Heterogenous Spillovers in Unconditional Cash Transfer

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Motivation

- Household and Sharpiro (2016) RCT: villages where villagers were given transfers saw even those who did not receive transfers obtain spillover benefits.
- Our question:
  Does everyone experiences the same amount of spillover?

Intervention

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Identifying heterogeneity

- Heterogeneity in linear spillover effects:

$$Y_{i,v} = \beta_0 + \beta_1 S_v + \beta_2 D_{i,v} + \beta_3 S_v \times D_{i,v} + \varepsilon_{i,v}$$

- $Y_{i,v}$: Outcome variable of interest
- S_v: Indicator for living in a treatment village
- $D_{i,v}$: Measure of demographic distance of individual i

Measuring Demographic Distance

- Absolute distance

$$D_{i,v} = \frac{|Y_{i,v,t=0} - \bar{Y}_{v,t=0}|}{\text{SD}_v}$$

- Squared deviations from village averages

$$D^2_{i,v} = \frac{(Y_{i,v,t=0} - \bar{Y}_{v,t=0})^2}{\text{SD}_v}$$

- Mahalanobis measure

$$D^{\text{M.}}_{i,v} = \sqrt{(X_i - \bar{X})' \hat{S}_v^{-1} (X_i - \bar{X})}$$

Results

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Conclusion

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