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The Impact of Conditional Cash Transfer on Pastoral and Agro-Pastoral Livelihoods

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Abstract

In Ethiopia social protection programs such as cash transfer schemes are being used by the government and development partners to reduce the incidence of poverty among rural households. Revitalizing Agricultural Incomes and New Markets (RAIN) is one of such programs that targeted pastoral and agro-pastoral communities in the eastern part of Ethiopia. The programme which was implemented over a three-year period (2009–2012) targeted half a million beneficiaries with various interventions including cash for work. Motivated to investigate whether the cash for work intervention have brought the long term impact that the programme intended, a survey was conducted on 897 households (214 treatment and 683 control). The estimation was performed using four matching algorithms: nearest neighbourhood (with one and five) matching, kernel (normal density) matching, and local linear (tri-cube kernel) matching. Having these different estimates simultaneously helped to check the robustness of the estimation and ensured that the results were not driven by the selection of a particular matching algorithm. The estimation was performed on three selected outcomes: (i) expenditure and food aid status, (ii) food security situation, and (iii) asset building and asset protection endeavours. The findings of the study are that the conditional cash transfer has at best helped the beneficiary households to better meet their short term food needs. The result on food security situation was mixed with lower food access situation but marginally better dietary diversity. Nevertheless, the project has not encouraged households to engage in asset accumulation or asset protection activities. In general, the programme was not only limited to providing short term support, but it did not lead to sustainable asset building and social protection. The policy implication of the study is that in order for conditional cash for work programs to bring long term and sustainable impact, the cash transfer has to be adequate both in terms of amount and period of intervention.

Keywords: Conditional cash transfer, food security, impact evaluation, propensity score matching