

From Safety to Productive net? Unconditional Cash Transfers and Agricultural Outcomes in Cameroon

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Introduction



- The existing literature on the social welfare effects of cash transfer has so far been strongly focused on health, education, investment and savings outcomes.
- Little is still known on whether regular cash given to poorest households could also enhance their accumulation of agricultural productive assets
- Cameroon in the middle of Africa has one of the most dynamic agricultural sector in the Central Africa Sub Region (61,3% of labor force, 80% in rural areas)
- However, the poverty level (40% overall, 74.3% in the far north) in the country is still high despite numerous governmental efforts to keep it as lower as 28% in 2020.

Research questions

- Do cash transfers increase agricultural production, land access, livestock and agricultural shocks mitigation?
- For which specific households do cash transfers better improve the accumulation of agricultural productive assets?

Main Contributions

- New insights on the literature on cash transfers
- First empirical work in Central Africa
- Study of the productive spillover effects
- Heterogeneity in the effect of the intervention

Data : The SSNP

Intervention Site: Far North Cameroon

Communities:

- Soulede-Roua, 15 villages, 1500 households
- Ndop, 7 districts, 500 households

Intervention description:

360,000 CFA Franc (about 752 USD) between November 2013 and January 2016, 20% of household expenditures

Impact Evaluation:

- Baseline survey (Nov-Dec 2013) &
 - Endline survey (July 2016-August 2016).
- 20 villages: 15 in Soulede-Roua (SR), 5 in Hina. UCT intervention in SR, no UCT intervention in Hina. 3 groups of households: beneficiaries, non-beneficiaries in SR, non-beneficiaries in Hina.

	beneficiaries	Non-beneficiaries in SR	Non-beneficiaries in Hina
Baseline	610	1145	562
Endline	627	645	628

Estimation Strategy

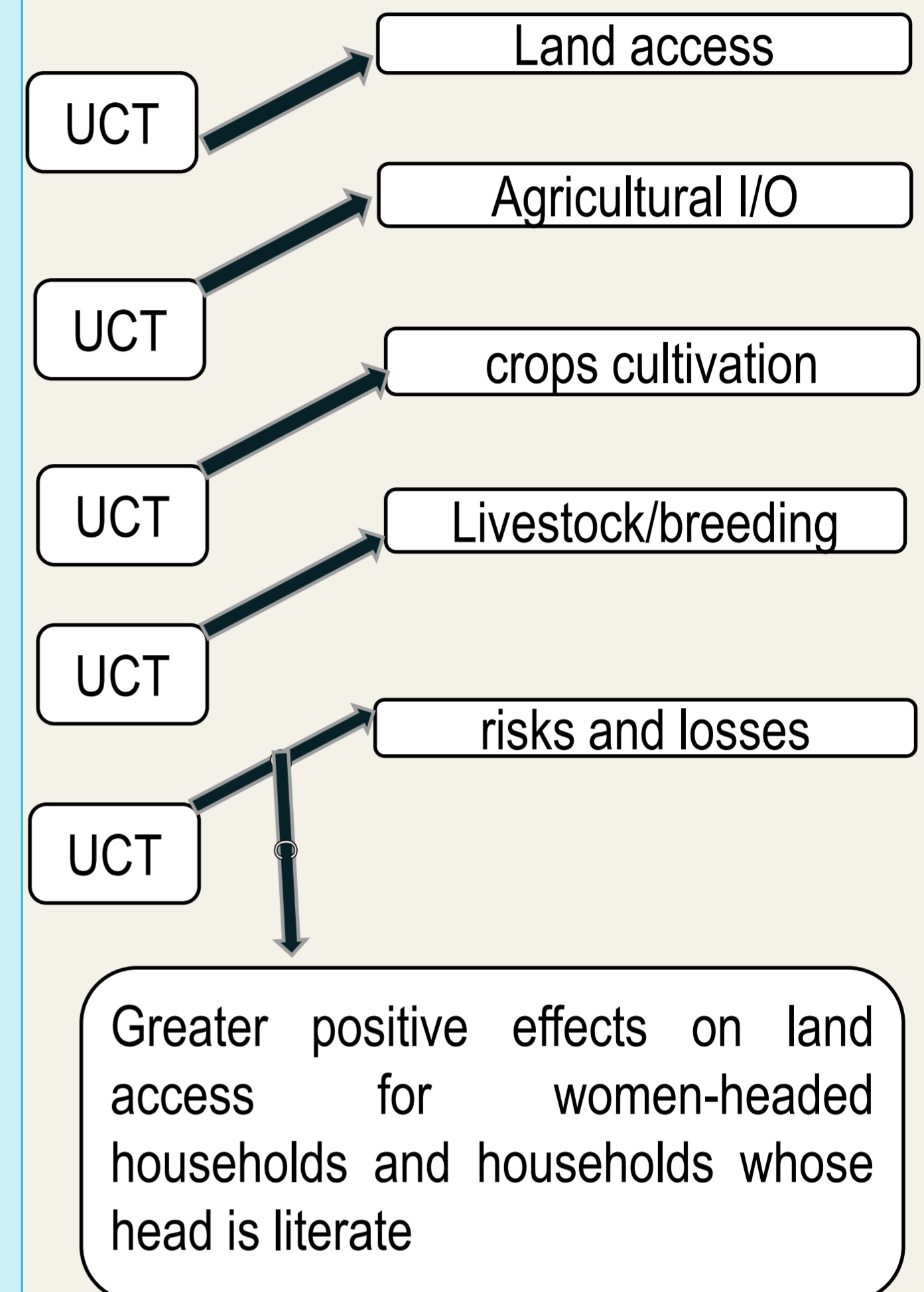
- Diff in Diff +PSM kernel matching to overcome the "non-randomization" of the treatment assignment.

$$Y_{it} = \beta_0 + \beta_1 Post_t + \beta_2 Treatment_i + \beta_3 Post_t * Treatment_i + \beta_4 X_{it} + \varepsilon_{it}$$

- Simple Diff in Diff estimation to assess the magnitude of spillover effects

$$Y_{it} = \beta_0 + \beta_1 Post_t + \beta_2 Treatment_i + \beta_3 Close_i + \beta_4 Close_i * Post_t + \beta_5 Treatment_i * Post_t + \beta_6 X_{it} + \varepsilon_{it}$$

Main Results



Spillover Effects results

The UCT intervention has large spillover effects:

Non-beneficiaries also benefit from the intervention through employment and transfers received

Conclusion and policy implications

Monetary transfers do not only improve social welfare outcomes such as health, education and consumption but also the capacity of households to support themselves in the future by enhancing income generating activities, such as agricultural production.