Two Capital Transfers in South Sudan (2013-2015)

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Targetting the Ultra-Poor (TUP)

- "Very poor" households face physical and human capital constraints
- BRAC started a program to address both:
  - Microenterprise training ($\approx$ 1 week)
  - Capital transfers (Relatively large, enterprise-specific)
  - Monitoring & support
  - Savings Encouragement
- Goal is to provide a new, sustained source of income

Evidence:

- Bandiera et al. Evaluates original TUP program in Bangladesh
  - Increase in self-employment 15pp
  - 7% increase in expenditure
  - Increased productive asset holdings
- Banerjee et al. evaluate 6 more experiments[1]
  - Similar in magnitude to Bandiera et al.
  - .122 sd increase in consumption, .25 sd increase in asset holdings

[1] Ethiopia, Ghana, Peru, Honduras, India, Pakistan

Cash Transfers

Lots of experiments on cash transfers

- Haushofer & Shapiro (2013): UCT's in Kenya
  - 20% increase in food consumption
  - 58% increase in assets
- Blattman *et al.* (2015) give $150 USD to women in Uganda (and form "support groups")
  - 15% $\uparrow$ in consumption
  - $\approx$ 40% $\uparrow$ in productive assets held

An alternative to TUP-type programs

Relative to Cash Transfers:

- TUP programs have high fixed and marginal costs
- *And* constrain investment of new capital to a given activity
- Offers several additional forms of support
- Different welfare implications?

We compare cash and TUP programs in southern South Sudan (Yei county).

- High poverty rate, inflation, and political uncertainty

The TUP Program

- Two short trainings ($\approx$ 5 days)
  - General business skills (numeracy, bookkeeping)
  - Enterprise-specific skills
- Assets: Farming, ducks, goats, or small trade
  - Total market value \$350 or \$410
  - Accounts for 80-90% of average mariginal cost of enrollment
- Weekly group meetings (modeled on MFIs) for 12 months

Cash Transfers

- Market value of TUP transfers measured at $350-410
- 125 eligible HH's received the same amount in cash
- Gives the TUP framework an economically interesting, policy-relevant counterfactual
- Not announced to HH's until week before (no ex-ante change in expectations)

Timing of Transfers

- Asset transfers in December 2013 and March 2014
  - Interrupted by conflict
  - Had not yet seriously spread to Yei
  - (No record of transfer dates)
- Cash transfers completed June-July 2014
- Midline survey in 2014, immediately before cash transfers.
- Endline in 2015
  - 12-13 months after UCT's
  - 14 or 18 months after asset transfers
  - An eventful 6 months...
- Monthly Mobile Survey in 2016
  - Collected 6 consumption items for 6 months
  - Yields longer-term consumption estimates

Empirical Specification

$$Y_{it} = \sum_{t=2014}^{2015} \delta_t + \beta_t^{Cash} I_t * Cash_{it} + \beta_t^{TUP} I_t * TUP_{it} + \gamma Y_{i,2013} + \epsilon_i$$

- δ_t: Time FE's, $I_{2014} = 1ift == 2014$
- Estimate four treatment effects, $(2014, 2015) \times (TUP, Cash)$
- β_{2014}^{CSH} is a placebo test.
- Test $\beta_{2015}^{CSH} = \beta_{2014}^{TUP}$ and $\beta_{2015}^{CSH} = \beta_{2015}^{TUP}$

Results: Asset Holdings

- Large effects on asset stock for TUP but not UCT's

	Total	Productive
CTL mean	1225.61	337.60
TUP*2014	535.79***	361.80***
	(154.02)	(74.19)
TUP*2015	624.79***	320.74***
	(146.01)	(68.68)
CSH*2014	−125.86	18.50
	(191.31)	(95.80)
CSH*2015	−49.99	5.00
	(187.32)	(88.40)
N	1305.00	1247.00
$\beta_{2015}^{TUP} - \beta^{CSH}$	674.78***	325.74***
	(194.72)	(92.26)

Results: Consumption

	Tot	Food	Non-durable	Durable
CTL mean	39.80*	27.46*	9.73	3.07
TUP*2014	9.34***	6.12***	1.94*	1.28**
	(2.26)	(1.57)	(1.02)	(0.50)
TUP*2015	1.69	0.72	1.13	0.09
	(2.15)	(1.50)	(0.96)	(0.47)
CSH*2014	−1.03	−0.97	0.96	−0.38
	(2.80)	(1.95)	(1.28)	(0.62)
CSH*2015	5.66**	3.50*	2.17*	0.06
	(2.75)	(1.91)	(1.24)	(0.61)
TUP*2016	−1.22*	−1.18**		
	(0.69)	(0.53)		
CSH*2016	1.74**	0.74		
	(0.86)	(0.66)		
N	1305.00	1295.00	1296.00	1260.00
$\beta^{TUP}_{2015} - \beta^{CSH}$	−3.97	−2.78	−1.04	0.03

Savings (Total)

- TUP group has more food saved, then more cash.
- Useful to look at extensive margin...

	Savings	Food Sav
CTL mean	78.70	65.85
CSH*2014	32.37	5.00
	(45.88)	(10.38)
CSH*2015	32.22	−9.60
	(45.88)	(10.38)
TUP*2014	18.53	26.08***
	(36.31)	(8.22)
TUP*2015	101.17***	−5.03
	(36.31)	(8.22)
$\beta_{2014}^{TUP} - \beta^{CSH}$	−13.68	35.68
$\beta_{2015}^{TUP} - \beta^{CSH}$	68.96	4.57
N	2250.00	2250.00

Savings (Extensive)

- $\approx$ 18% - 30% of TUP households report having some cash savings

	Savings > 0	Food Sav > 0
CTL mean	0.39	0.54
CSH*2014	0.03	0.08
	(0.05)	(0.06)
CSH*2015	0.01	0.02
	(0.05)	(0.05)
TUP*2014	0.29^{***}	0.13^{***}
	(0.04)	(0.04)
TUP*2015	0.18^{***}	-0.03
	(0.04)	(0.04)
$\beta^{TUP}_{2014} - \beta^{CSH}$	0.28^{***}	0.10
	(0.06)	(0.07)
$\beta^{TUP}_{2015} - \beta^{CSH}$	0.18^{***}	-0.05
	(0.05)	(0.05)
N	1500.00	1500.00

Savings (Intensive)

HH's with any savings: $\beta_{\text{UCT}} \approx 90$ SSP (47%), $\beta_{\text{TUP}} \approx 81$ (42%)

	Savings	Food Sav
CTL mean	191.19	114.78
CSH*2014	28.74	0.22
	(42.93)	(15.38)
CSH*2015	91.40**	−14.34
	(40.89)	(14.98)
TUP*2014	−27.09	17.16
	(29.76)	(12.33)
TUP*2015	81.33***	1.13
	(29.32)	(12.26)
$\beta^{TUP}_{2014} - \beta^{CSH}$	−118.49**	31.50
	(50.48)	(19.40)
$\beta^{TUP}_{2015} - \beta^{CSH}$	−10.07	15.47
	(40.86)	(16.10)
N	671.00	777.00

Land Use (Total)

Cash Transfers result in significantly less agricultural land use

Area (Fedan)	Cult Land	Own Land
CTL mean	59.90	53.51
CSH*2014	15.83	16.75
	(19.90)	(16.07)
CSH*2015	-45.09^{**}	-43.52^{***}
	(17.86)	(16.07)
TUP*2014	-7.08	1.13
	(15.90)	(12.83)
TUP*2015	-15.55	-17.66
	(14.28)	(12.83)
$\beta_{2015}^{TUP} - \beta^{CSH}$	29.54	25.86
N	1893.00	2063.00

Income

- TUP group substituted away from farmwork to livestock
- Both have *less* income from farming and agricultural wage labor

	Total	Farm	Livestock	Non-Farm
CTL mean	4325.54	773.05	640.33	3774.49
TUP	327.83	−142.20*	281.12**	86.24
	(455.95)	(77.21)	(126.30)	(469.48)
CSH	7.92	−26.15	−83.81	61.80
	(600.43)	(100.82)	(177.25)	(620.53)
$\beta^{TUP} - \beta^{CSH}$	319.91	−116.05	364.94**	24.44
	(629.93)	(105.79)	(174.74)	(651.27)
N	671.00	531.00	380.00	606.00

What did the cash get used for?

Simply asking what cash transfer households bought:

Use	% >0	Avg. Amt	Std
School	0.52	266	214
Sick	0.472	234	203
Food	0.472	150	202
Inventory	0.464	390	716
Save	0.36	193	190
Livestock	0.344	249	186
clothes	0.32	136	160
Renovations	0.264	110	123

Conflict

TUP group less likely to report being affected or having forgone investment by conflict.
(The violence was mostly distant at the time.)

	Affected	Not Invest	Migrated	No Means	ProtectLives
CTL mean	0.53^{***}	0.16^{***}	0.33^{***}	0.33^{***}	0.38^{***}
TUP	-0.13^{***}	-0.06^{**}	0.04	-0.06	0.02
	(0.04)	(0.03)	(0.04)	(0.04)	(0.05)
N	601.00	655.00	655.00	655.00	585.00
F-stat	9.20	3.95	0.96	2.55	0.19

Summary

- TUP group reports significantly higher assets stock and savings in 2015.
- Cash group reports higher savings (intensive) and consumption
  - No asset effects, in contrast with previous experiments
- Cash group moved away from farming. TUP group moved specifically towards livestock.
- TUP group less likely to report being affected by the conflict (in 2015.)
- $\beta_{2015}^{TUP} = \beta_{2015}^{Cash}$ rejected for asset wealth and Pr(savings>0).

Interpretation

Possible interpretations:

- Cash results consistent with climate of uncertainty and high inflation.
  - Little investment or illiquid savings. Less land ownership. Focus on *spending* money.
- Both treatments increased short-term consumption. Neither significantly increased total income.
- TUP framework has some success at increasing wealth & security in a context where cash transfers may have atypically few long-term effects.

Thank you

Thank You!

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