The Impacts of Safety Nets in Africa: What are we learning?

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Forthcoming in:
Framing Questions

• What are the average impacts of safety net interventions?
  • Focusing on resilience, equity and opportunity
  • How heterogeneous are outcomes?

• What are the implications for program design and implementation?
  • What interventions work best?
  • What design tweaks matter? E.g. transfer level, complementary interventions

• Why Africa?
  • Wealth of high quality impact evaluations in region
  • Surge of literature, but none that compare to generate average size effects
  • Reflects that the pattern of SSN development, sometimes contrasts with other regions
Approach

• **Addressed through a Meta-Analysis**
  • Pools evidence in a systematic way to facilitate a robust and consistent comparison of impacts on key outcomes.
  • Complemented with qualitative data
  • Detailed methodological considerations

• **Innovative approach, but not without constraints**
  • Multiple estimates required across outcomes in a program
  • Important outcomes not included (e.g. political economy, social cohesion)
  • Some outcomes difficult to compare (e.g. food security)

Considering:

- **IMPACT EVALUATIONS**: 57
- **PROGRAMS**: 25
- **COUNTRIES**: 14

(Selected from 250+ IEs from 2005-2017)
Conceptual Framing

<table>
<thead>
<tr>
<th>Equity</th>
<th>Resilience</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consumption</td>
<td>• Savings</td>
<td>• Human capital investments:</td>
</tr>
<tr>
<td>• Food security</td>
<td>• Private transfers</td>
<td>• Education</td>
</tr>
<tr>
<td>• Poverty</td>
<td>• Reduced negative coping</td>
<td>• Health</td>
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<td></td>
<td>mechanisms</td>
<td>• Nutrition</td>
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<td></td>
<td>• Livelihood strengthening</td>
<td>• Productive Inclusion</td>
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<td></td>
<td>• Productive assets</td>
<td>• Income and Earnings</td>
</tr>
</tbody>
</table>

## Overview of Results

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Outcome Name</th>
<th>No. of Studies</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>Consumption</td>
<td>7</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Food consumption</td>
<td>9</td>
<td>**</td>
</tr>
<tr>
<td>Resilience - assets</td>
<td>Livestock</td>
<td>8</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Land</td>
<td>4</td>
<td></td>
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<tr>
<td></td>
<td>Durables</td>
<td>4</td>
<td>***</td>
</tr>
<tr>
<td></td>
<td>Fertilizer/seed use</td>
<td>5</td>
<td>*</td>
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<tr>
<td>Resilience - negative coping strategies</td>
<td>Child labor</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wage employment</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Resilience - savings and transfers</td>
<td>Savings</td>
<td>7</td>
<td>*</td>
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<tr>
<td></td>
<td>Private transfers</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Opportunity - education</td>
<td>School attendance</td>
<td>15</td>
<td></td>
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<tr>
<td></td>
<td>School enrollment</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Opportunity – education (child-focused programs only)</td>
<td>School attendance</td>
<td>7</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>School enrollment</td>
<td>6</td>
<td>*</td>
</tr>
<tr>
<td>Opportunity - healthcare</td>
<td>Healthcare usage</td>
<td>9</td>
<td></td>
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<tr>
<td>Opportunity - labor productivity</td>
<td>Self-employment</td>
<td>6</td>
<td></td>
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<tr>
<td></td>
<td>Earnings</td>
<td>6</td>
<td>***</td>
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<tr>
<td></td>
<td>Business</td>
<td>10</td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Income multiplier</td>
<td>6</td>
<td>***</td>
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</tbody>
</table>

*** - 1% significance level; ** - 5% significance level; * - 10% significance level
Key Results and Messages: Equity
Strong consumption effects, notably for Cash Transfers

Limited evidence on use of SNs for temptation goods

HH food consumption increases by 36 cents with each dollar transferred

HH consumption increases by 74 cents with each dollar transferred
At a program level – what does this mean?

Baseline consumption increased up to 33%

Strong Impacts if target group well set

Weaker impacts where implementation logistics not well executed

Impacts achieved with moderate transfers
Key Results and Messages:
  Resilience
Safety Nets boost a range of productive assets
Especially when combined with complementary interventions

Increases in poultry, small goats represent a store of value, and form of savings.

Modest improvements, with implications for structure of transfer

Impact small and statistically insignificant.

Increases suggesting a shift to higher risk, higher return agriculture.
Savings is an important channel for resilience
Crowding out of private transfers is modest

Number of HH that save increases by 92%.
(Starting from low baselines... Pre-Program Savings Rate: 5-35% HH)

Limited impact... Where there is, number of HH receiving private transfers declines by 12%.
(Starting from high baselines)
Key Results and Messages: Opportunity
SNs Increase School Attendance & Enrollment

Mean impact on attendance is 6%, on enrollment is 7%

Importance of specific targeting, in particular for vulnerable children, poorest HHs

Gains are especially pronounced at the upper primary level, where drop outs start to increase

Notable experimentation around intervention types: CCTs, UCTs and in-kind

Across the board, considerable emphasis on behavioral change – soft conditionality.
More limited evidence on health outcomes

• The meta-analysis is more limited concerning health outcomes reflecting demand and supply side constraints, and speed at which program results can be realized.

• Evidence across 7 countries that safety nets can boost health care access: Expenditure increases in the range of 0 to 63% relative to baseline, with a mean impact of 24%.
  • Suggests some immediate impacts on health. A finding supported by indicators on food security such as improvements in dietary diversity.

• A quickly growing focus area is potential use of SNs to improve health outcomes for specific age cohorts:
  • Early childhood development
  • Adolescence and transition to adulthood.
Beneficiaries more likely to expand own-business, labor on own-farm. Less likely to reduce willingness to work.
Overall Summary - Main Messages

• Consumption effects are foundational and can alleviate immediate poverty.... But reaching these outcomes are not guaranteed

• SNs show strong potential – and imperative – to build risk management capacity and promote resilience. Most evidence to date in rural sector

• SNs have a transformative potential to boost education and health. But this hinges critically on adequacy of service delivery

• Growing attention on use of SNs to improve health outcomes for early childhood, and transition to adulthood

• SNs are not handouts, and can promote productive inclusion – Evidence does not show that SNs reduce willingness to work

• Evidence presents a strong case for “cash” as anchor in national systems and entry point to achieve more diverse outcomes

• As SNs evolve, so too should impact evaluations: Less evidence in crisis, urban contexts and programs at a mature stage
Lessons for Program Design & Implementation

For equity:
• Don’t make transfers too small and adjust based on inflation.
• Programs with strongest consumption impacts have clear target groups and strong targeting protocols.
• The predictability and timing of benefits can strongly determine consumption outcomes.

For resilience:
• Build safety net programs and delivery capacity during ‘good times’ to ensure that transfers can be used to promote resilience and respond to shocks.
• The size and frequency of transfers can have opposing impacts on different aspects of resilience.
• Coordination with complementary programs is particularly important to maximize desired outcomes.

For opportunity:
• Strong partnerships with health and education sector to address supply side constraints.
• Clear messaging on objectives of program
• A multi-dimensional approach may be needed to support productive inclusion.
Annex
What is the average impact on consumption?
Consumption gains have potential to generate a decline in extreme poverty by as much as 40%.

An important complement to literature on spillover effects (Davis et al, 2016)
How important is transfer size?
Impacts can be achieved with modest transfers

But heterogeneity in impacts is clear
Suggestive evidence on reduced child labor
With Cash Transfers Programs forming important child advocacy platforms
Many programs measure equity via Food Security

But range of measures are difficult to incorporate in meta-analysis

One Example: Ethiopia
PSNP Annual Food Gap

PSNP reduced the national poverty rate by 1.6 percentage points in 2011 (World Bank, 2015)

Food Gap: A household is considered as food insecure in a given month if it is unable to satisfy its food needs for at least five days in that month.

Source: PSNP Secretariat, based on Various IFPRI evaluations.
More limited evidence on health outcomes
Reflecting demand and supply side constraints

(a) Healthcare Usage Estimates (%)