

Cash transfers and shifts in the intrahousehold bargain: Evidence from Chad

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- On the other hand, many short-run effects of cash dissipate when the cash ends. [Brudevold-Newman et al., 2024]
- Impacts mediated through household bargain end with the cash unless gender norms change. [Buvinic, Knowles & Witoelar (2022)]

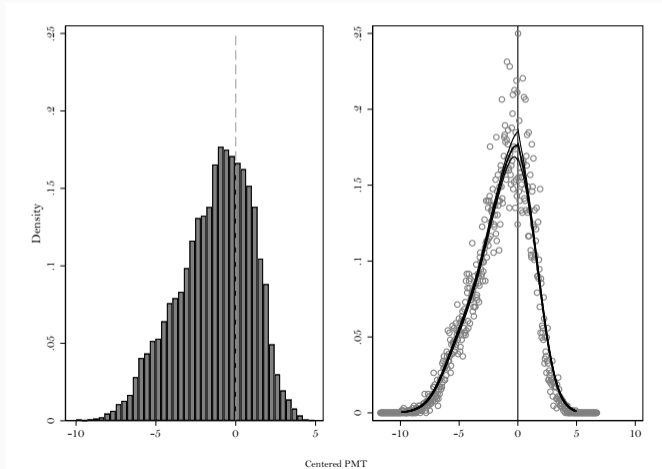
- Are household structures important, overlooked determinant of impact heterogeneity?
- Focuses on **fragile environment**, Chad, and especially women
[Heath, Hidrobo & Roy, 2020; de Hoop et al, 2020]
- Experimental evidence on impact of a labeled cash transfer on women's entrepreneurship, mental health outcomes, shifts within household.
[Bernhardt et al, 2019; Bobonis, 2011; Bobonis et al, 2013]
- Impacts likely mediated through the household bargain
- However, a costly bargain can limit impact of cash transfers in some households
[Anderson and Genicot (2005)]

Setting and Program Design

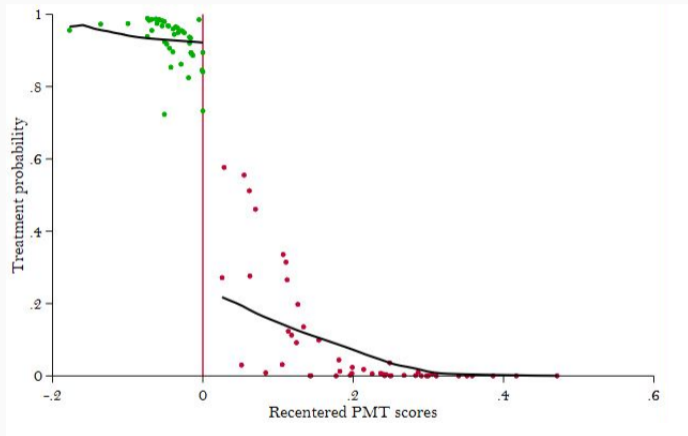
- One of the poorest countries in the world.
 - Poverty rate 47%; 98% of our sample is below \$2.15 a day threshold
 - Recurrent food crises; civil conflict
 - Gender inequality among highest in the world
- 2/3rds of global extreme poor likely to be in fragile and conflict affected countries by 2030. [Corral et al, 2020]
- CFA 45,000 (US\$75) provided to women every three months for two years
- Larger but less frequent than other programs in region
 - Similar UCTs in Mali and Niger provide CFA 10,000 (US\$18) every month.
 - 25% of beneficiary household consumption– comparable to Progresa.

McCrary Density Test

- McCrary density test to check for unusual mass in the PMT distribution around the cutoff.



Predicted treatment probability by PMT score

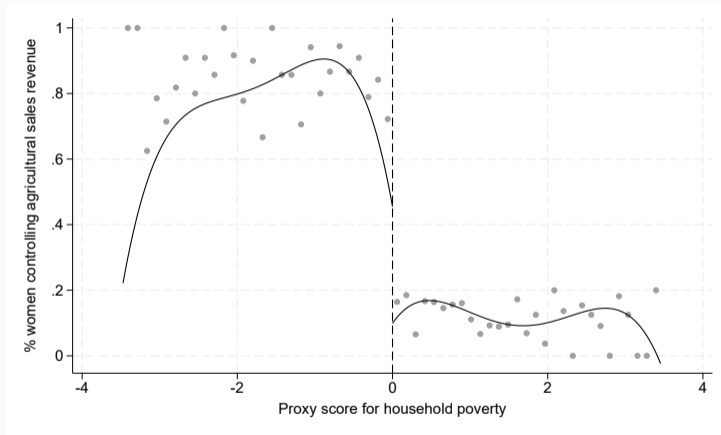


- Sharp discontinuity in the probability of treatment at the threshold.

Impacts on the average household

1. Household consumption increases by USD 353 after transfers of USD 306
2. Recipient women twice as likely to start new businesses as non-recipients
3. 53% increase in women's business profit; cash used to hire paid labor
4. Only impact on men's productive activities is to shift harvest sales to women
5. Quantitative and qualitative evidence → women are processing sorghum grown by husbands into a bottled beer and selling on a larger market
6. 1.7x increase in women's generalized self-efficacy, 18% reduction in probability of being depressed (CD-10 scale)

Dramatic increase in control of agricultural revenue by women



But there is heterogeneity in transfer impacts; three sets of outcomes at household level

1. 86% of the sample shifts the division of resources and thrives
 - Consumption, mental health improve during transfers; mental health better even after transfers end
 - Drive average impacts on production; sorghum/beer vertical integration
2. In 8% of the sample, households separate while transfer is underway
 - Short run consumption gains, no production impacts
 - Short-run mental health gains, but worse after transfers end
 - Reconcile after transfers end
3. In 6% of sample, neither reorganized production/improved outcomes nor split.
 - The women report “fearing speaking up” in a disagreement with their spouse
 - They also do not “trust that their spouse has their best interest at heart”

Household bargaining models help characterize this treatment heterogeneity

1. **Type 1: Lundberg & Pollak** Spouse agrees to the new terms of bargain, the household vertically integrates production and is better off.
2. **Type 2: Lundberg & Pollak** The counter-offer is not accepted and the household separates. The woman tries to use the separation to renegotiate the terms of the marriage.
3. **Type 3: Anderson & Genicot**
 - 3.1 Households where the bargain has costly frictions; women are scared of speaking up
 - 3.2 Thus, cannot use the cash to renegotiate their terms of marriage.
 - 3.3 Higher consumption in short run but few long-term benefits from the cash transfer.

Concluding thoughts

- Cash transfers have long been known to have heterogeneous impacts; less known about why such heterogeneity [Fizsbein and Schady 2009]
- This paper suggests that effects of **cash are mediated through the household bargain**
 - When targeting women, ask whether they have the ability to influence household resource allocation
 - Assess impacts on outcomes of the bargain, including marital status
- Two characteristics of this project that help unpack the heterogeneity:
 - Three rounds of surveys with the same households
 - Rich qualitative work