

A Randomized Control Trial of a Cash for Work Program Targeting the Poor in a Lower Income Country

The World Bank

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Public Works and Welfare

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Context

The Union of Comoros is an insular State of 3 islands (Grande Comore or Ngazidja in local language, Anjouan or Ndzwani, and Mohéli or Mwali) with a population of 760 000. Poverty and inequality are high, with 48 percent of the population living with incomes below US\$1.25 per day, and one-third of all children under 5 years of age suffered from chronic malnutrition.

Despite high needs, Comoros has no formal social protection system capable of addressing these challenges. Political instability, poverty and skilled migration have indeed impaired government's ability to invest in infrastructure and deliver quality basic services. The Bank's recent assessment of social protection policies and systems found that social protection programs cover only a small part of the population despite the high rates of poverty and vulnerability in the country. Effective social protection policies and programs including nutrition interventions are of crucial importance for the country's development



Did you know?

Comoros has a weak social protection system despite high needs

Comoros has experienced five military coups since independence in 1975

Intervention

The SSNP seeks to improve poor communities' access to safety net and nutrition services. It has a number of key components, including (i) the establishment of a productive safety net providing selected poor households with cash-for-work opportunities; (ii) in communities affected by disasters, the provision of emergency cash-for-work programs and rehabilitation of damaged community infrastructure; (iii) the delivering of package of nutrition-specific interventions for children under 5 years of age and promotion of better nutrition and productive health for mothers; and (iv) the strengthening of institutional capacities for safety net management, coordination, and monitoring and evaluation.



Photo Credit : Authors

Comoros SSNP Details

COMPONENT 1— Establishing a Productive Safety Net (US\$3.2 million):

This component provides cash to targeted poor families in exchange for their participation in cash-for-work activities. The focus on activities such as reforestation, water management, and terracing is expected to increase the productive capacity of households', communities' and country's resilience to natural and climatic events. Specifically, the productive safety net modality offers periodic cash-for-work opportunities to the poorest families and to labor-constrained households in selected communities over a three-year period with the aim of smoothing their consumption and supporting them in developing productive activities.

COMPONENT 2—Ensuring an Early Recovery Response to Natural Disasters (US\$0.8 million):

This component will finance activities to support communities and households in the immediate aftermath of natural disasters but have not been implemented yet since, fortunately, there have not been any major natural disasters in Comoros lately. It will finance post-disaster cash-for-work activities, which may vary depending on the impact of the disaster but will mostly focus on restoring village services and productive capacity, including clearing debris, removing sand, and clearing roads.

COMPONENT 3—Improving the Nutrition of Young Children and Mothers from Poor Communities (US\$1 million):

Complementary to the safety net activities, this component provides preventive nutrition services in the same poor communities to help households to break the inter-generational transmission of poverty. Its focus is on creating demand for and delivering a minimum package of nutrition-specific interventions for children under 5 years of age, with particular focus on the "first thousand days" window of opportunity (from pregnancy to 2 years of age).

COMPONENT 4—Strengthening Safety Net Management, Coordination, and Monitoring and Evaluation (US\$1 million):

This component aims to support the development of key elements of a safety net system. Specifically, it supports the establishment of an effective management information system (MIS). The component also helps to establish payment systems to transfer cash to the safety net beneficiaries through micro-finance institutions.

Evaluation Questions

The impact evaluation has been designed based on outcomes of a workshop organized in October 2015 by the World Bank and FADC. **The impact evaluation objective is to test the effects the cash-for-work component of the SSNP on socio-economic outcomes and welfare of households.** Specifically, it aims to address the following research questions: 1) What are the direct effects of temporary employment cash-for-work program on social and economic outcomes of poor households, and how these effects evolve over time? 2) What are the externalities of the cash-for-work program on non-beneficiaries, and through which channels are the latter affected? And 3) Does the effect of the program vary according to the gender of the recipient?

Evaluation Methodology

To answer these questions in a rigorous way, the cash-for-work component of the SSNP project is carried out as a randomized control trial. The randomization is implemented at three levels: at the household level to assess the direct impact of the program (question 1), at the community level to measure externalities (question 2), and within the household to measure differential effects according to beneficiaries' gender (question 3).

Expected Policy Impact

This impact evaluation will generate crucial evidence on the ability of the Comoros SSNP in improving social and economic welfare of poor households in the short and in the long run. The evaluation findings will inform scale-up/scale-down decisions about the program in Comoros, and will indicate how development programs can be best implemented in the peculiar context of Comoros Islands. More generally, the evaluation will have policy and operational relevance for other Safety Net Programs in the Africa region and beyond.

Key Findings—Baseline

The Baseline survey helps to get a picture of the local context and leaves a tool to inform project decision making in Comoros. The sample is representative of the population eligible for the SSNP. It includes households from the 69 villages receiving CFW activities — 43 in Ngazidja, 17 in Ndzwani and 9 in Mwali.

In the three islands combined, 2,906 households were interviewed. While more than half of the household heads did not go to school, the data collected on other household members show that the young are well more educated, suggesting some promises for the future. However, 8.6% of school-aged children remain unschooled. Differences across islands are important with more unschooled children in Ndzwani.

The typical household in our sample is poor and food insecure. The median daily consumption per capita stands below the 1,25 USD poverty line. Poverty is exacerbated by the vulnerability of income streams. A large majority of the adults do not have other income generating activities than agriculture.

Considerable discrepancies are observed across islands. Consumption in Ndzwani is three times lower compared to Ngazidja and two times lower compared to Mwali. Households in Ndzwani are also the most food insecure and lack durable assets.

SSNP—Statistics

- 87% of the households rely on farming
- 69% of the households are poor—86% in Ndzwani, 64% in Mwali and 51% in Ngazidja
- The median daily consumption per capita is 457 KMF—well below the 2014 national median of 1117 KMF
- The wage rate for CFW activities is 1000 KMF—well below the average daily income across all activities (3400 KMF)

While access to water, primary school, and markets is relatively good, access to secondary school is limited, and access to health is poor. Few Comorians, especially women, have a bank account. Social relationships in Comoros are shaped by two widespread phenomena: the informal institution of the Grand marriage, and illegal migration to neighboring island of Mayotte. Data shows that a majority of household head have done their Grand Marriage. Because ceremonies can be very expensive, men and women participate to multiple savings groups. Because poverty is rife, a substantial fraction of interviewees are willing to migrate to Mayotte.

Policy Lessons—Baseline

The baseline data confirms that the people selected for the cash-for-work intervention are poor and food insecure, suggesting that they are likely to benefit from the intervention. Future waves of data collection will measure the impact of the cash-for-work on socio-economic outcomes and well-being of beneficiaries and non beneficiaries.

Households which did not enroll to the CFW activities are significantly smaller and richer on average. In particular, they are more likely to own plots of land, chairs, tables, TVs, Fridges and cars. They are also less likely to be food insecure, less likely to be willing to migrate to Mayotte, and more likely to own a bank account.

Considerable discrepancies are observed across islands. In particular, in Ndzwani, daily consumption per capita and food security are lower, and there are more households below the poverty line.