

Ethiopia Productive Social Safety Net

Program description

- This program **aims to provide**
 - Predictable, multi-year assistance to
 - chronically the food insecure population, and
 - partially converts existing aid from food-for-work to cash-for-work.
- It's **large** - \$5 billion over 5 years.
- There are **other programs** – food security program, resettlement, etc.
 - Eligibility for these programs is typically not the same as for the PSSN.

Questions

- **Targeting efficiency**
 - How do actual recipients compare with intended recipients?
- **Impact on household outcomes**
 - consumption,
 - Incomes/poverty status – short-run and long-run,
 - assets,
 - non-farm income,
 - human capital (anthropometric measures, and other health outcomes)?
- **Impact on market development** – grain markets, insurance markets, etc.?
- **Impact on community level decisions** on types and quality of public works – is there more or less capture?

Attribution

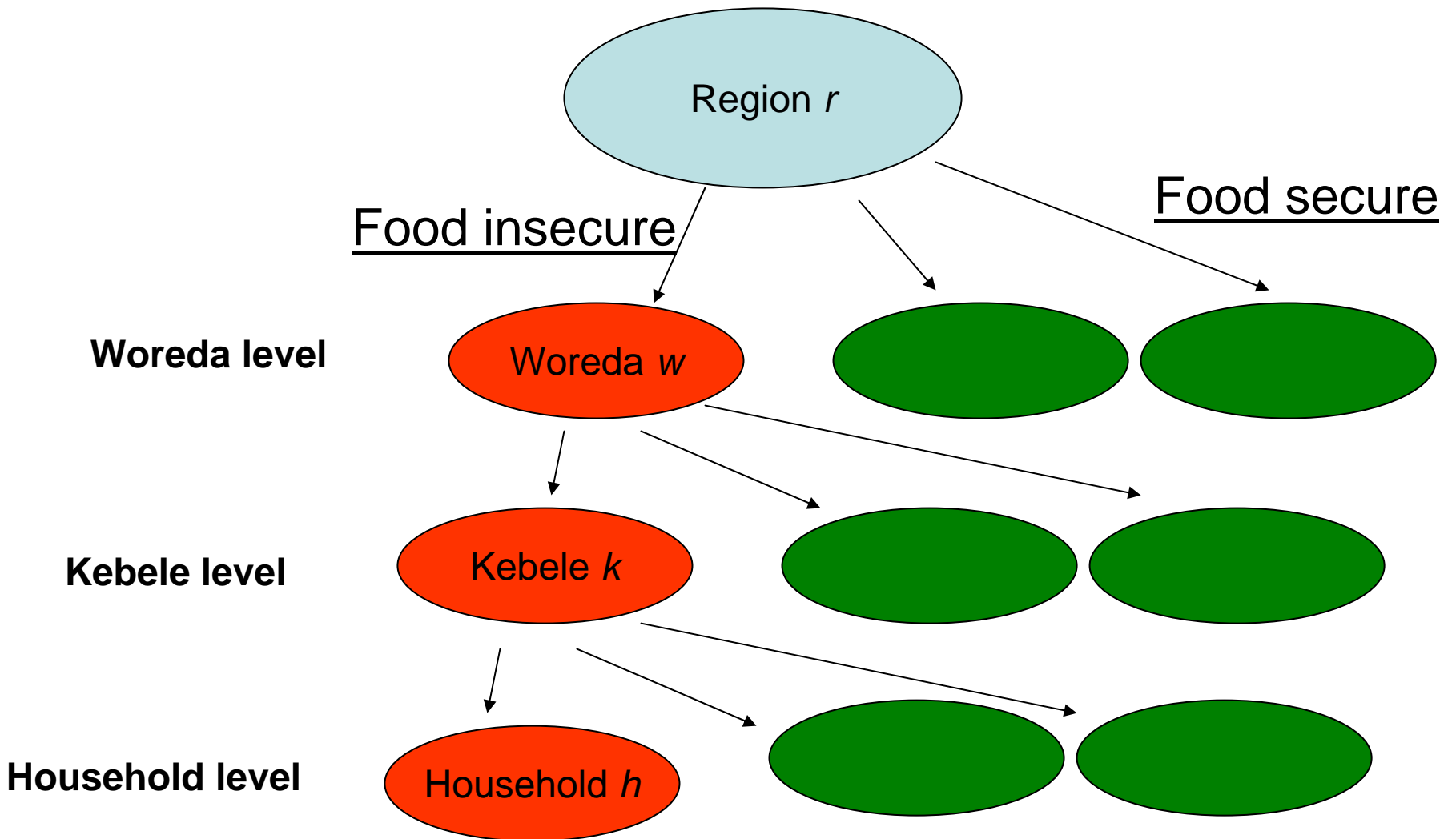
- To what extent can outcomes be attributed to different components of the project?
 - the switch to cash;
 - the switch to predictable household consumption;
 - the switch to predictable kebele and/or woreda budgets;
 - the increase in level of resources?

Eligibility: woredas/individuals

- Each *woreda* is determined to be eligible for the program if, in each of the previous three years, it received food aid
- Program is intended for those *individuals* who are chronically food insecure
 - Average annual income over last three years < 9 months' consumption
 - In practice, these are the ones that have “always received food aid”

Kebele

- Kebele are sub-woreda level communities
- These are also designated eligible or not, based on continued (3 years) previous receipt of food aid.



Coverage

- Program operates in four regions of Ethiopia
- 192 woredas participate
- There are lots (?) of woredas in these regions that are not eligible
- Eligibility is determined once and for all
 - No-one allowed in later (or out?!)

Transfer

- Transfer (in cash or kind) is
 - At least three months' food equivalent, and
 - Enough to get up to 12 months' food
- Able-bodied people required to work
 - Ability determined by kebele
 - Labor supplied in the off-season to reduce opportunity cost
- Woreda chooses whether to use cash, food, or a combination of both
 - It can vary by kebele within a woreda

Public works

- Choices of projects (and assessment of ability) are made at the Kebele level by the “Food Security Task Force”
 - Includes Kebele administrator and others
- Extra funds are available for non-wage costs (20%)

Spillovers could be important

- Local public works could benefit non-participants in the same kebele
- Market development could benefit people in non-participating kebele

Identifying household impacts

- Within each kebele, compare participants and non-participants
 - Use discontinuity at 9 months to identify impact of receipt of transfer
 - Or use 9 month dummy as instrument for transfer

Identifying kebele/woreda impacts

- Indicator variables:
 - Household outcomes or
 - Kebele/woreda level outcomes
 - quality and type of public goods (kebele)
 - price volatility/dispersion measures (woredas)
- Observables
 - Match on rainfall (current and past), population?
- Unobservables
 - Use number of years of past food aid receipt as instrument?

Other questions

- Incentive effects
 - Labor supply – eligible individuals choose how much to work
 - So what is the net transfer received?
- Leakage
 - Does cash disappear more than food?
 - In general, what determines a woreda's choice of food versus cash?