



# PATHWAYS OUT OF POVERTY: TACKLING PSYCHOSOCIAL AND CAPITAL CONSTRAINTS WITH A MULTI-FACETED SOCIAL PROTECTION PROGRAM IN NIGER

Thomas Bossuroy  
Patrick Premand

Markus Goldstein  
Christopher Udry

Dean Karlan  
Julia Vaillant

Harounan Kazianga  
Kelsey Wright

William Parienté

# A highly collaborative endeavor

Implementation partners



Technical partners



Research partners



Funding partners



# Motivation

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

- Cash transfers improve welfare and investments
- But multiple market failures limit sustained exit from poverty
- Promising evidence from graduation programs (often NGO-led)

We set-up a 4-country RCT of a multi-faceted intervention delivered to (women) beneficiaries of national cash transfer programs across the Sahel (Burkina Faso, Mauritania, Niger and Senegal)

- Control group receives regular cash transfers
- 3 treatment groups receive cash transfers plus
  - A core package (savings groups (VSLA), coaching and entrepreneurship training) plus:
    - Lump-sum cash grant (“**capital**” package, similar to “traditional” graduation interventions)
    - Psychosocial interventions (“**psychosocial**” package)
    - Lump-sum cash grant and psychosocial interventions (“**full**” package)

Today we present results from Niger: strong impacts across treatments and high cost-effectiveness

# Contributions

How to select components in multi-faceted interventions?

We test the importance of relaxing capital constraints

- Complement research on cash grants, cash transfers or micro-credit.

We test the importance of addressing psychosocial constraints

- Psychology-based training on growth mindset, personal initiative and self-efficacy
- Boost aspirations
- Encourage social dynamics, community and peer support

Women's empowerment and multi-faceted graduation programs

- Weak impacts on women's decision-making in original studies, though impacts on broader proxies of empowerment.
- We consider various realms of women's empowerment: control over what she does and earns, decision-making within the household, control outside of the household

Effectiveness of government-led economic inclusion interventions

- May differ from efficacy from NGO-led pilots
- Low-cost, highly scalable model

# Niger Cash Transfer Program

Coverage: 100,000 households (1 million individuals)

- We study the 3<sup>rd</sup> phase of the program, reaching 20,000 households in 17 communes/325 villages (2016 -2019)

Monthly Cash transfers for 24 months (\$16.86, \$45.29 PPP, 10,000 FCFA)

- With Behavioral change promotion for early childhood investments (Premand and Barry, 2020), for all sample households

Targeting

- Poorest (rural) communes selected by geographical targeting
- Targeting of poorest households (40% of hh per village)
  - 3 randomized targeting methods: PMT, Food security proxy formula, and community-based targeting (Premand and Schnitzer, 2020)
- Women are the beneficiaries.



# RCT design (325 villages assigned to 4 groups)



## Control

(No productive measures)

## Capital Package



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

## Psychosocial Package



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



Community sensitization



Life-skills training

## Full Package



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



Community sensitization



Life-skills training



Cash grants



Cash grants

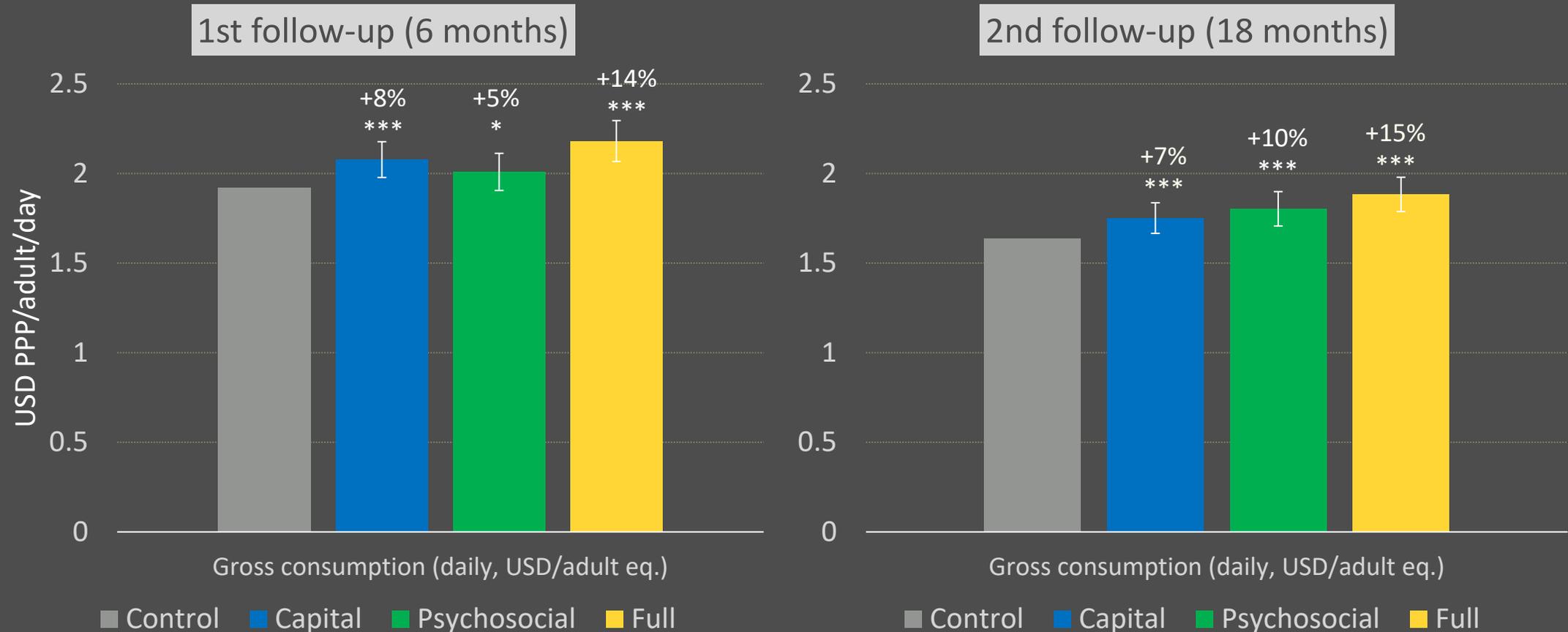
Recipients are women cash transfer beneficiaries

High quality delivery through government system.

High compliance and attendance rates (>90% for each component)

All beneficiaries receive regular Cash Transfers (CT). Population: 20,600 hh. Sample: 4,608 hh

# Substantial impacts on household consumption



- Impacts are significant for all 3 packages, and tend to be stronger for the full package.
- Impacts are significant at 1<sup>st</sup> follow-up, and sustained at 2<sup>nd</sup> follow-up.
- Similar findings on food security scales (food insecurity experience or dietary diversity).
- Social package appears to 'catch up' with capital package at 2<sup>nd</sup> follow-up.

# Cost-effectiveness based on observed consumption impacts

Package	Cost of package	Sum of consumption impacts 18-months post-intervention	Benefit / cost ratios 18 months post-intervention	Benefit / cost ratios (50% dissipation after 2 <sup>nd</sup> follow-up)	Benefit / cost ratios (no dissipation after 2 <sup>nd</sup> follow-up)
Capital	\$ 528 PPP	\$ 313	59 %	93 %	765 %
Psychosocial	<u>\$ 285 PPP</u>	\$ 351	<u>123 %</u>	<u>214 %</u>	<u>2023 %</u>
Full	\$ 638 PPP	<u>\$ 616</u>	97 %	156 %	1353 %

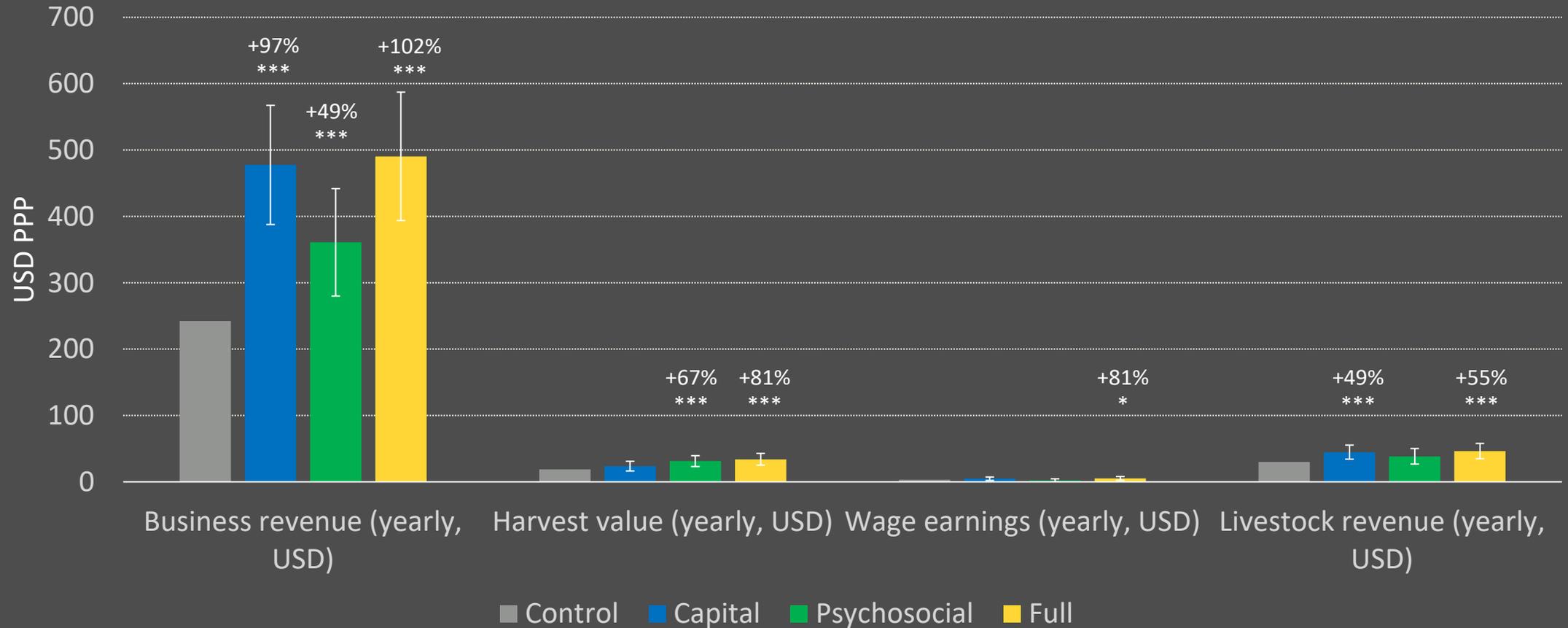
Consumption impacts largest in full package. But psychosocial package cheapest.

## Very high cost-effectiveness

- For psychosocial package, consumption impacts already exceed costs 18 months post-intervention.
- Other packages are cost-effective under very conservative assumptions

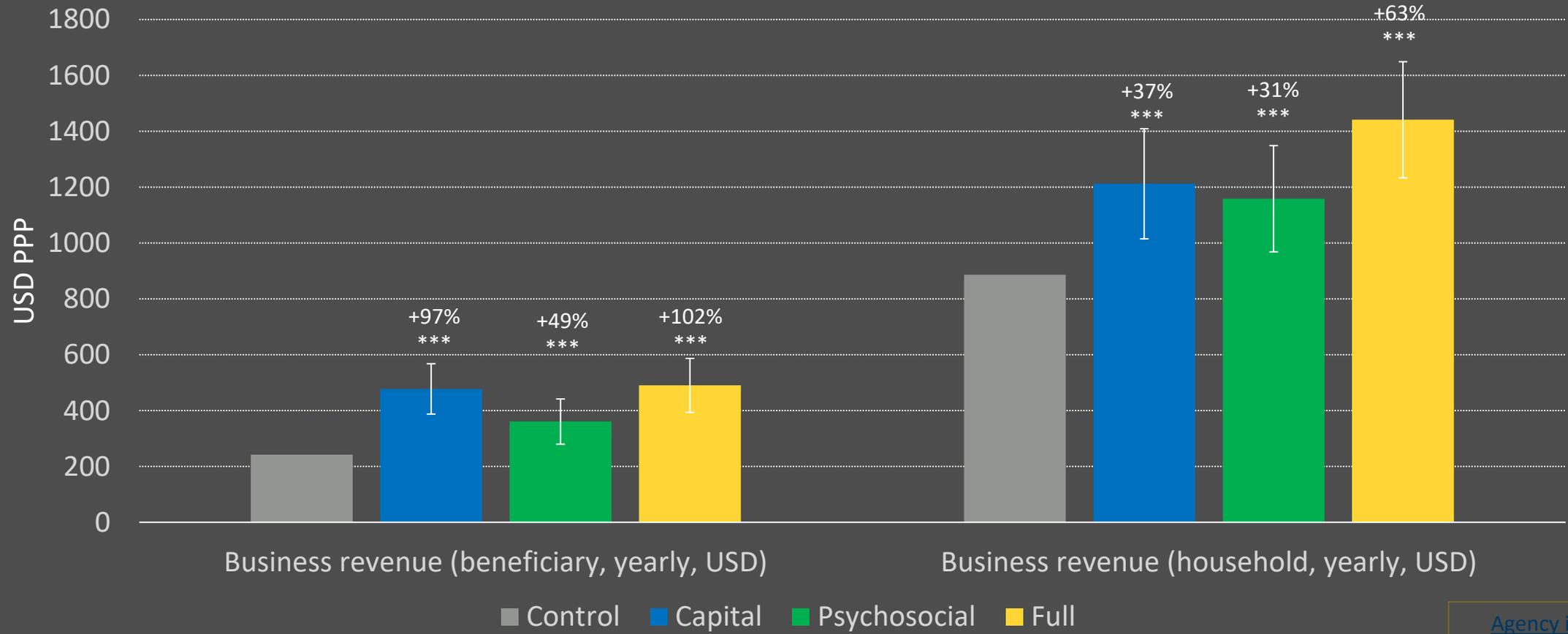
These calculations are conservative (not considering non-durables, assets, psychosocial wellbeing,...)

# Large increase in revenues for women beneficiaries



- Yearly revenues from productive activities strongly increase, driven by non-agricultural businesses and to a lesser extent livestock.

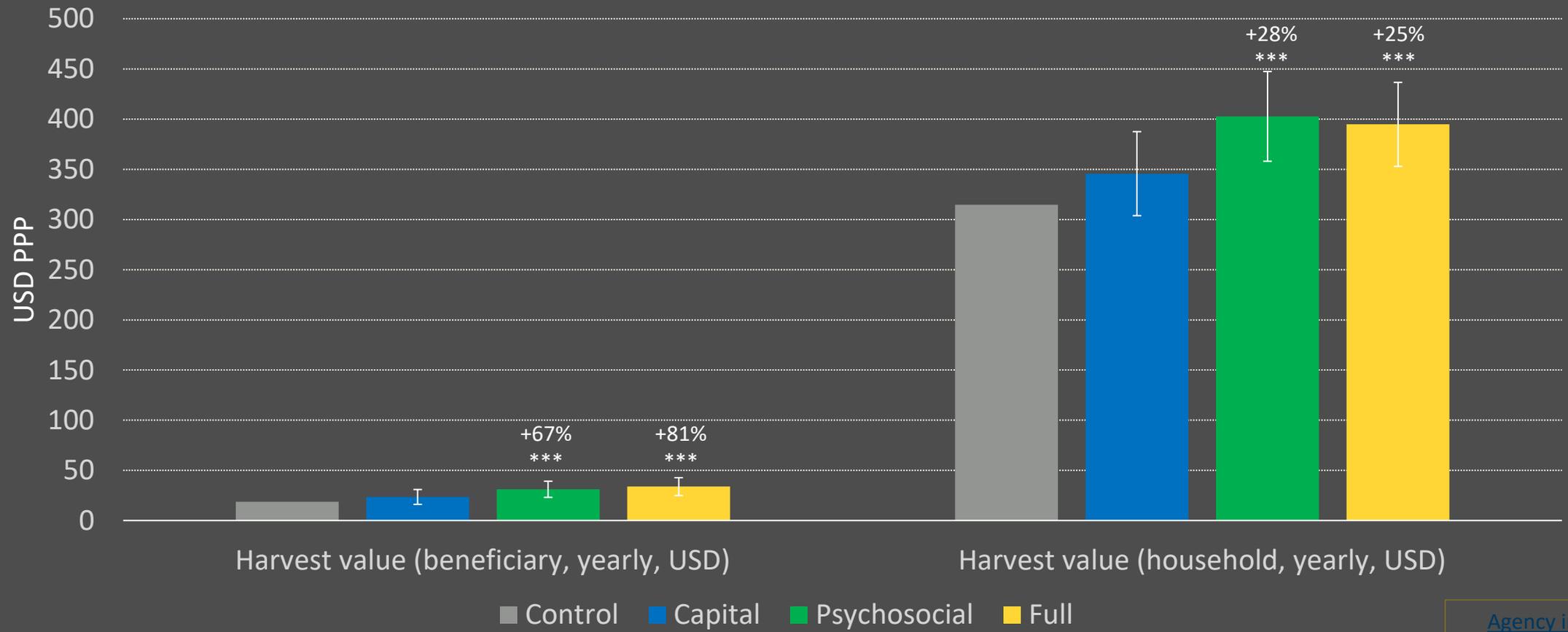
# Large increase in business revenue for both the individual and the entire household



[Agency indices](#)

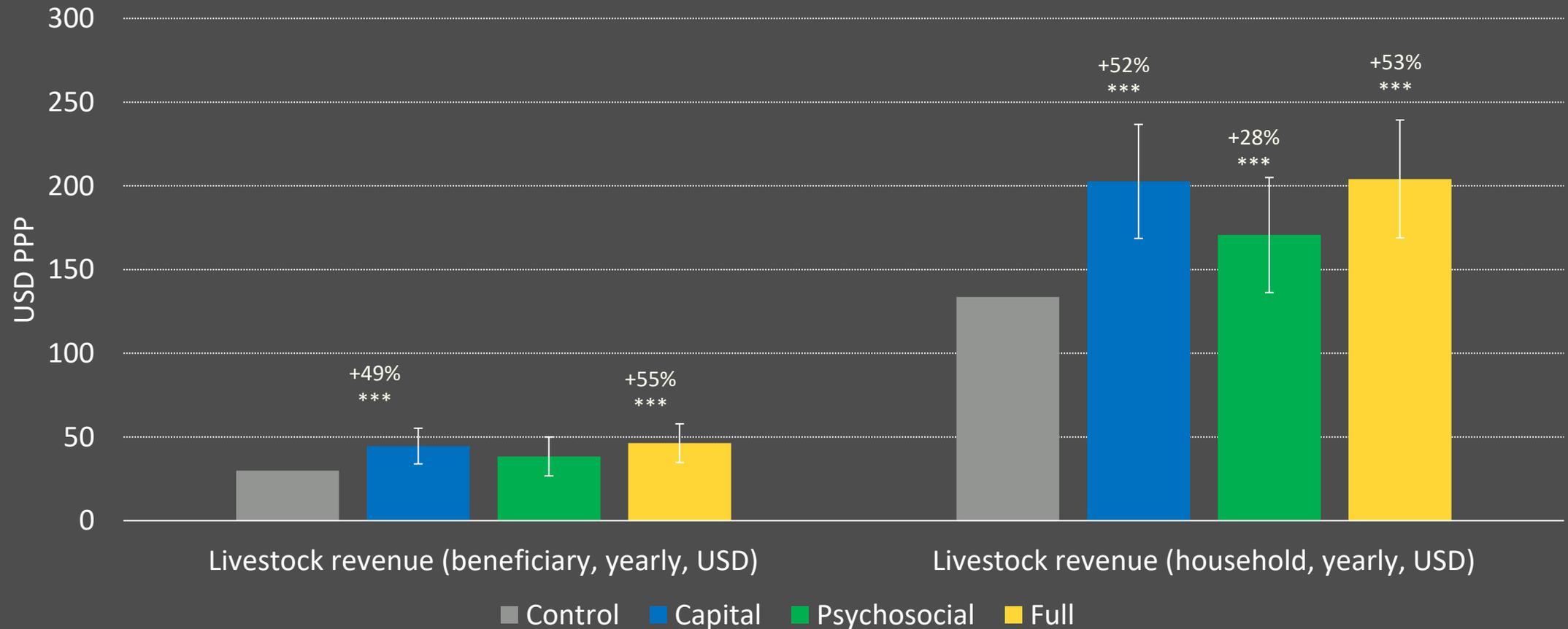
- Yearly revenues from productive activities strongly increase.
- Non-agricultural business revenue of the beneficiary and the household increase significantly.

# Large increase in harvest value for both the individual and the entire household

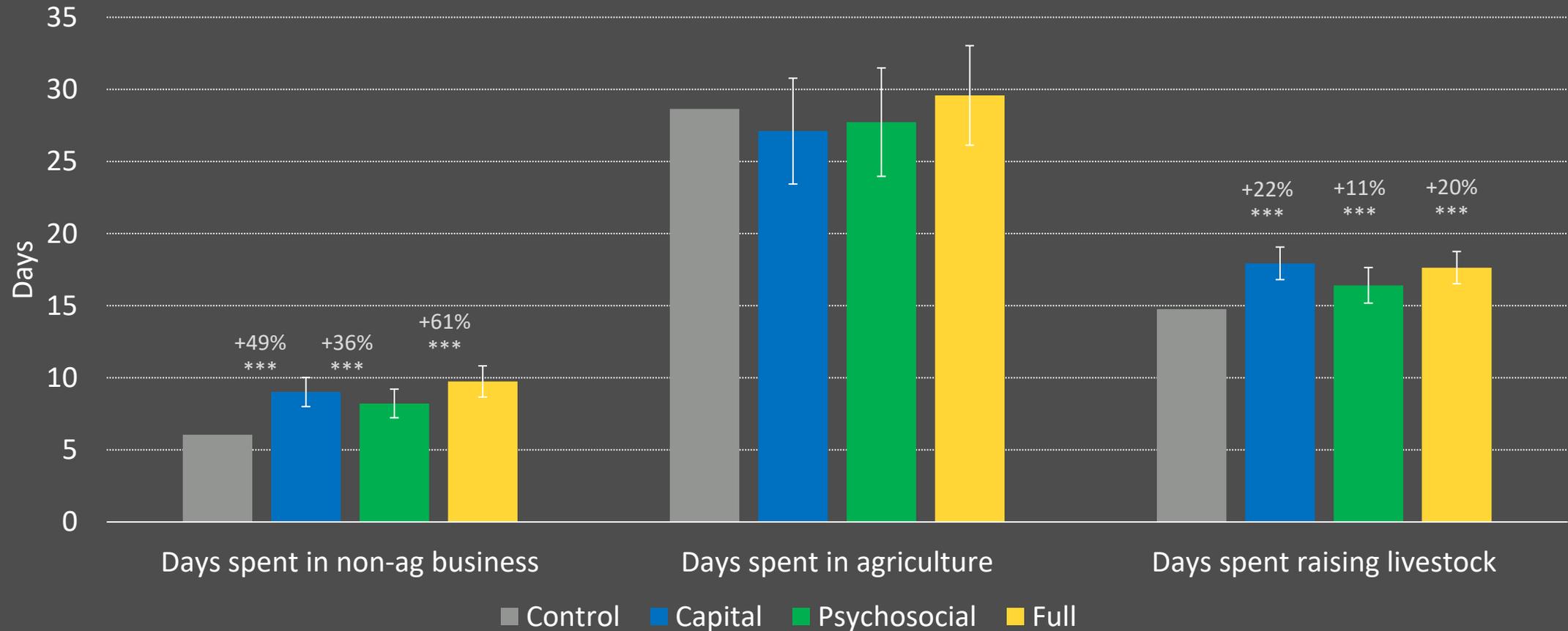


- Substantial effect of the social and full packages on agricultural production for both beneficiary and household.

# Large increase in livestock revenue for both the individual and the entire household

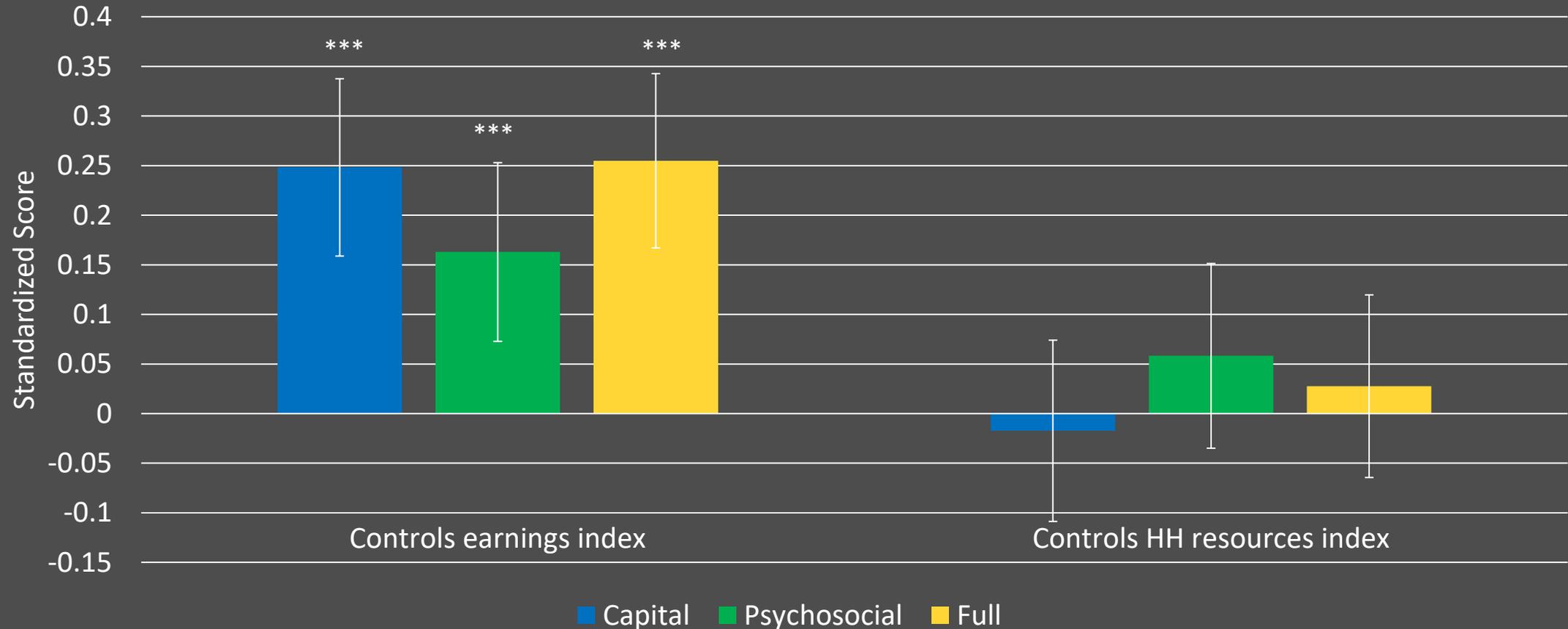


# Women's beneficiaries labor participation increased, particularly in livestock and non-agricultural businesses.



- Total days worked increased significantly in the capital and full package (not shown).

# Women's decision-making and control over earnings and resources



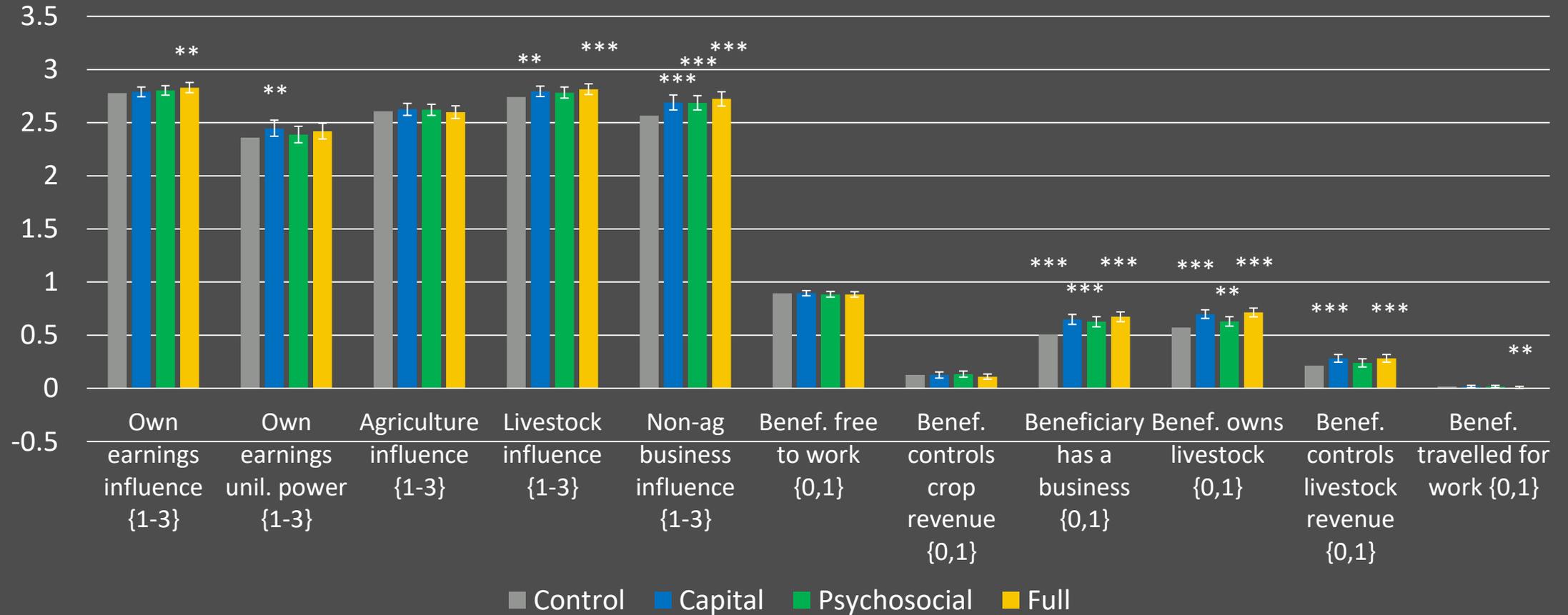
- The productive measures improved women's control over her earnings and productive activities
- The productive measures had not impact on her control over household resources more broadly

[Business revenue](#)

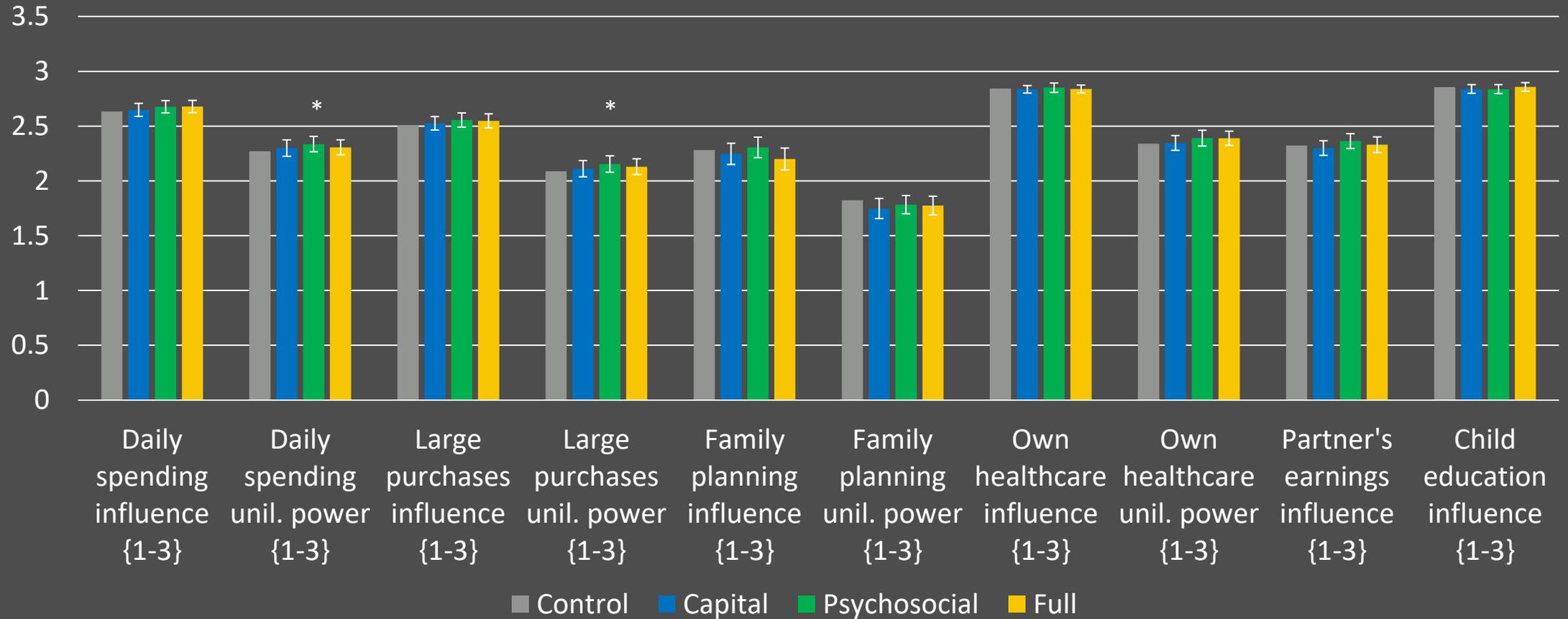
[Harvest value](#)

[Livestock revenue](#)

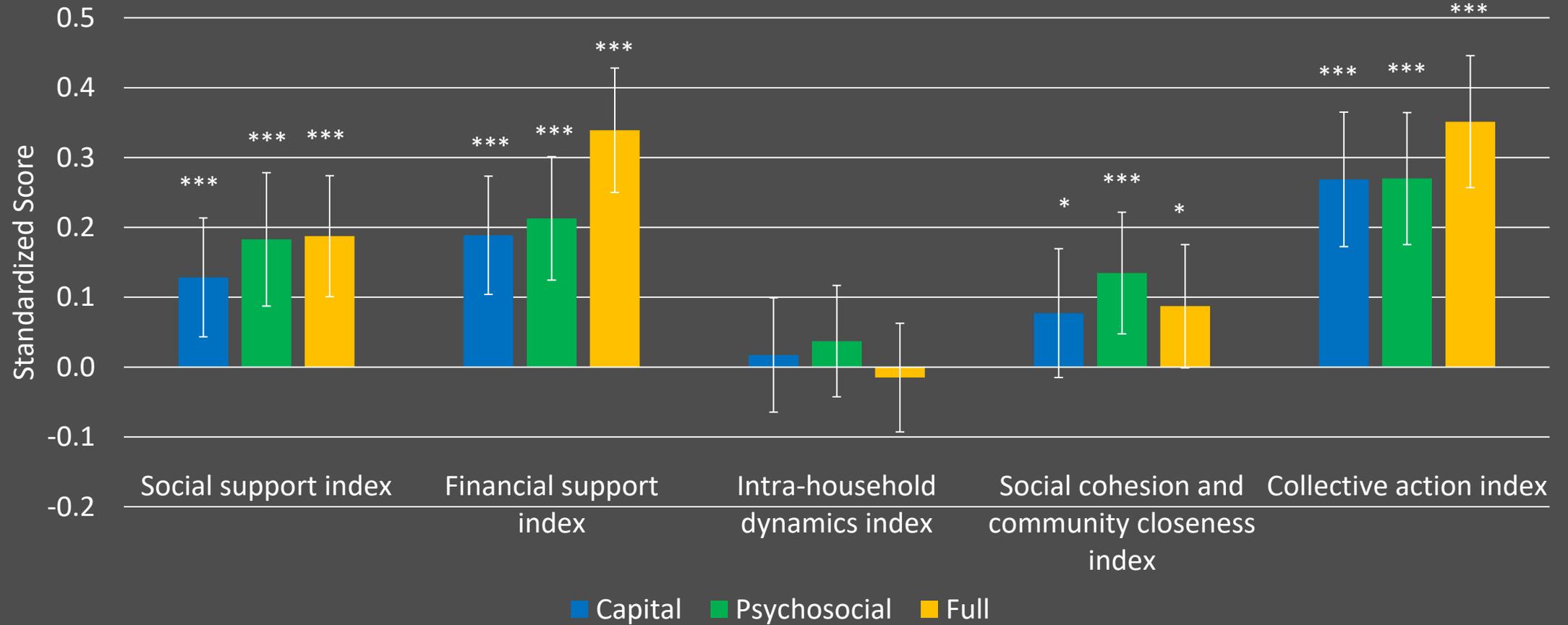
# Components of index for control over earnings and productive activities



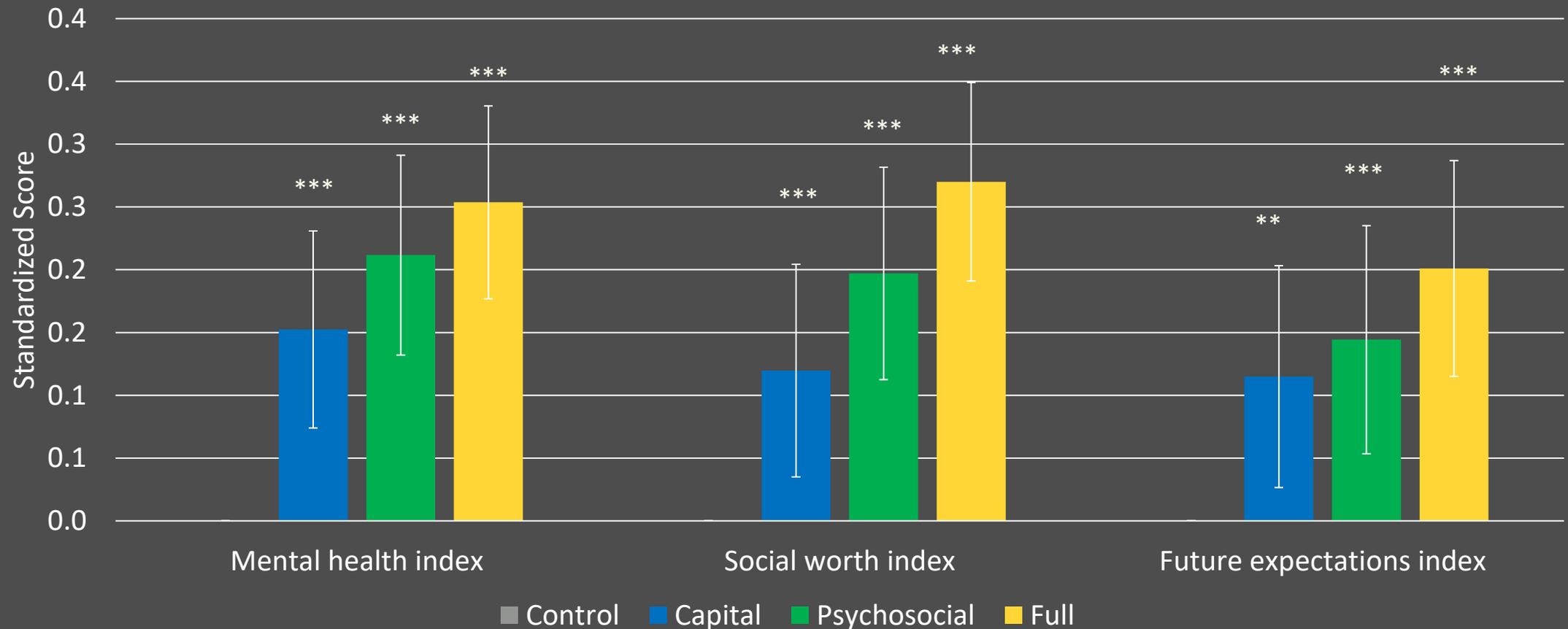
# Components of index for control over household resources



# Impacts on social well-being index



# Substantial and sustained increase in indices of psychological well-being



- Mental health index captures facets of depression and life satisfaction
- Social worth index captures self-efficacy and social standing
- Future expectations index captures expected economic and social status in the future

# Conclusion

Impacts of low-cost multi-faceted economic inclusion interventions delivered through national social protection system in Niger are very strong

- Higher levels of total consumption and food security. Strong increases in revenues and profits.

Very high benefit/cost ratio in the short-term, even compared to rest of literature

- Benefit cost ratios several times higher than those found in Banerjee et al. (2015) or in Bedoya et al. (2019)
- Psychosocial package cost-effective after 18 months based on observed consumption impacts alone
- Results highlight the value of addressing psychosocial constraints in multi-faceted interventions

Impacts on women's empowerment

- Comprehensive approach to women's empowerment: over her earnings and activities, within the household, outside of the household
- Intervention increases women's agency in their income-generating activities and earnings
- This does not carry through household decision-making, perhaps because there is no increase in her share of household income: further research

Stay tuned for results from Burkina Faso, Mauritania, and Senegal in 2021 !