

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

Experimental Evidence from Lesotho, Malawi, and Zambia

Ramaele Moshoeshoe
with de Hoop & Handa

National University of Lesotho, UNICEF Office of Research–Innocenti, & University of North Carolina

6th Transfer Project Research Workshop:

The State of Evidence on Social Cash Transfers in Africa and Beyond

June 7-9 Dakar, 2017



Outline

- 1 Introduction
- 2 The Cash Transfer Programs
- 3 Data
- 4 Results
- 5 Conclusion and Policy Implications



Introduction & Motivation

- There is now abundant evidence on the impacts of cash transfer programs on human capital accumulation.
- The key colcusions are they:
 - ① increase children's school participation.
 - ② 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) |



Data

- ▶ All programs follow clustered randomized control design; follow-up after two years.
- ▶ Sample at the baseline:
 - ① 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)
- ▶ 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) |
|-------------------------------|-----------------------|--------------------|---------------------|
| | Enrolment | Regular attendance | Grade progression |
| Treatment | 0.0632*** (0.0199) | 0.0374 (0.0258) | -0.0143 (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) |
|---|-----------------------|----------------------|--------------------|
| | Enrolment | Regular attendance | Grade progression |
| (i) Impact on children aged ≤ 10 at baseline | 0.0258 (0.0220) | -0.0009 (0.0309) | 0.0440 (0.0319) |
| (ii) Impact on children aged > 10 at baseline | 0.0879*** (0.0195) | 0.0550** (0.0278) | 0.0024 (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 ≤ 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) |
|-------------------------------|-----------------------|---------------------|--------------------|
| | Enrolment | Regular attendance | Grade progression |
| Treatment | 0.0944*** (0.0260) | 0.0608 (0.0432) | 0.0188 (0.0312) |
| Treatment*Fraction of adults | -0.0966 (0.0605) | -0.0680 (0.1133) | 0.0094 (0.1019) |
| Number of unique observations | 15,053 | 7,944 | 14,610 |



Table: Heterogeneous Impacts by presence of parents

| | (1) | (2) | (3) |
|---|-----------------------|-----------------------|--------------------|
| | Enrolment | Regular attendance | Grade progression |
| (i) Lived with at least one parent at baseline | 0.0370* (0.0221) | -0.0043 (0.0291) | 0.0311 (0.0203) |
| (ii) Did not live with a parent at baseline | 0.1044*** (0.0238) | 0.1040*** (0.0365) | 0.0156 (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:
 - ① 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!!!

