# Cash Transfers, Household Composition, and Human Capital Accumulation in sub-Saharan Africa:

Experimental Evidence from Lesotho, Malawi, and Zambia

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#### Introduction & Motivation

- ◆ There is now abundant evidence on the impacts of cash transfer programs on human capital accumulation.
- **▶** The key colcusions are they:
  - increase children's school participation.
  - have stronger effects on school participation if conditioned on regular school attendance.
  - 3 have modest effects on learning outcomes,
  - 4 decrease children's participation in work and chores.
- But, the evidence is largely from conditional cash transfer programs in Latin America.







## This paper

- We examine the effects of unconditional cash transfer programs on children's schooling in Sub-Saharan Africa.
- The novelty here is that:
  - We pool data from three countries: Lesotho, Malawi, and Zambia.
  - We examine whether targeting labour constraint households and orphans is effective.
  - We examine whether cash transfers reduce the detrimental effects of parental loss.







# Preview of Results (Cutting to the chase..!)

#### ◆ Overall Effects on Education

 The programs increased school enrolment and regular school attendance (but not grade progression).

#### ▶ Heterogeneous Effects on Education

- Effects are stronger in labour constraint households, older children (likely to drop out), and orphans.
- Effects are gender-neutral, and also comparable between children who were and those who were not in school at the baseline.
- The programs had no protective effects on schooling against loss of a parent.







## The Cash Transfer Programs

- **▶** Lesotho Child Grant Program
  - Targets poor and vulnerable hhs with children.
- Malawi Social Cash Transfer Program
  - Targets ultra-poor, and labor constrained households.
- **▶** Zambia's Multiple Category Cash Transfer Program
  - It targets most vulnerable households (e.g with orphans, disabled member, etc).
- ◆ All three programs target labour constraint households.





#### Children are from labour constraint households

Table: Average Number of working-age Adults per Household

	(1)	(2)	
	Baseline	Follow-up	
Lesotho	0.460 (1 : 2.17)	0.461 (1 : 2.17)	
Malawi	0.259 (1: 3.86)	0.278 (1 : 3.60)	
Zambia	0.347 (1 : 2.88)	0.376 (1 : 2.66)	
Sample Average	0.335 (1 : 2.99)	0.350 (1 : 2.86)	





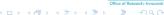
Results

#### Data

- ► All programs follow clustered randomized control design; follow-up after two years.
- ► Sample at the baseline:
  - 1486 eligible hhs for Lesotho,
  - 2 3531 eligible hhs for Malawi, and
  - **3** 3077 eligible hhs for Zambia.
- ► At least 91% hhs (Lesotho), up to 96% hhs (Zambia) were re-interviewed.
- ► Outcome variables: Enrolment, Regular Attendance, and grade progression







# Sample and Attrition

► Working sample: children aged 5-17 years at baseline (7-19 years at follow-up)

Data

- We pool data for the three countries, and re-weight all observations
  - We have 17,513 children at baseline. We re-observe 15,053 (86%) of these children.
  - No differences in attrition rate between treatment and control, and outcome variables are balanced.







Table: Overall Impacts on schooling outcomes

	(1)	(2)	(3)
		Regular	Grade
	Enrolment	attendance	progression
Treatment	0.0632***	0.0374	-0.0143
	(0.0199)	(0.0258)	(0.0217)
Number of unique observations	15,053	7,944	14,610
Mean in control at follow-up	0.753	0.594	0.524







Table: Heterogeneous Impacts (by Age) on schooling outcomes

	(1)	(2)	(3)
		Regular	Grade
	Enrolment	attendance	progression
(i) Impact on children aged $\leq$ 10 at baseline	0.0258	-0.0009	0.0440
	(0.0220)	(0.0309)	(0.0319)
(ii) Impact on children aged >10 at baseline	0.0879***	0.0550**	0.0024
	(0.0195)	(0.0278)	(0.0077)
Number of unique observations	15,053	7,944	14,610
p-value for F-test:(i)=(ii)	0.00754	0.0900	0.166
Mean in control at follow-up $\leq 10$	0.865	0.679	0.485
Mean in control at follow-up >10	0.648	0.525	0.558





Table: Heterogeneous Impacts by fraction of adults per hh at baseline

	(1)	(2)	(3)
		Regular	Grade
	Enrolment	attendance	progression
Treatment	0.0944***	0.0608	0.0188
	(0.0260)	(0.0432)	(0.0312)
Treatment*Fraction of adults	-0.0966	-0.0680	0.0094
	(0.0605)	(0.1133)	(0.1019)
Number of unique observations	15,053	7,944	14,610







Table: Heterogeneous Impacts by presence of parents

	(1)	(2)	(3)
		Regular	Grade
	Enrolment	attendance	progression
(i) Lived with at least one parent at baseline	0.0370*	-0.0043	0.0311
	(0.0221)	(0.0291)	(0.0203)
(ii) Did not live with a parent at baseline	0.1044***	0.1040***	0.0156
	(0.0238)	(0.0365)	(0.0212)
Number of unique observations	14,925	7,825	14,488
p-value for F-test:(i)=(ii)	0.00297	0.00744	0.533
Mean in control at follow-up, lived with parents	0.771	0.612	0.523
Mean in control at follow-up, did not live with parents	0.727	0.566	0.525







# Conclusion and Policy Implications

- ► We examine the effects of unconditional cash transfer programs on schooling in sub-Saharan Africa (Lesotho, Malawi, and Zambia).
- We find strong positive impacts on school participation, particularly among:
  - Older children
  - ② orphans
  - 3 children from labour constraint households
- Impacts on grade progression are limited: possibly highlighting limits of these programs in isolation.
- ► Programs have no protective effects against parental death.



End.....

# Merci beaucoup!!!





