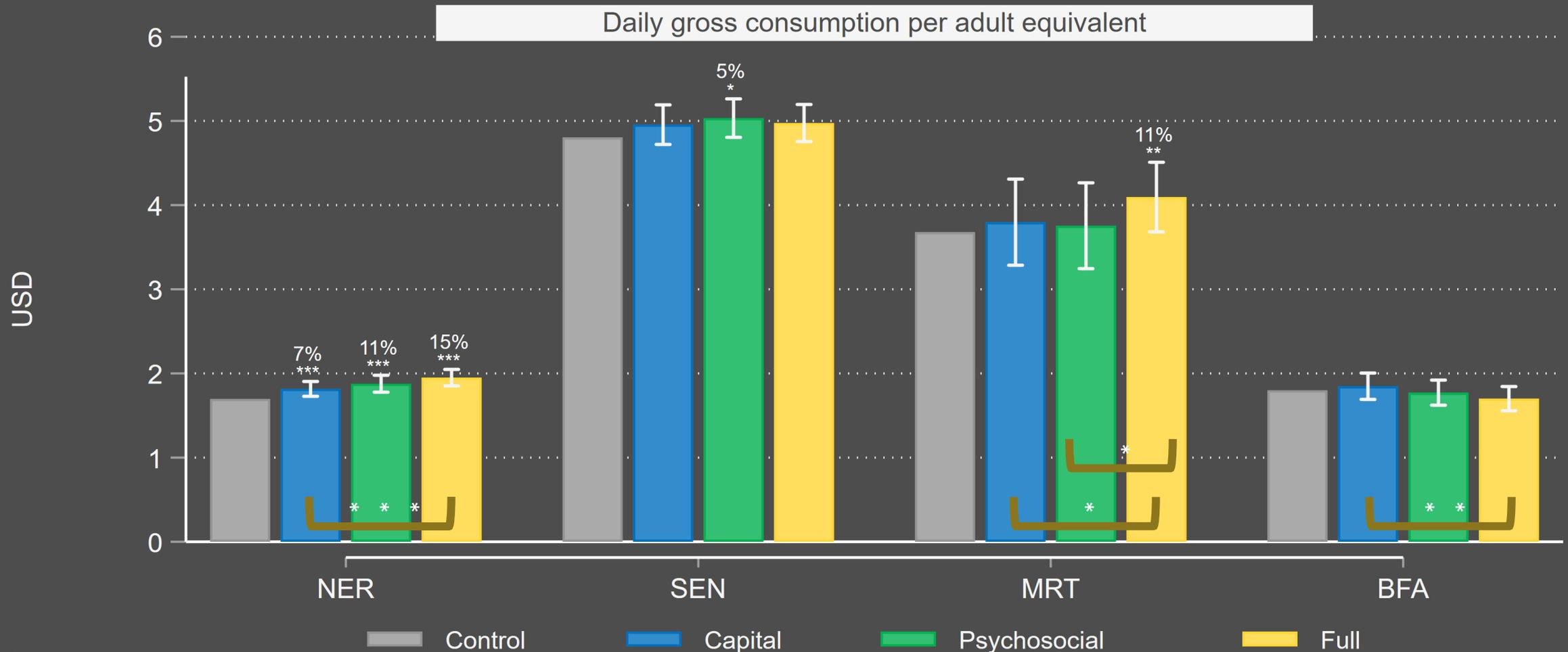


- Large effect in rural Niger.
 - (more in Thomas' presentation in next session)
- Positive point estimate in rural Mauritania and Burkina, but large standard error.
- No effect in Senegal. Overall, very few impacts on psychosocial dimensions in urban Senegal.

Pathways?

Impacts by treatment arm

Consumption per adult equivalent, per arm



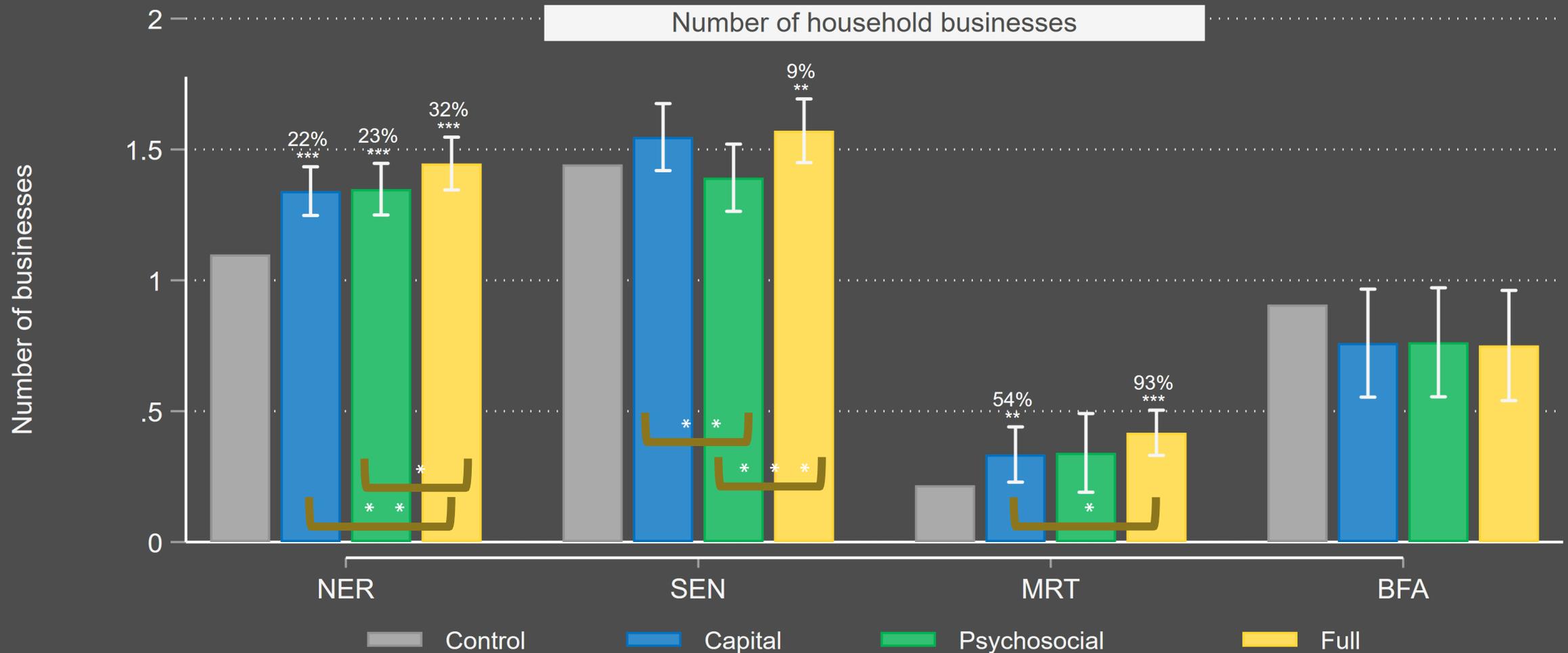
■ Contribution of psychosocial components:

- Psychosocial arm alone has positive impacts in Niger and Senegal
- Positive marginal effect of psychosocial components in Mauritania and Niger (Full > Capital)

■ Contribution of capital:

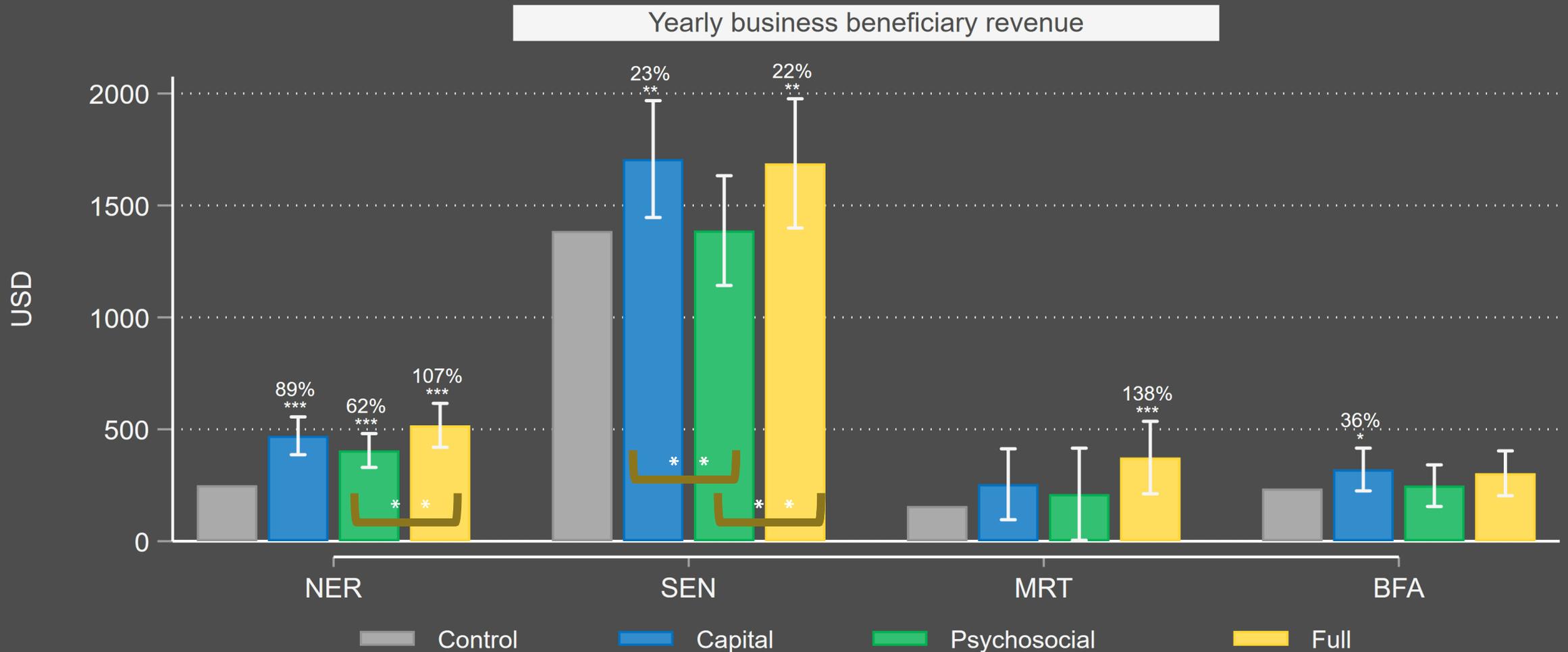
- Capital arm alone has positive impacts in Niger
- Positive marginal effect of cash grants in Mauritania (Full > Psychosocial)

Number of Household Businesses, per arm



- **Contribution of psychosocial components:**
 - Psychosocial arm alone has an impact in Niger
 - Positive marginal effect of psychosocial components in Niger and Mauritania
- **Contribution of capital:**
 - Capital arm alone increases the number of businesses in Niger and Mauritania.
 - Positive marginal effect of cash grant in Niger and Senegal (Full > psychosocial)

Yearly beneficiary business revenues, per arm



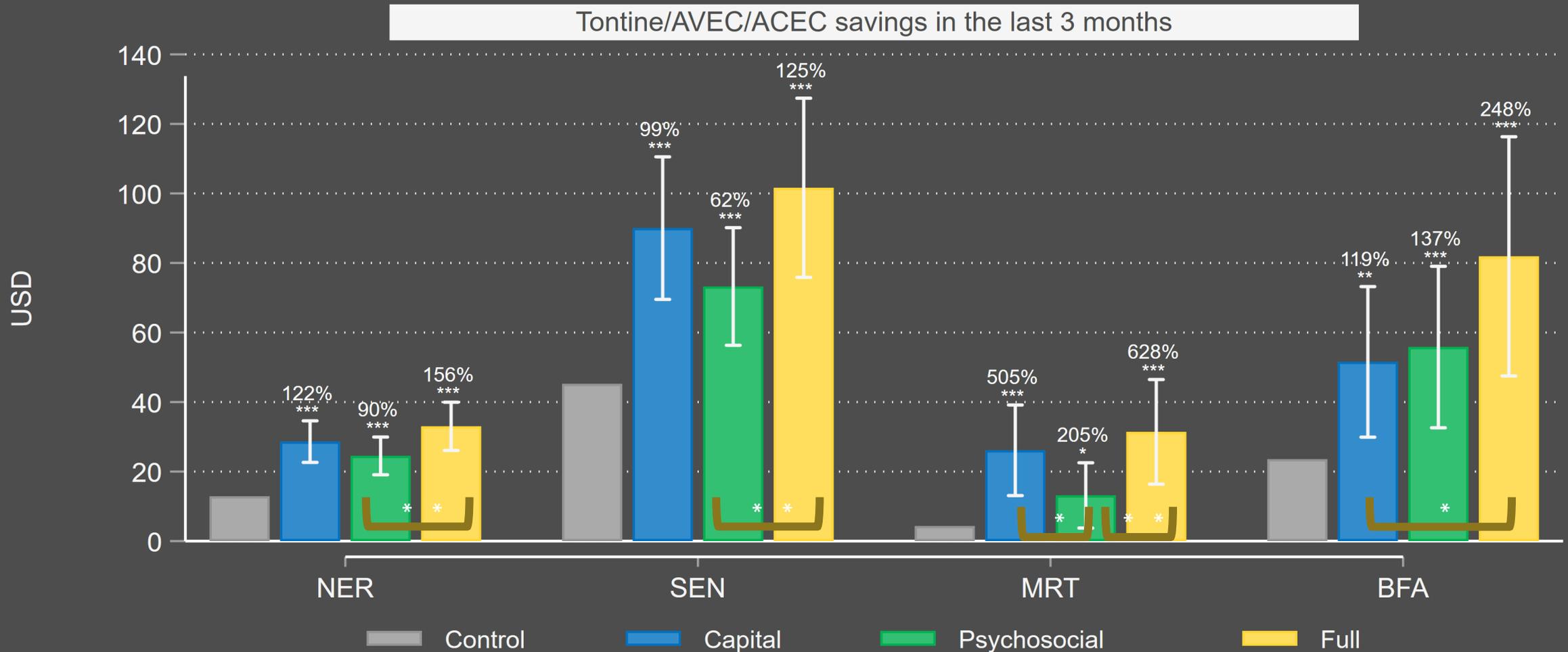
■ Contribution of Psychosocial

- Psychosocial arm alone increases business revenues in Niger.

■ Contribution of Capital

- Capital arm alone increases business revenues in Niger, Senegal, and Burkina.
- Positive marginal effect of cash grants in Niger and Senegal

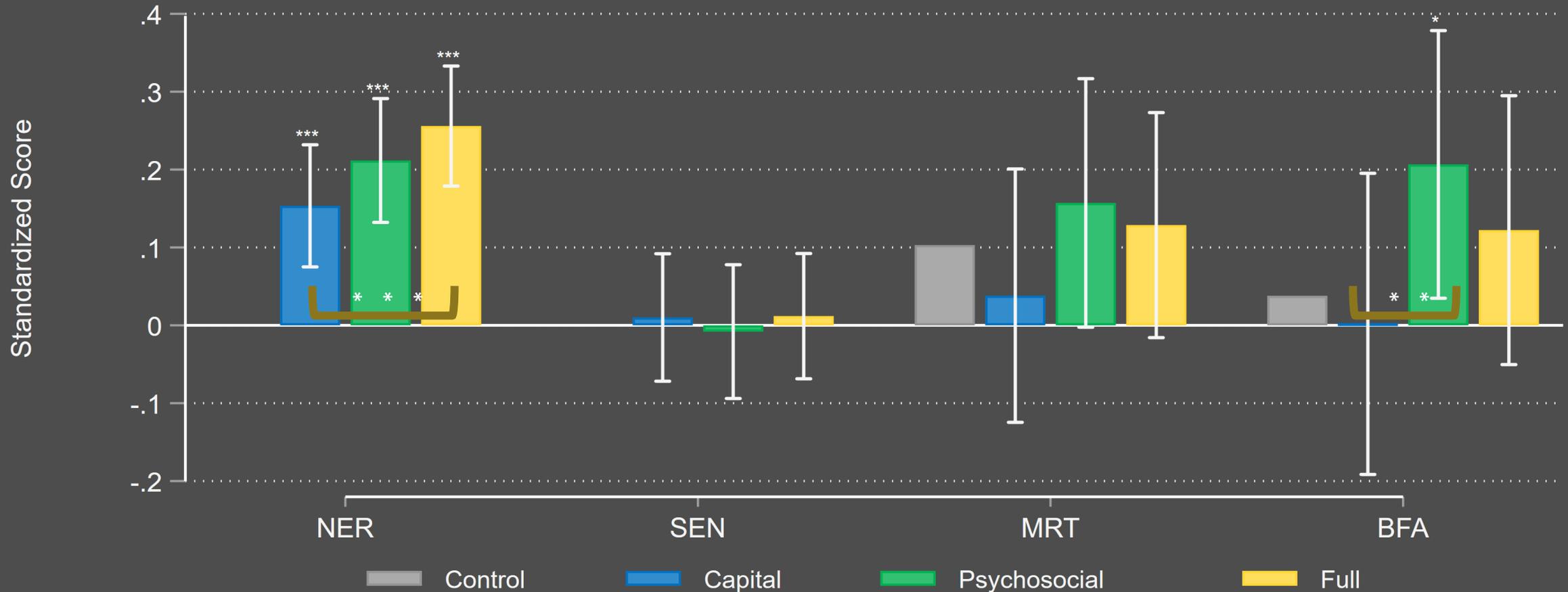
Contribution to savings groups, by arm



- Robust effects on savings across arms
 - Even capital or psychosocial arms alone increase savings. Potential role of core components, but not only.
- Marginal effect of cash grant in Niger, Senegal and Mauritania
- Marginal effect of psychosocial component in Burkina Faso.

Mental health, per arm

Mental health index



- Psychosocial arm has positive impact in Niger and Burkina, borderline in Mauritania (noisier).
 - Significant effects in Niger for all packages (and positive marginal effect of psychosocial components).
- No effect in urban Senegal.

Cost-effectiveness

Low costs due to integration in national systems

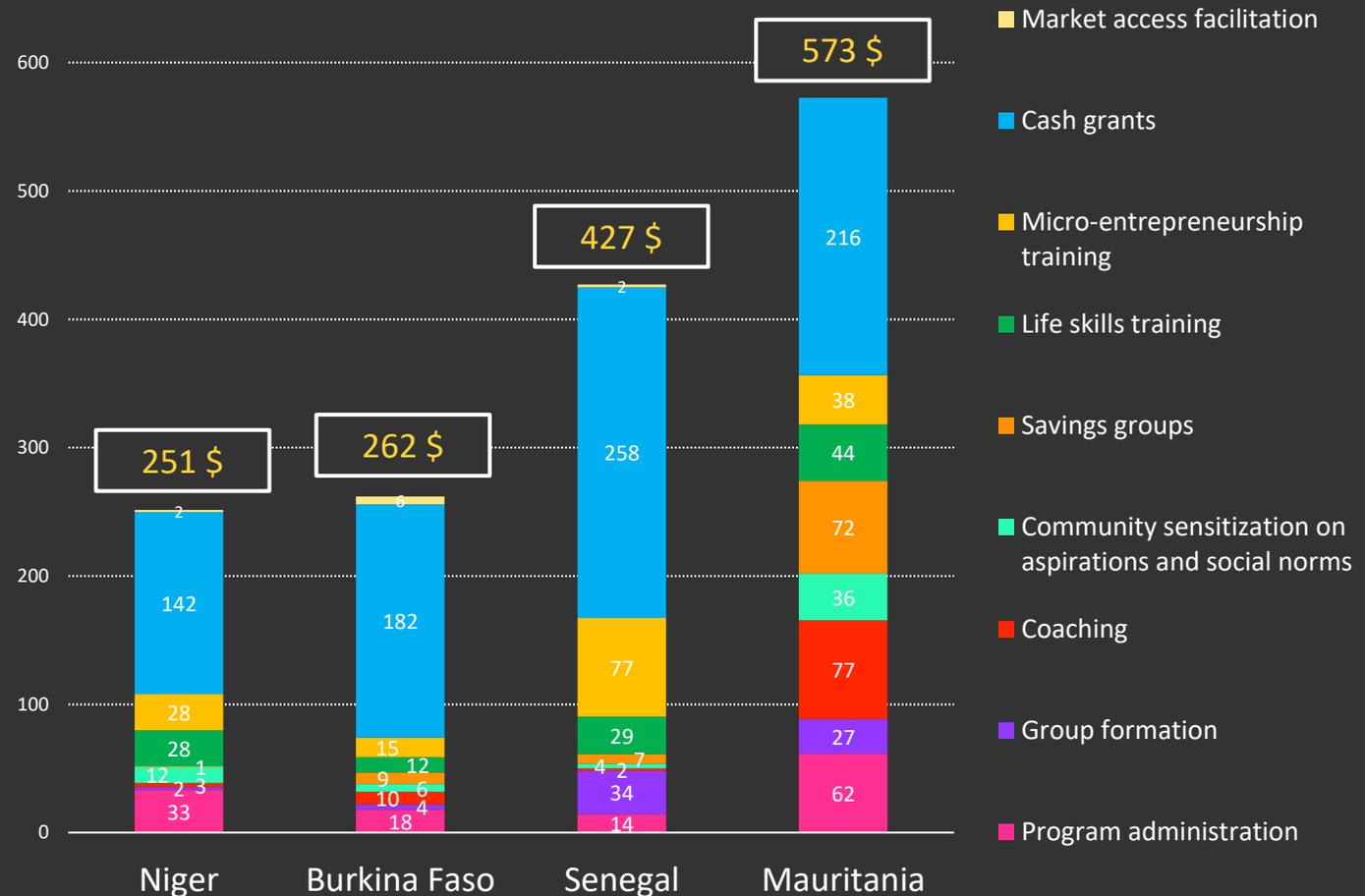
Standardized costing exercise across the 4 sites

- All expenditures component by component
- Admin costs, supervision costs,...

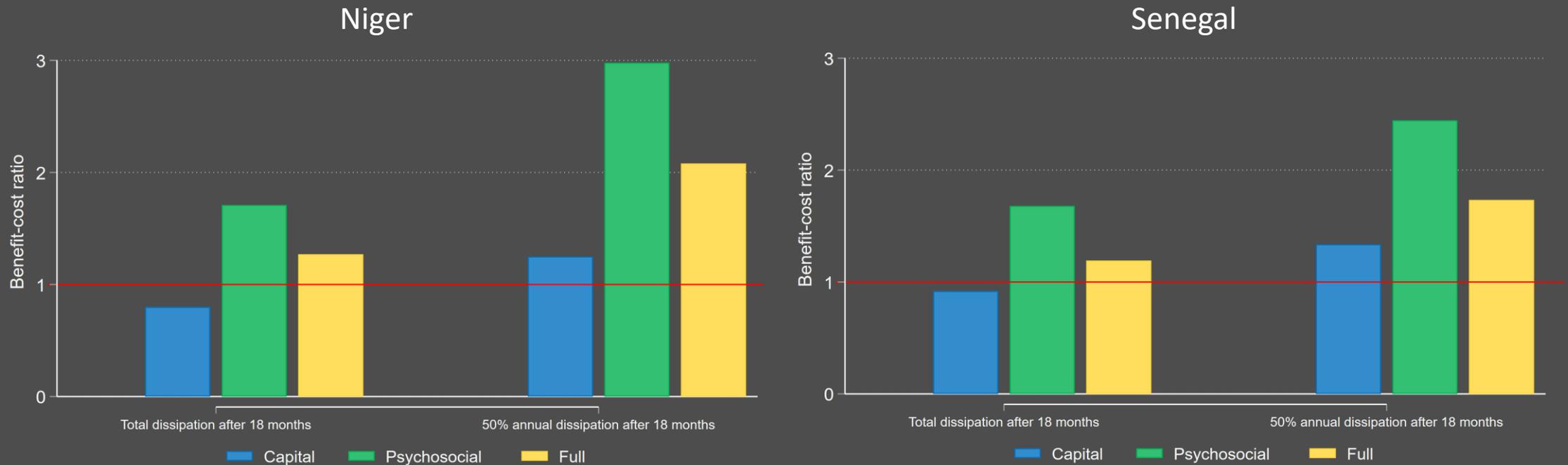
Key results

- Efficiency gains obtained by leveraging safety net systems.
- Economies of scale: larger programs have lower per-capita costs.
- Mostly driven by more intensive use of community volunteers rather than technical program staff (e.g. Niger, Burkina).
- Cash grant key cost driver: 42-69% of total.

Program cost per household, by component



Cost-effectiveness (based on observed consumption impacts alone)



- Packages with psychosocial components (full & psychosocial) cost-effective 18 months after the intervention (remarkably)
 - Capital package cost-effective with weak assumption (50% yearly dissipation of impacts)
 - Solely based on consumption impacts – impacts on some assets/economic activities largest in the full package (particularly in Senegal)
- Estimates not yet computed for Mauritania and Burkina
 - Mauritania: calculations will focus on full package.
 - Burkina: no statistically significant effect of Full package on consumption in Burkina, hence not cost-effective with this metric

Discussion

Conclusion (preliminary)

Substantial economic impacts of low-cost multi-faceted economic inclusion interventions delivered through government social protection systems in urban Senegal, rural Niger and Mauritania.

- Full package increases measures of consumption, business revenues and savings

We find contributions of both cash grants and psychosocial components

- Points to importance of “multifaceted” scope of the intervention
- In particular, role of integrating psychosocial components in ‘traditional’ graduation interventions

There are differences in pathways and across sites/settings, however

- Psychosocial components have substantial value-added in rural Niger and Mauritania.
- More nuanced economic results in Burkina Faso (highest insecurity, savings > investments)

The economic inclusion interventions have high rates of returns in Niger and Senegal

- Impacts already larger than costs for packages with psychosocial components (Full and Psychosocial) after 18 months, based on consumption only

Open questions

For Sahel study:

- This is our first look at results from the 4 sites. Results from Burkina and Mauritania are preliminary.
- Pooled analysis to report aggregate results and heterogeneity analysis
 - Assess the pathways/optimal package by type of households to inform ongoing scale-up (planned to reach > 400,000 households).
 - Explore role of differences in beneficiary profiles (using common support across sites), beyond contrast across settings (urban/rural ; insecurity levels, pre-post covid).
 - Resilience to shock

Broader consideration:

- Learning from effectiveness at scale and scale-up (a gradual process with many parameters).
 - Optimal bundling and tailoring across settings and population groups.
 - Dynamics and cost-effectiveness over time.
 - Rapid testing, short-term measurement, and role of implementation quality
- Some of the key priorities for 6-9 country Impact Evaluation Collaborative se-up with Partnership for Economic Inclusion (PEI in collaboration with DIME, IPA, technical partners,...)

A highly collaborative endeavor – thank you!

Implementation



Technical partners



Research partners



Funding partners



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