



LAC Gender Impact Evaluation Initiative

Building Agency through Practical Interventions

The Presence of Successful Leaders Improve Conditional Cash Transfer Outcomes in Nicaragua

This study focuses on the relationship between the presence of successful community leaders and conditional cash transfer (CCT) outcomes. Recent research has identified that agency may play a crucial role in determining whether individuals are able to transform their assets and opportunities into desired outcomes. However, few research initiatives have been able to isolate drivers of agency. The findings from the impact evaluation suggest that social interactions and exposure to leaders within participants' communities have large and statistically significant effects on development outcomes for non-leader program beneficiaries. This novel evaluation quantifies those impacts for different groups in a rigorous manner utilizing a randomly assigned CCT program in Nicaragua. Vakis et al. 2009 also take it one step further and hypothesize that exposure to leadership may be influencing outcomes through changes an individual's aspirations for the future.

Program Design

Intervention Period: Implemented between 2005 and 2006

In 2004, the northern region of Nicaragua suffered from a prolonged drought; in response, the Nicaraguan Ministry of the Family (MIFAMILIA) implemented a pilot program – *Atención a Crisis* – that offered additional benefits to their existing national CCT. The pilot was implemented between 2005 and 2006, in six drought affected municipalities that had a high prevalence of extreme rural poverty. The objective of the pilot was to ameliorate the effects of the drought shock on human capital investments as well as address some of the long-run challenges to upward mobility. The pilot applied three different treatments which allowed evaluators to

disentangle the mechanisms driving changes in outcomes. One group received the standard CCT, a second group received the CCT plus a scholarship that allowed one household member to participate in a vocational training course, and a third group received the CCT plus a productive investment grant, to encourage recipients to start a non-agricultural income generating activity.

Evaluation Design

Within each of the six participating municipalities, communities were randomly assigned to treatment (56) and control (50). Within each community assigned to treatment, household poverty and vulnerability levels were estimated using proxy means tests to determine a list of 3,000 eligible households. Female primary care givers from eligible households were invited to register for the program through a public assembly, at which point community leaders were self-identified and then all women were randomly assigned to one of the three treatment varieties (CCT, CCT plus

Sample Population: Female Primary caregivers of improvised households in six drought affected municipalities. **Identification Method:** Randomization with multiple treatment arms

scholarship, CCT plus productive investment grant). The number of nearby leaders in a specific treatment arm was random because all women - both the self-identified leaders and non-leaders - were randomly assigned to each treatment arm. This allowed researchers to assess the impacts of having more nearby neighbor leaders who received the CCT plus the productive investment grant on outcomes of interest for non-leaders in each treatment group.

Findings

Macours et al. (2009) found that the self-identified leaders in the treatment group that received the productive investment grants did better than non-leaders within their own treatment group in terms of human capital investments, economic activities, and attitudes. These leaders also did statistically significantly better than the self-identified leaders from the other treatment groups in several economic activity outcomes and in some attitudes outcomes. This difference led authors to assess the impact of these “successful” leaders (self-identified

leaders from the CCT + productive investment treatment group) on other beneficiaries both within their treatment type and in other treatment types. They find that having one more “successful leader” in the an area with an average number of leaders increased school attendance by 2.5 percentage points, reduced school absences by .85 days per month, increased income from nonagricultural activities by approximately 3.3 US\$ per capita, and increased the value of animal stock by about 12 US\$ per capita on average.

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