

Investigating the sustainability of cash transfer effects: the Busibi case



Executive statement

The Institute of Development Policy (IOB - University of Antwerp) was entrusted by the Belgian non-profit organization Eight VZW to analyze the impacts of its first universal unconditional mobile cash transfer (UCT) pilot project, a small-scale basic income experiment, implemented in the rural Ugandan village Busibi. IOB has been monitoring the program effects, with midline (during the transfer), endline (directly after its end) and follow-up surveys. The latter, in particular, enabled us to investigate to what extent had CT impacts persisted up to 2 years after the end of exposure to cash, a research field often overlooked by the literature. The preliminary descriptive findings presented by this policy brief provide the basis for several research and policy-oriented recommendations, even though further analysis is still needed in order to reach definitive conclusions on the causal pathways which drove the observed effects.

Introduction

As they gain more and more popularity as poverty reduction programs, the debate and research around cash transfer (CT) programs' impacts and effectiveness is on the rise. It is by now known, amongst other insights, that CTs tend to yield consistent increases in household expenditures and reductions in poverty, raises in adult labor force participation, investments and savings, and improvements in women's empowerment and gender relations ([Bastagli et al., 2016](#); [Kabeer et al., 2012](#)). Whereas it is also recognized that effects depend on the design and implementation features of programs, such as conditionality, targeting, size and frequency of transfer, less attention has been devoted to understanding to what extent do cash transfer impacts persist after the end of exposure (i.e., sustainability of effects; [EPAR, 2017](#); [Molina-Millán et al., 2019](#)). Shedding more light on the issue is fundamental, considering that recent discussions around CTs do actually evaluate their potential to yield 'transformative' and long-lasting effects on beneficiary communities, and even to get them to 'graduate' from the program ([Devereux & Sabates-Wheeler, 2004](#); [Molyneux et al., 2016](#)). This change in perspective does in turn reflect debates that extend social assistance's role beyond mere poverty reduction, possibly towards more structural economic development aims.

"How sustainable are the effects of Eight VZW's cash transfer programs in Busibi after program end?"

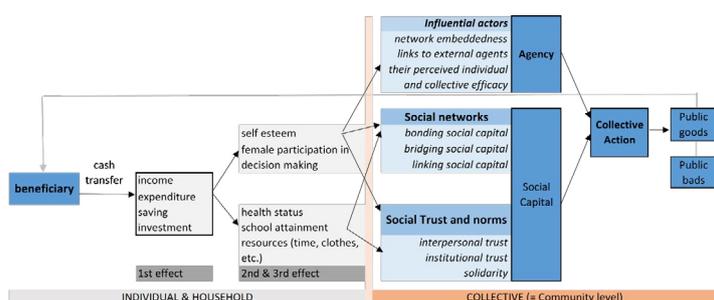
About the study

This research stems from an experiment of universal unconditional cash transfer (UCT) in which, over a period of 2 years (January 2017 to January 2019), all adults (and children, in a halved amount) living in the rural Western Ugandan village Busibi received a (mobile) monthly payment by the Belgian non-profit organization Eight VZW. The analysis mainly implemented a quantitative approach to measuring the sustainability of CT effects. In doing so, an extensive survey was filled in by all adults living in the cash transfer village and in a control one. The survey included several questions related to some of the main individual-, household- and collective-level outcomes of CT programs. The data was collected at three different points in time: one year into the implementation of the program (midline; January 2018), just after the end of the cash transfer (endline; January 2019) and two years after its finalization (follow-up; January 2021). The latter round was specifically conducted in accordance with the sustainability focus of the research. Then, in order to ascertain the existence, magnitude and statistical significance of effects, a quasi-experimental cross-sectional matching procedure was followed, whereby citizens from the cash transfer village were ‘coupled’ with inhabitants of the control one, on the basis of a number of objective covariates. In this sense, the results obtained through Mahalanobis Distance Matching (MDM) were checked for robustness by also applying Coarsened Exact Matching (CEM). Those two methods were preferred to Propensity Score Matching (PSM) because more meaningful, in the case of universal treatments, and less biased (King & Nielsen, 2019).

Analytical framework

The present study is part of a larger PhD research project entitled “One for all and all for cash? An inquiry into social network and collective action effects of cash transfers in rural Uganda”, whose analytical framework is shown below (Figure 1). Despite the focus on social capital, agency and collective action, the research aims at collecting evidence on a multitude of outcomes, as already briefly anticipated. In particular, it is foreseen that effects on income, expenditure and savings (1st order) could turn into impacts on health, school attainment and women’s empowerment (2nd and 3rd), ultimately leading to positive consequences on the outcomes of interest. This brief summarizes a preliminary analysis of impacts on variables belonging to all of the mentioned domains.

Figure 1. Analytical framework of the doctoral project



Study results

Result 1: Various CT effects were sustained after program end

Notwithstanding external influences, such as the Covid-19 crisis, taking place between endline and follow-up surveys, strongly positive and statistically significant program impacts on several indicators continued to be measured two years after its end: notable examples include food security, entrepreneurship and life satisfaction. One of the most relevant findings, for instance, was that the cash transfer generated very positive and statistically significant impacts on both the quantity and diversity of consumed food at all stages.

Figure 2a. Changes in food quantity compared to before project

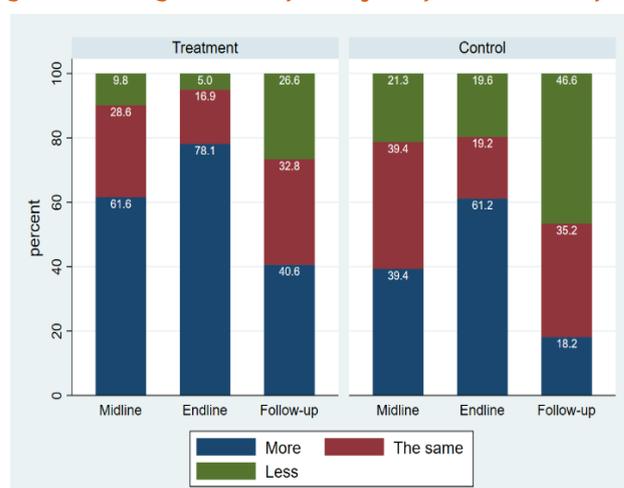
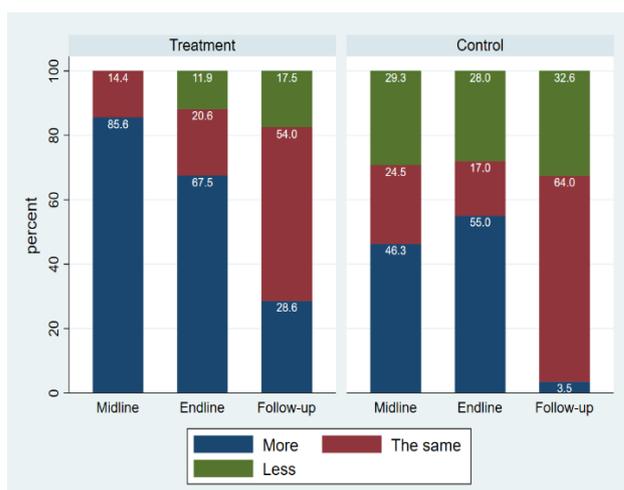


Figure 2b. Changes in food diversity compared to before project



In particular, comparing the food diversity between the control and the transfer village (Figure 2b), results show that the cash transfer allowed more citizens to access a wider variety of food categories. The related effects, clearly visible at the midline and endline rounds, were well sustained at follow-up, notwithstanding the ongoing repercussions of the pandemic. Concerning food quantity (Figure 2a), even 2 years after the end of the program 40.6% of transfer recipients still claimed to be consuming more food than in the period immediately preceding the start of the CT, against only 18.2% of the control group.

Figure 3. Adults' life satisfaction (scale 1-10)

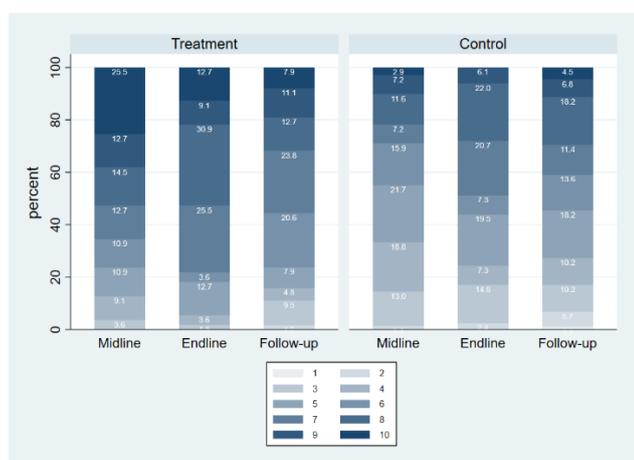
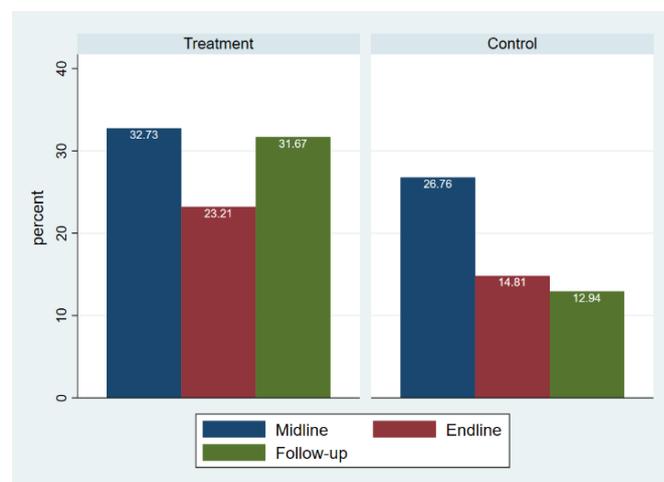


Figure 4. % of respondents with currently operational start ups



Large and sustained effects on life satisfaction (Figure 3) were also measured, even if the magnitude of program impacts on the outcome progressively declined over time. When asked how satisfied they were with their lives (on a scale from 1 to 10), in fact, adult program recipients gave higher responses, on average, than their control counterparts at both midline (7.42 versus 5.59) and endline (7.40 against 5.95), with the differences being highly statistically significant. Even two years after the end of the project, the citizens in the cash transfer village still had on average a higher life satisfaction than in the control village (6.62 compared to 5.89), even though the differences were less outspoken

In addition, the CT spurred the creation (and success) of businesses in Busibi (Figure 4), with a clear impact on the number of active enterprises, even if the related treatment coefficient was only statistically significant at the follow-up stage. 2 years after program closure, as a matter of fact, almost a third of treated respondents (31.67%, against control group's 12.94%) declared to hold an operational business, for a total of 19 commercial activities in a village inhabited by just 60 adults. More in general, beneficiaries'

long-term orientation was enhanced, as demonstrated by the percentage of beneficiaries devoting a share of their (mobile) money to investment, which was significantly higher than in the control village at each data collection round.

As a middle-aged man from Busibi highlighted:

"I am now far much better than before the cash transfer project. The money I received helped to transform my life. You see I started a business at home and I can still afford to take care of my family even now that we no longer receive the money. I even constructed a better house".

Whereas other sustained positive effects were also recorded on variables such as **health status, crime, and resilience to COVID**, it should also be pointed out that no persisting program consequences (or, in some cases, no CT effects at any stage) were recorded on, amongst others, indicators of **labour force participation, income, access to services, housing, and migration**.



Result 2: A gendered analysis yielded very interesting results

Overall, it could be concluded that the cash transfer returned very positive impacts, both in the medium (midline and endline) and long-term (follow-up). Interestingly, the obtained insights vary across gender, especially on some of the outcomes.

Figure 5. Demand for services: getting together to raise issues



Long-term program effects on collective action (measured as collective demand for services; Figure 5), for instance, were only statistically significant for female beneficiaries. The graph demonstrates how female CT recipients seemed to have (sustainably) benefitted from the transfer, not only with respect to women from the control village, but especially by almost catching up with the men living in Busibi. At follow-up, then, a similar share (around 60%) of women and men in Busibi were gathering at least once a year to raise issues of common concern. The detected impact on women's collective demand for services could be attributable to the fact that, by being recipients of the money destined to their children, female grantees were directly managing more cash than their male counterparts. This could have, in return, spurred their agency and capacity to initiate collective action.

At the same time, however, no significant CT effects were observed on abuse (Figures 6 and 7), which might be related to the fact that the increased women's income and agency might also have fostered tensions among couples. The graphs below show how, as a matter of fact, the answer structure to inquiries on emotional/psychological and physical abuse did not change substantially over time, with slight between-village differences. In addition, as many as around 50% and 70% of women from both villages consistently declared not to have undergone any emotional or physical abuse, during the previous year. In this context, we acknowledge that the latter finding could have been driven and influenced by the sensitivity of the questions.

Figure 6. Frequency of emotional/psychological abuse (women)

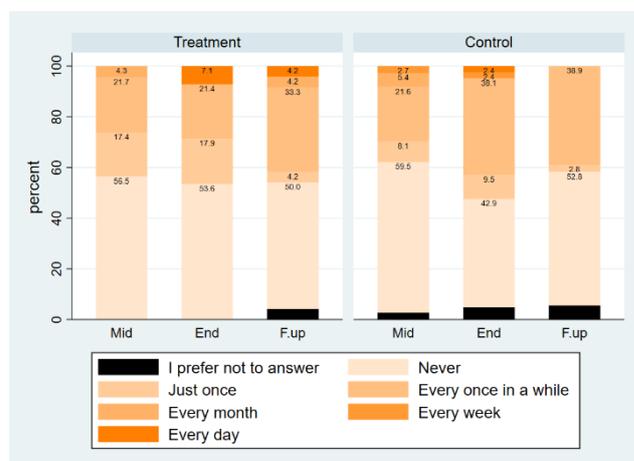
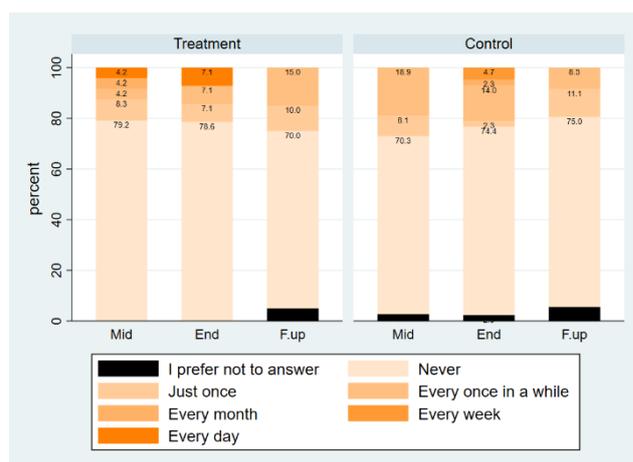


Figure 7. Frequency of physical abuse (women)



More information

Eight VZW's website

<https://www.eight.world/uganda>

Have a look at the

"Crazy Money" documentary on Busibi's cash transfer program

<https://www.eight.world/crazymoney>



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Key message and recommendations

Key message: Our preliminary findings suggest that social cash transfers can have **long-term** and **sustained impacts** on a **variety of outcomes**. Our results show persisting effects of Eight VZW's CT program in Busibi on variables such as **food security, life satisfaction** and **collective action** (see a summary of selected impacts in the infographic). The effects, though, sometimes vary by **gender** (amongst other characteristics of beneficiaries which did not represent a focus of this brief). The obtained insights also fed into three recommendations, one each for researchers, policymakers and evaluators.

Infographic on the direction of program effects at the 3 data collection rounds, selected outcomes



Recommendation 1: On the **research** side, further empirical proofs should be produced, in order to expand the available evidence base on the topic. In particular, even if a few papers on the issue exist, there is currently no source summarizing the produced evidence exclusively around the persistence of CT impacts after program end (see also [Molina-Millán et al., 2019](#)). In this context, we are conducting more in-depth theoretical reviews and empirical analyses aimed at strengthening the validity of the preliminary findings drawn by this brief.

Recommendation 2: A larger pool of evidence on the topic could, in return, contribute to producing more punctual and better designed **policymaking** and CT **programs**. In this sense, the main finding of this study is that broad, inclusive and permissive transfer features, such as unconditionality and universality, could potentially be very effective in reaching the main objectives of CT interventions, both during transfers and after. Nevertheless, comparative analyses of different programs designs, conducted in various settings, should be performed, before formulating definitive conclusions around the most transformative (see also [Molyneux et al., 2016](#)) characteristics of social assistance projects.

Recommendation 3: From an **evaluation** perspective, we maintain that gendered impact analyses are fundamental, as they can help highlighting additional interesting insights on cash transfer programs' impacts. Enhanced role and space should then be given, by M&E sources, to disaggregating the obtained effects by recipient features, such as gender (but not only; [Holmes & Jones, 2013](#)).