



The Effects of Cash Transfers on Women's Productive Activities

Evidence from an ultra poor Setting

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Cash Transfer Program – key features

- CFA 45,000 (USD 76) every 3 months for 2 years
 - Larger but less frequent than typical in region
 - Example: Niger provides CFA 10,000 (USD 18) every month
 - 25% of beneficiary household consumption
- 3 step identification of recipients:
 - Geographical targeting of poor cantons (districts)
 - Within cantons, villages randomly selected
 - Households selected by a Proxy Means Test
 - We use RDD to estimate treatment effects
 - Within households, women were the targeted beneficiary

Key findings from 1 year follow up

- Greater consumption and investments at the **household** level:
 - ~45% increase in consumption per capita: 35% in food, 60% in non-food.
 - Intensive and extensive margin increases in agricultural and non-ag activity.
 - Increases in productive asset ownership but limited impacts on revenues and profits.
- **So, even in poorest settings, cash is invested in productive activities.**
- But how productive is the investment given limited impact on household-level profit?

Gender disaggregated impacts

- Impacts on productive activities by **women**:
 - 18% increase in likelihood of starting a new business
 - **2x** greater non-agricultural business **revenues and profits**
 - 20% more likely to work in wage employment → livelihood diversification
- **Men's** productive activities:
 - **Reduction** in **non-agricultural** activity– less likely to open a new business and report less non-ag business revenue.
 - **Increase** in **agricultural** activity: the value of harvest **doubles**.

→ Important to look at impacts within the household!

Mechanisms

- **Liquidity constraints:**
 - Impacts on consumption are greatest on the poorest households.
 - At household level, no investment impacts on poorest households, but poor **women** still see an increase in profit.
 - 3x reduction in outstanding debt by women.
- **Vertical integration** within households:
 - Greater impacts on the value of men's harvest for households with a food processing business.
 - Women appear to specialize in non-agricultural businesses while men specialize in agriculture.
- **Women's empowerment:**
 - 65% increase in **financial control over earnings**.
 - Limited impacts on other domains:
 - None on physical mobility, but 85% report autonomy over mobility at baseline.
 - Marginally significant reduction of 10% in domestic violence/
 - 45-65% justify domestic violence at baseline