

Social Protection

Expanding Economic Opportunities for the Poorest



PHOTO: CORMAC MANGAN

Approximately 767 million people live on less than \$1.90 a day.[†] Across the world, the extreme poor generally depend on insecure and fragile livelihoods, and their income is frequently irregular or seasonal, putting them and their families at risk of hunger.

Innovations for Poverty Action (IPA) works with academics from top research institutions to discover sustainable ways to lift these households out of extreme poverty and to support the scale-up of effective programs. In recent years, IPA has helped propel breakthrough findings—particularly on cash transfers and the “big-push” strategy known as the Graduation approach—into large-scale programs, reaching tens of millions of people. We are now testing variations of the Graduation approach in Ghana, Uganda, and the Sahel to identify what drives the impacts and how to make it more cost-effective.

Key Policy Lessons

1. Cash grants are a cost-effective way to increase the well-being of the poor.
2. A ‘big push’ livelihood approach can create sustained improvement in the lives of the poor.

Policy Impact: Cash Grants

Recent research by IPA and our affiliates has shown that unconditional cash grants can make substantial positive impacts on the lives of the poor, including increases in income, assets, food consumption, and female empowerment. The evidence, and the ensuing publicity around cash transfers, has changed the way we think about giving cash to the poor and created a valuable benchmark against which to evaluate other programs. The evidence has also helped the leading organization that administers unconditional cash grants, GiveDirectly, raise substantial funds to provide grants to people living on less than \$2 a day. Read more » www.poverty-action.org/impact/cash-transfers-changing-debate-giving-cash-poor

[†] <http://www.worldbank.org/en/topic/poverty/overview>. Accessed November 7, 2016.

Key Findings

IPA research teams have generated evidence from more than 20 studies in the area of social protection. Explore a few of our key findings below and find all of our social protection findings at www.poverty-action.org/social-protection

The Graduation approach improved standards of living for the ultra-poor in Ethiopia, Ghana, India, Pakistan, and Peru¹

A program that provided ultra-poor households with a productive asset, training, regular coaching, access to savings, and consumption support led to large and lasting impacts on their standard of living across a diverse set of contexts. The program was also cost-effective, with positive returns in five of six countries, ranging from 133 percent in Ghana to 433 percent in India. The proven success of the approach has spurred governments and development agencies to expand the model to millions of people. *Read more » www.poverty-action.org/impact/ultra-poor-graduation-model*

Small incentives to seek work during the lean season boosted income security for poor farming families in Bangladesh²

Giving or lending families in northern Bangladesh just \$11, as an incentive to send a member of their household to an urban area to work during the agricultural lean season, nearly doubled seasonal migration rates and greatly improved food security for farming

families. Even though the families received the incentive only once, they continued to send a family member to work during the lean season for at least three more years. *Read more » www.poverty-action.org/study/temporary-labor-migration-mitigation-strategies-managing-seasonal-famine*

Unconditional cash grants bolstered well-being in poor rural households in Kenya³

GiveDirectly's unconditional cash transfer program, which administers cash to the extreme poor with no strings attached, significantly increased households' assets, consumption, and food security in Kenya. The cash transfers also improved psychological well-being, especially among households with female recipients and households that received a large transfer. *Read more » www.poverty-action.org/study/impact-unconditional-cash-transfers-kenya*

Cash, training, and support doubled the incomes of ultra-poor women in Uganda⁴

A program that gave cash grants and basic business skills training to the poorest and most excluded women in post-war northern Uganda led to dramatic increases in business and reductions in poverty. However, there

was little evidence of changes in physical health, mental health, financial autonomy, or domestic violence. *Read more » www.poverty-action.org/study/enterprises-ultra-poor-women-after-war-wings-program-northern-uganda*

Intensive methods of identifying the poorest households had limited benefit⁵

A study in Honduras and Peru found that simple and inexpensive methods of identifying the poorest households, such as a housing index or even choosing community members at random, were nearly as effective as costlier and more time-intensive methods. The results suggest that programs already targeting poor communities should be cautious about spending additional resources screening at the household level. *Read more » www.poverty-action.org/publication/targeting-ultra-poor-households-honduras-and-peru*



Sources

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2. Bryan, Gharad, Shyamal Chowdhury, and Ahmed Mushfiq Mobarak. "Seasonal migration and risk aversion." (2012).
3. Haushofer, Johannes, and Jeremy Shapiro. "Household response to income changes: Evidence from an unconditional cash transfer program in Kenya." *Massachusetts Institute of Technology* (2013).
4. Blattman, Christopher, Eric P. Green, Julian Jamison, M. Christian Lehmann, and Jeannie Annan. "The Returns to Microenterprise Support among the Ultrapoor: A Field Experiment in Postwar Uganda." *American Economic Journal: Applied Economics* 8, no. 2 (2016): 35-64.
5. Karlan, Dean, and Bram Thuysbaert. "Targeting ultra-poor households in Honduras and Peru." *The World Bank Economic Review* (2016): lhw036.

Project Development & General Inquiries: socialprotection@poverty-action.org | www.poverty-action.org/social-protection

Innovations for Poverty Action (IPA) is a research and policy non-profit that discovers and promotes effective solutions to global poverty problems. IPA designs, rigorously evaluates, and refines these solutions and their applications together with researchers and local decision-makers, ensuring that evidence is used to improve the lives of the world's poor. Our well-established partnerships in the countries where we work, and a strong understanding of local contexts, enable us to conduct high-quality research. This research has informed hundreds of successful programs that now impact millions of individuals worldwide.

