

What have we learned from impact evaluations of economic inclusion and graduation programs, and what else do we most need to learn?

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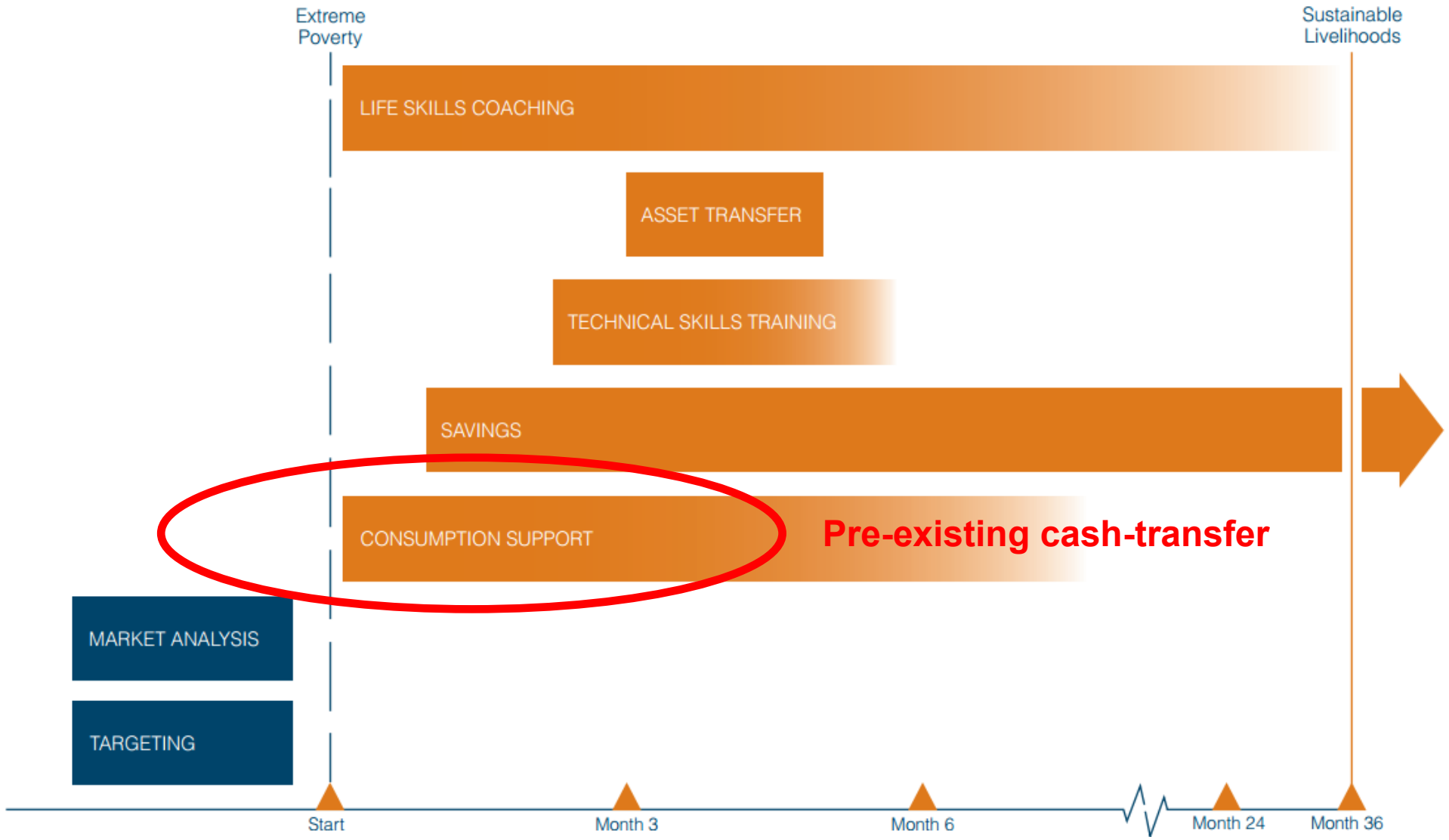
The basic premise

Cause of poverty is complicated

Which is why singular-approaches usually have mixed at best results

So work on many problems at once

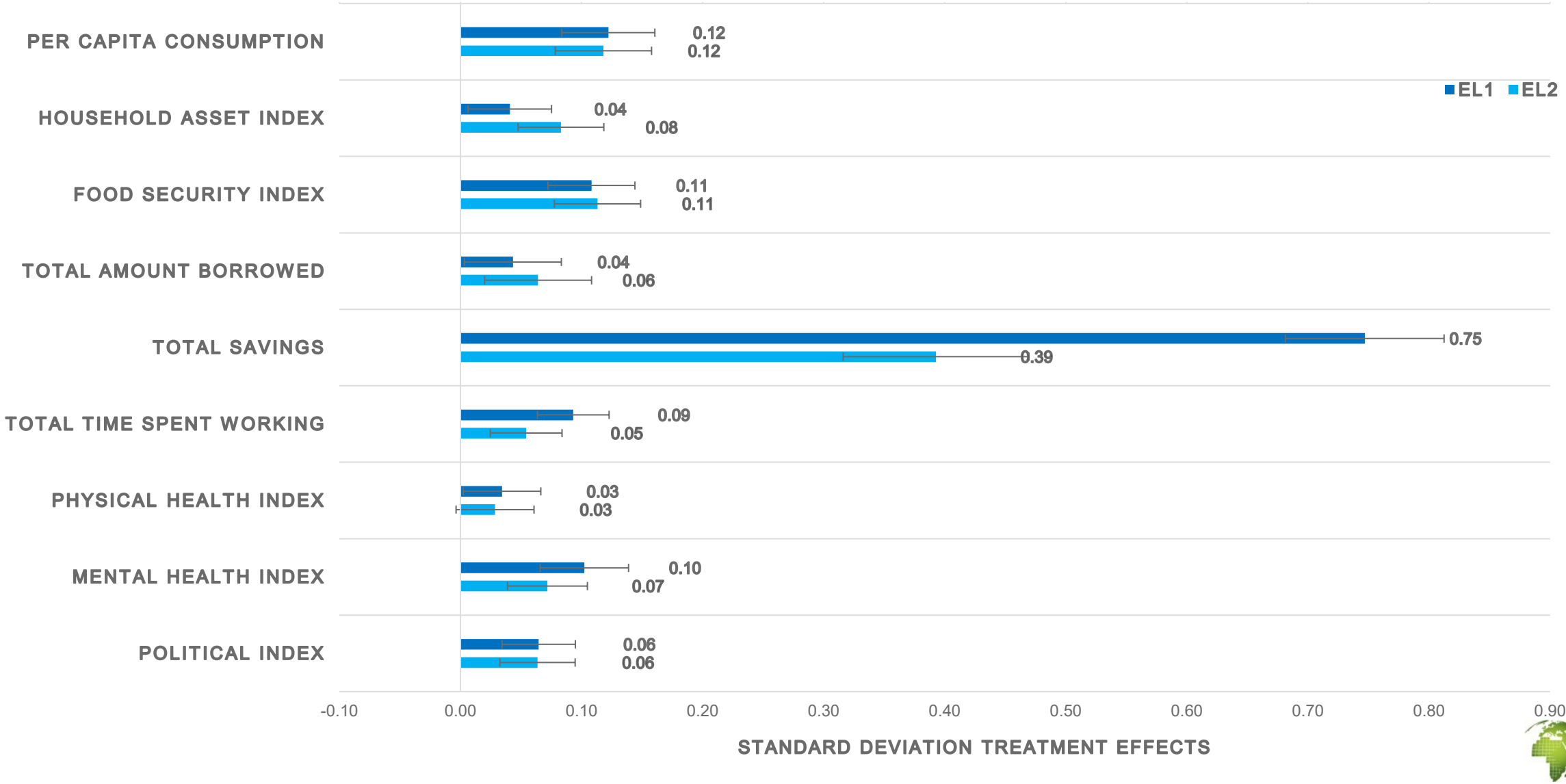
The Multi-Faceted Approach
("Graduation" or "Productive Inclusion" or "Livelihood Plus" or "Cash plus")



Can it work?

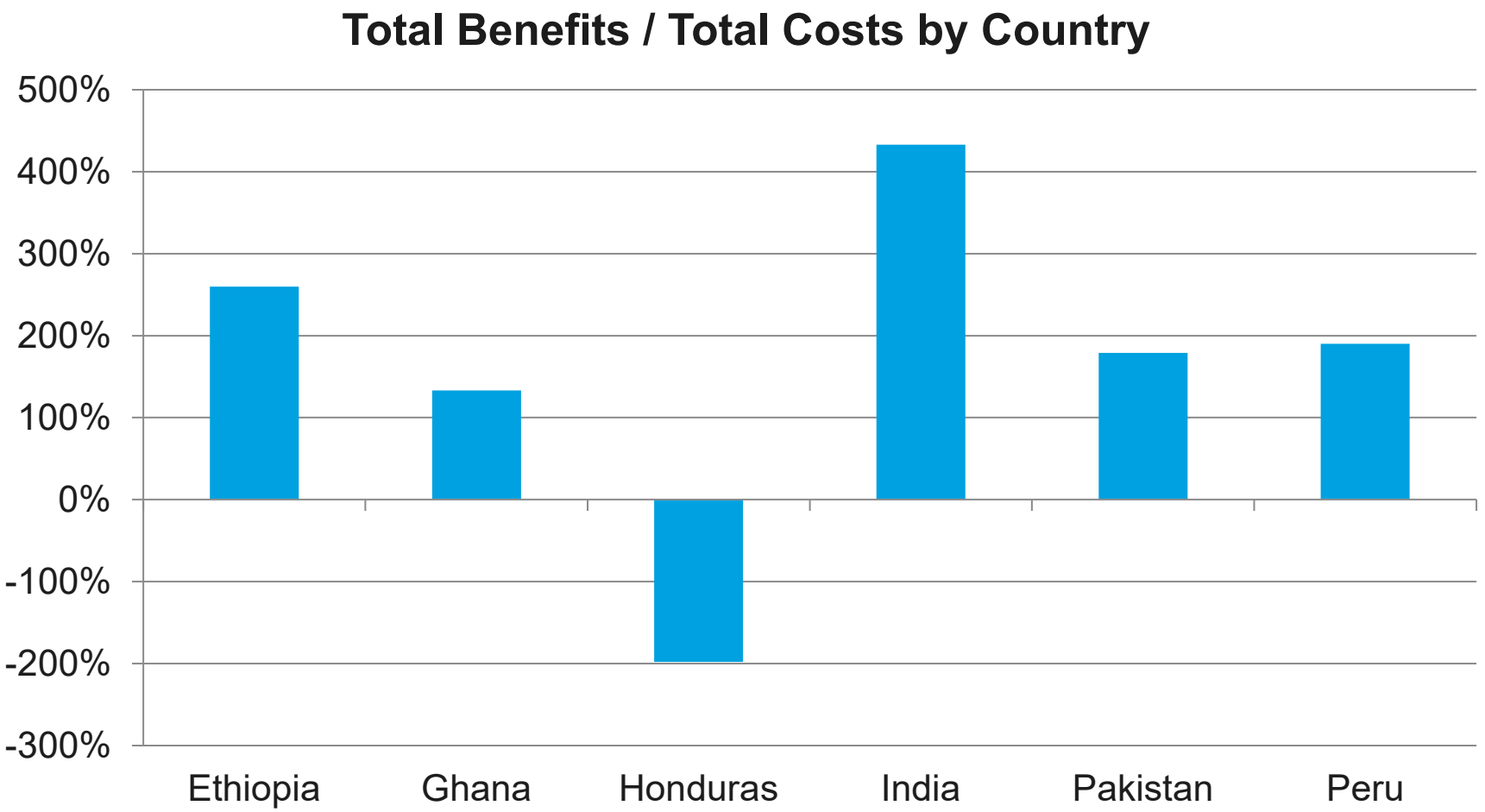
Eight Sites of Original Graduation Tests

Impacts on Many Dimension

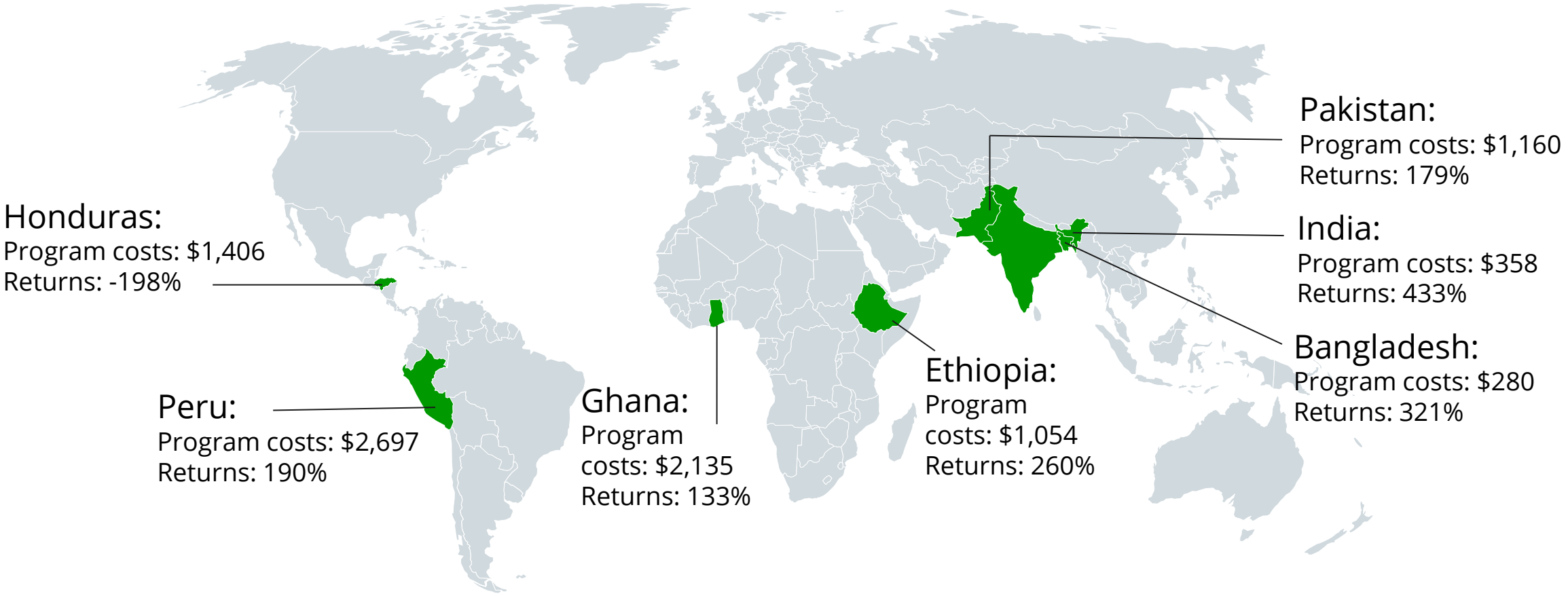


Cost-Effective?

(from 3-year analysis)



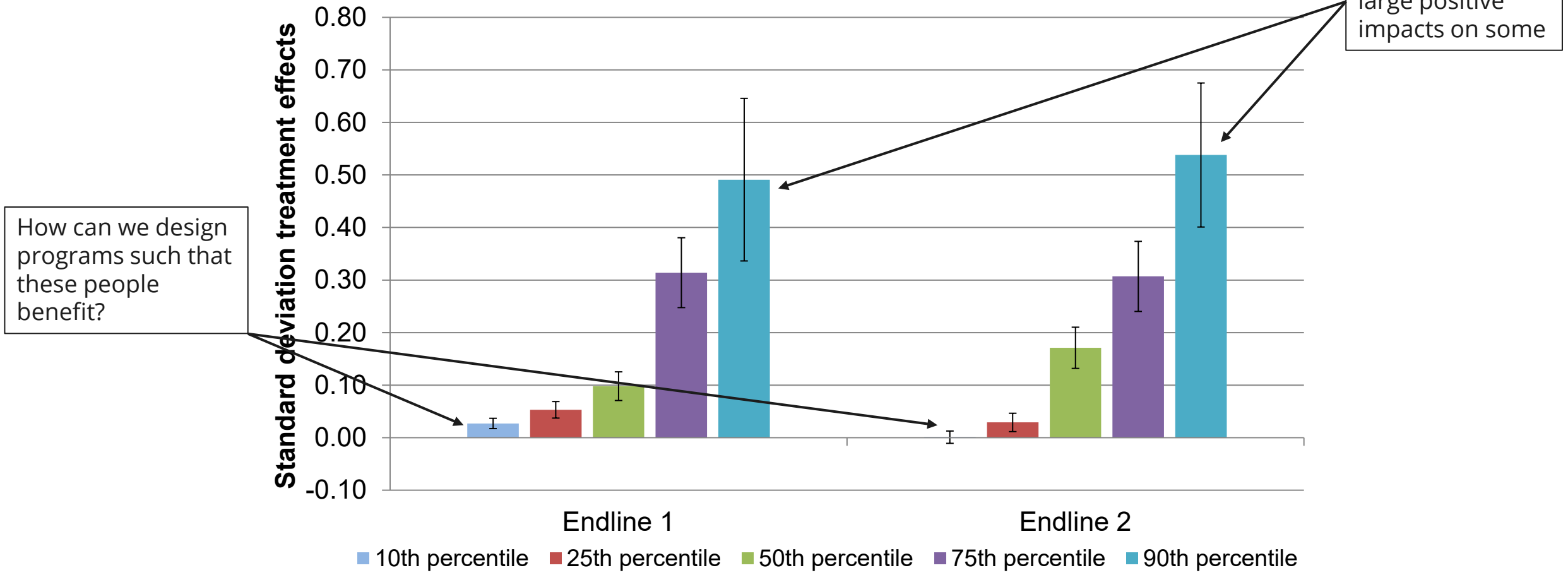
…But it is expensive… Political Economy challenge



Banerjee, et al. 2015; Bandiera, et al. 2016 (Bangladesh)

And average results may mask considerable variability

Quantiles: Income and Revenues



Two “policy” challenges

1. How can this be done more cheaply
2. How can this be done more inclusively

But let’s reframe the question…

Why does it work?

More cheaply

Policy-frame

1. Capital grant needed?
2. Household visits needed?
3. Group livelihoods work?
4. Group meetings work?
5. Pay-it-forward lowers cost?

Theory-frame (why)

1. Capital constraints binding?
2. Behavioral/social constraints binding?
3. Economies of scale for livelihoods?
4. Peers to enhance aspiration, information?
5. Pro-social preferences teachable?

More inclusively?

1. Adding mental health good?

2. In conflict zone?

3. In natural or epidemiological disasters?

1. Mental health a barrier to seizing opportunities?
   - Direction? Test order, and short-term data

2. Market access & safety key for success? Or substitutes?

3. Improved shock resistance? Or creates competing demands, risky investments, thus works less well?

I’ll focus here on two questions

Is capital a key constraint?

(we know they are “relaxable”)

Are “capabilities” a key constraint?

(are they “relaxable”?)

Are assets sufficient? Or Savings?

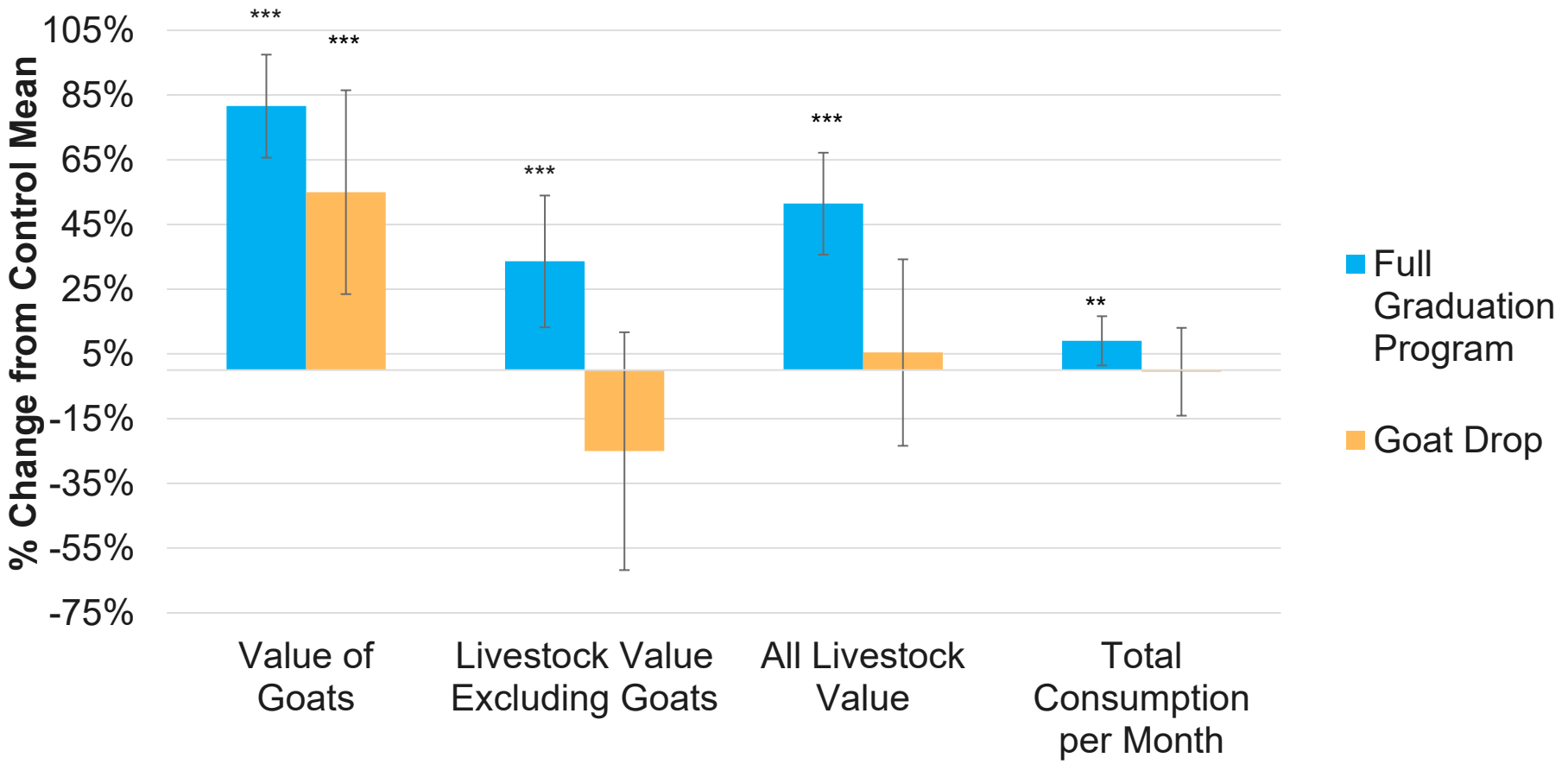
Unpacking: Ghana Goat Drop

Intervention	GUP w/ savings (N=333)	GUP w/o savings (N=333)	SOUP (N=733)	Asset only (N=164)	Pure control (N=1299)
Productive asset transfer (e.g., livestock)	•	•			
Transfer of four goats				•	
Consumption support, training, coaching	•	•			
Access to savings deposit collector	•		•		
Savings deposits matched at 50%			•		
No services provided to household					•

NOTE: There were 642, 510, 163 within village control households in GUP, SOUP, and Asset-only villages, respectively

- **Sample:** Location is Ghana's Northern and Upper East Regions. There were 78 GUP villages, 77 SOUP villages, 45 asset only villages, and 76 control villages.
- **Two-stage randomization**: First at village-level and then at HH-level within a village.
- **Data:** Endline data; 3 years after the baseline.
- **Paper:** here, Banerjee, Karlan, Osei, Trachtman and Udry (2020)

More goats, but fewer other animals



Are assets necessary?

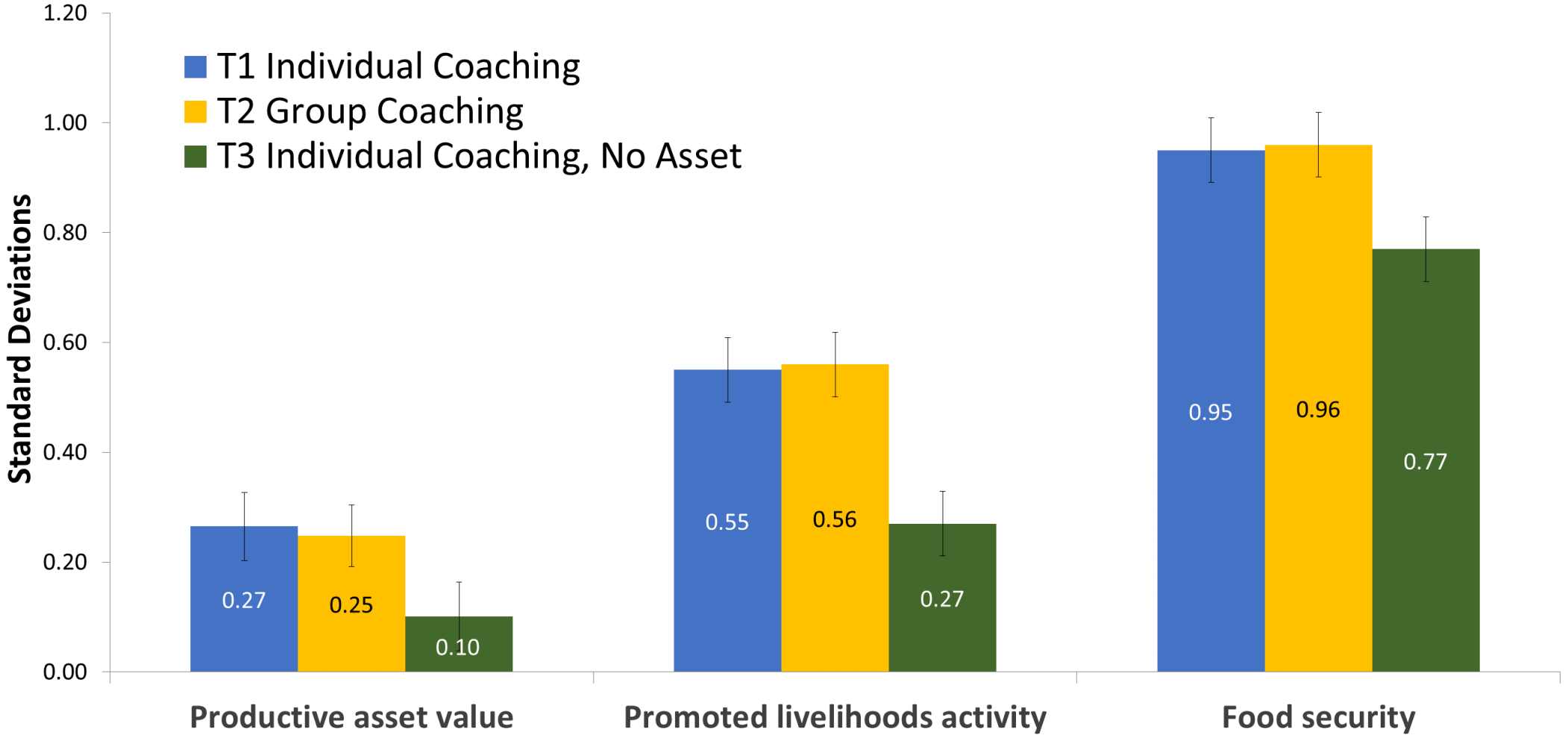
AVSI Uganda, Refugee + Host Communities

Intervention	T1: Full program individual coaching (N=2,200)	T2: Full program group coaching (N=2,200)	T3: Individual coaching, no asset (N=2,200)	Control (in treatment villages) (N=2,200)
Consumption support (12 months)	•	•	•	
VSLA, FFBS, more	•	•	•	
Individual coaching	•		•	
Group coaching		•		
Asset Transfer	•	•		

- **Sample:** Kamwenge refugee settlement (50% of sample) and host communities
- **Data:** Midline data; ~12 months after beginning of the program including consumption support; ~6 months after asset transfer

AVSI Uganda: Mid-line Results

Treatment effects on key outcome indices at midline



Control group: mean = 0, SD = 1.

“Capabilities”

Psychological ability to do more without more resources

Similar to human capital

But different: not about knowledge, more about life skills

Increased “Capabilities” from Ghana Graduation program?

Does Poverty Increase Labor Supply? Evidence from Multiple Income Effects and 115,579 Bags

Banerjee, Karlan, Trachtman and Udry (2022)

- Basic setup: “manufacturing” operations as measurement
- Implemented on top of Ghana site from *Science*
- Does Graduation → increased productivity in new opportunity?

“Bags” Add-on: Key results

Graduation Program

- Worked more on bags
- More effort per hour
- More capable of completing complex bags

No negative income effect

- Overall labor supply increased!

Three more pieces suggesting “capabilities” are important

1. Bayesian re-analysis of 6-site data from *Science*
    - Bigger effect for those with *lower* mental health at baseline
        - Implication: Capabilities a constraint, and Graduation relaxes
2. VSLA+ Cote d’Ivoire results
    - Striking results, given no capital infusion
        - Alternative, peer-based path to “capabilities”?
3. Sahel ASP Niger results (next slide summary)

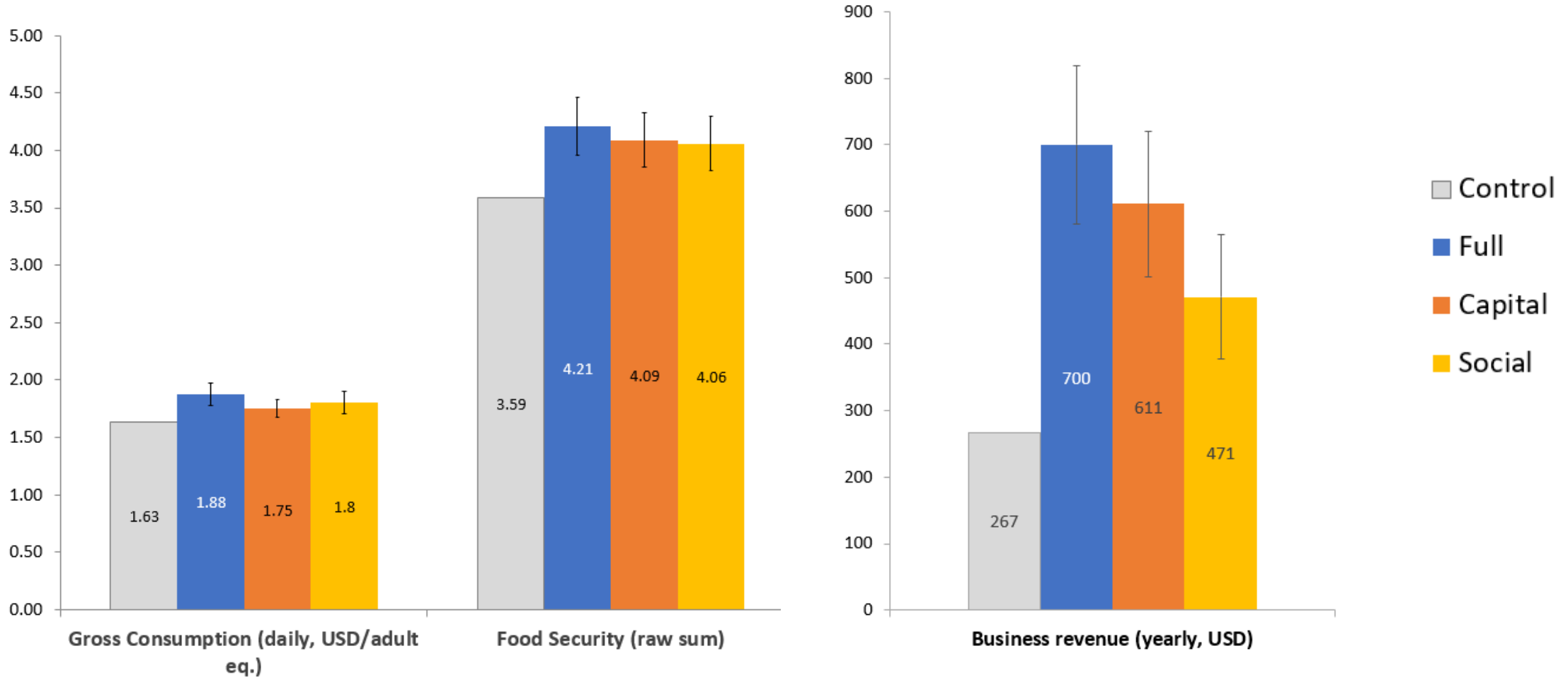
Niger: Program built on Cash Transfer program

4-country Sahel Adaptive Social Protection Program (ASP)

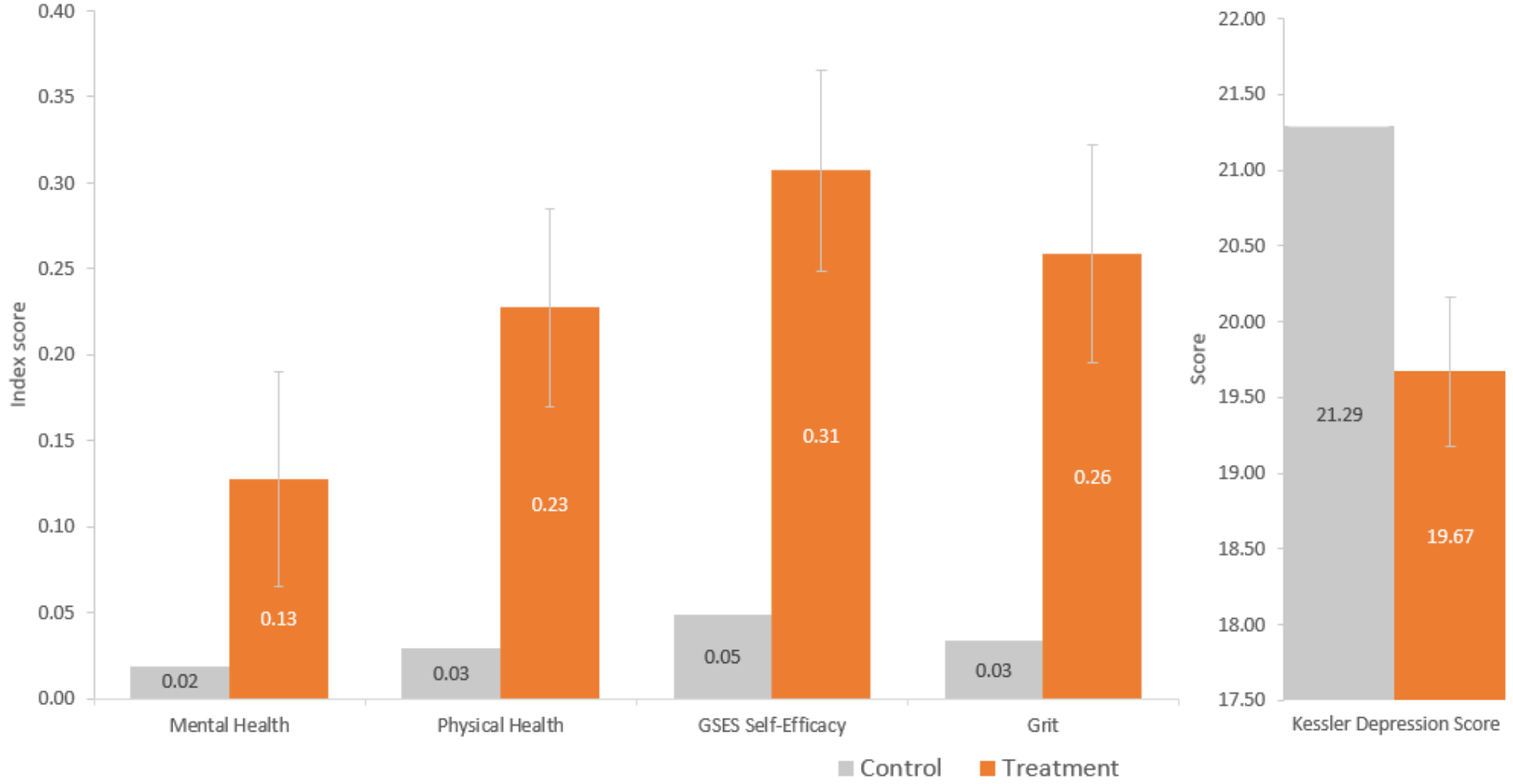
Intervention	Full package (N=1169)	Capital package (N=1166)	Social package (N=1080)	Control (N=1193)
Monthly cash transfer ($45PPP)	●	●	●	●
Coaching	●	●	●	
Village savings groups	●	●	●	
Training: Social norms / aspirations	●		●	
Training: Life skills training	●		●	
Entrepreneurship training	●	●	●	
Lump-Sum Cash ($320 PPP)	●	●		

- **WB Partner: Africa Gender Innovation Lab and DIME**
- **Implementation:** Government run; Sep. 2017-Jan. 2019
- **Design:** 325 villages. Mostly women. Village-level randomization.
- **Scale/Sample**: Part of large scale program: 20,600 beneficiaries (4608 HHs measured); >100k in cash transfer program
- **Data:** Follow-up 2; 3 years after baseline
- **Cost**: ~$300USD per beneficiary, not including cash transfers

Niger Results (1.5 years)



Does order matter?
Ghana: CBT-first Outcomes



Implementation: How to Deliver Better?

Challenge

A = Designing the right program or policy

B = Implementing the chosen program or policy well

Success = A x B

What goes into “B”?

Staff charisma and knowledge

Staff motivation (and incentives)

Quality of underlying training/information

Beneficiary perception of implementer (trust?)

Timing in the year, month, day

Household dynamics & logistics

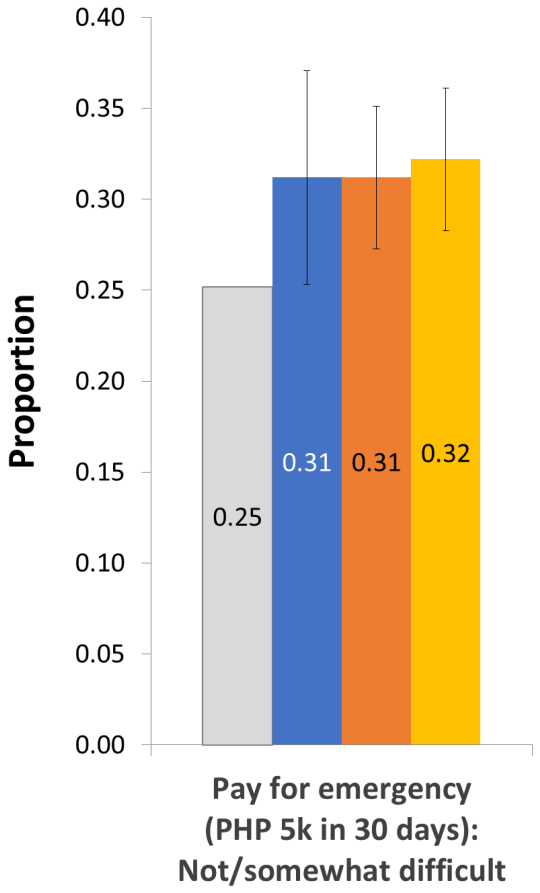
Match of livelihood

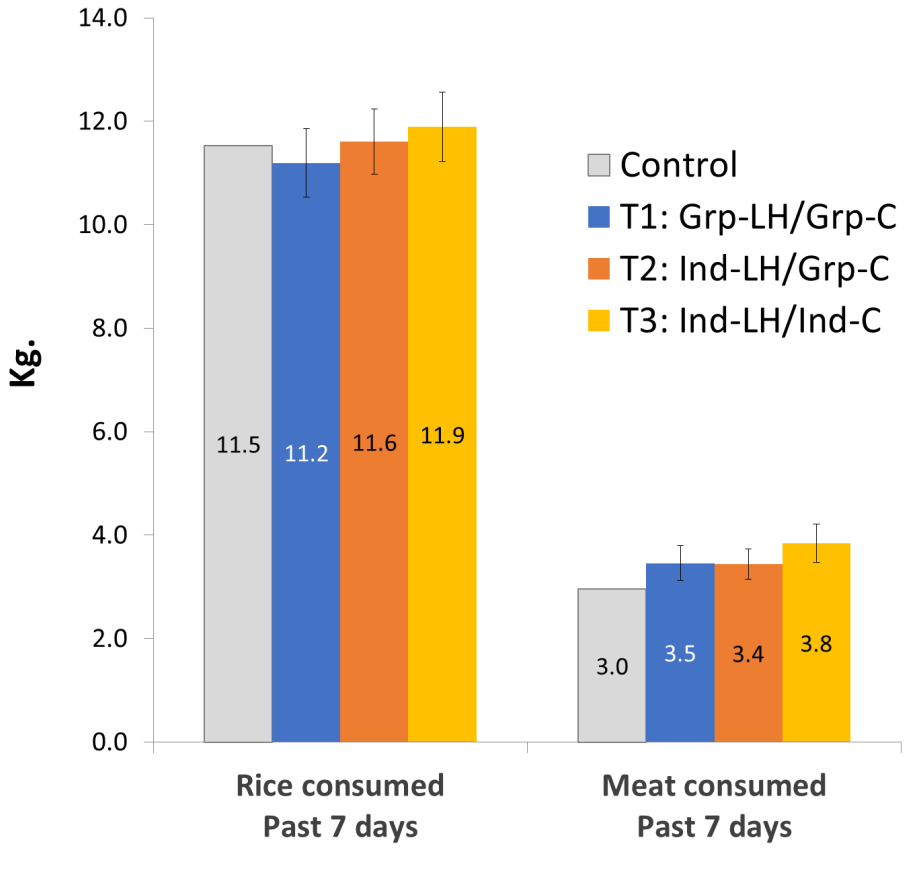
One example: DOLE Philippines

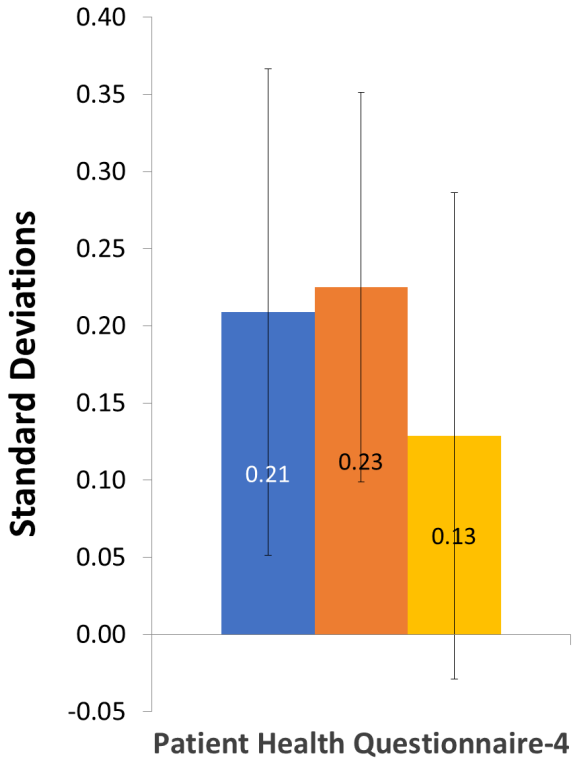
Intervention	T1: Group livelihoods and group coaching (N=600)	T2: Individual Livelihoods and group coaching (N=600)	T3: Individual livelihoods and individual coaching (N=600)	Control (N=600)
4Ps	•	•	•	•
Individual Asset transfer ($300 per individual)		•	•	
Group Asset transfer ($6,000 per group of 20 individuals)	•			
Individual coaching			•	
Group coaching	•	•		
Skills training	•	•	•	
Savings facilitation	•	•	•	
Community mobilization	•	•	•	

- **Phone survey:** August 2020, 63% response rate (balanced)
- **Implementation**: started mid 2019
- **Asset delivery delays:** T2 and T3 started asset distribution in mid 2019, but only finished end of 2019, T1 only started end of 2019, finished early 2020
- **Program attrition:** 40% (T3), 30% (T2), 25% (T1) due to delays

DOLE Philippines: Results







Control group: mean = 0, SD = 1.

Further “how” questions

- People!
  - Labor to deliver program is real constraint
  - Solutions?
    - Technology?
    - Also provides homogeneity of info / delivery
    - Organizational incentives (sub-contract? on what deliverables?)
    - Group rather than individual (leverage)
  - “General equilibrium”
    - Market prices, wages, sharing, competition, institutional crowd-in/out
    - Usually not happening with enough localized intensity to realize/detect. But what is that threshold?
- Livelihood selection & value chain logistics
- Add-ons: leverage channel & trust

Further “how” questions

- “General equilibrium”
  - Market prices, wages, sharing, competition, institutional crowd-in/out
  - Usually not happening with enough localized intensity to realize/detect. But what is that threshold?
- Livelihood selection & value chain logistics
  - How to choose which livelihood?
  - Do participants know the costs, returns & risks?
- Add-ons: leverage channel & trust
  - e.g.: Gender (women plus model, eg), Health, Information (eg COVID-19, Uganda)

Caseworker-with-a-Budget Approach

For Urban Settings (?)

Urban:

- Problems more varied
- Paths for higher income also more varied
- Resources often already available, just not used (?)

Caseworker-with-a-budget approach instead?

- Household-level customization
- Technology-based too, lower coordination/transport costs?

Iteration / Timing Challenge

Long-run lure. Compelling!

Don’t ignore. But much could be learned in short-run.

Short-run Example #1: livelihood choices & short-run visits

→ selection

→ immediate take-up

→ three month livelihood engagement?

Short-run Example #2: lump-sum cash transfer

→ short-run expenditure survey, treatment vs control

(can NOT just ask people what they did with the $)

Concluding Thoughts

1. Poverty complicated (no surprise)
2. No one study is end-all holy grail

   Instead: share & replicate & iterate & share etc…
3. Data quality & comparability matters (IPA & GPRL initiative)
4. Capital and Capabilities: Both movable, both important
5. Politics & Financing

   + Long-term results matter

   + Lowering costs

   + Improving performance of cash transfers alone

   = Viable public finance

Thank you!

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