

**Social Protection Amidst Social Upheaval:  
Examining the Impact of a Multi-Faceted Program for Ultra-Poor Households in Yemen\***

Lasse Brune, Dean Karlan, Sikandra Kurdi, and Christopher Udry

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Abstract

Social protection programs are needed more than ever during periods of social upheaval, but are also likely to be even harder to implement successfully. Furthermore, social upheaval makes measuring the impact of such policies all the more difficult. We study the impact of a multi-faceted social protection program, often referred to as a “graduation” model program, in Yemen during a period of civil unrest. We are unable to measure outcomes for four years, thus much remains unknown about what transpired in the intermediary time. After four years we find positive impacts on asset accumulation and savings behavior, albeit substantially less than the amount the household originally received.

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\* Brune: [lasse.brune@northwestern.edu](mailto:lasse.brune@northwestern.edu), Northwestern University; Karlan: [karlan@northwestern.edu](mailto:karlan@northwestern.edu), Northwestern University; Kurdi: [s.kurdi@cgiar.org](mailto:s.kurdi@cgiar.org), IFPRI; Udry: [christopher.udry@northwestern.edu](mailto:christopher.udry@northwestern.edu), Northwestern University. We thank Nate Barker, Caton Brewster, Sami Horn, Hideto Koizumi, Lalchand Luhana, and Rachel Strohm for excellent research assistance and we thank in particular Matt Lowes for coordinating the field work and project management in Yemen. We also thank the Social Fund for Development and the Social Welfare Fund for their partnership (and in particular, Lamis Al-Iryani, Doaa Bahubaish, Osama Al Shami, and Arafat Alsahy) and Essam Al-Fadhli and Husam Al-Sharjabi from Apex Consulting for their collaboration on data collection on implementation, as well as the Ford Foundation and the UK Department for International Development for funding support. IRB approval from Yale University #1006006972. All errors and opinions are our own.

## 1. Introduction

The poorest members of society are often chronically food insecure and lack stable income-generating activities. Under the belief that a short-term big push can help households establish and sustain a stable self-employment activity, social protection programs, often referred to as “graduation” programs, combine short-term relief with a productive asset transfer, training, and ongoing support. Using randomized evaluations in Bangladesh, Ethiopia, Ghana, India, Honduras, Pakistan, and Peru, this model has been found to generate positive impacts that persisted after two and three years (Banerjee et al. 2015), as well as after four and seven years (Banerjee et al. 2016; Bandiera et al. 2017).

While this approach is adapted to each setting, all sites share several key elements. Each tested program begins by identifying the poorest households within a community. Selected households receive a productive asset to be used for generating income (such as livestock, inventory for petty trade, or sewing equipment), with concurrent training about how to profitably manage that asset. Households also receive consumption support, either in the form of cash transfers or food aid. Individuals are encouraged (and in some sites, required) to save, in order to improve their resiliency to shocks. Finally, households receive regular coaching and mentoring throughout the course of the implementation period.

The above-mentioned sites were all stable settings, i.e., neither civil unrest nor conflict was present. Here we present results from a test of the same approach, but in a setting of civil war. Conflict could in theory alter the effectiveness of the program, in either direction. Such programs may generate even stronger welfare gains if they help households build more diversified income and extra assets that support their ability to manage risk or if they mitigate the need for labor and credit markets, thus providing households with a path to grow self-employment activities in a setting where labor and credit markets are not functioning well due to the civil conflict. Two recent studies are consistent with this theory. Chowdhury et al. (2017) examines the impact of a similar program in South Sudan. The study area was affected by a conflict partway through the program, and participants in the program were less likely than a control group to say that they were unable to invest in business because of the conflict and had 16% higher consumption after six months. This impact on consumption did not persist two years later, though participants retained higher levels of livestock assets and (weakly statistically significantly) higher livestock income. In Afghanistan, in a setting with increasing levels of sporadic violence, a recent evaluation found strikingly large impacts of 30% on consumption one year after the end of the yearlong intervention (Bedoya et al. 2019). The Afghanistan intervention was notable for its especially large levels of asset transfers (focused on cows rather than sheep and goats) and included on-going training and veterinary services, as well as replacement of sick or deceased animals during the period of the intervention.

Naturally, the impact of these graduation programs could also be worse in a civil conflict setting. The program is not designed to teach households how to flourish as autarkic subsistence households, but rather promotes market-level activities to generate cash income. If markets collapse, such engagement may not be viable, rendering those aspects of the program ineffective. Furthermore, participants may be even more vulnerable to shocks if the program has encouraged them to invest in businesses that are affected by conflict-related shocks at the expense of businesses that may have been less affected. Lastly, the impact may be smaller in a civil conflict setting as the fidelity of implementation may suffer, or the program may not be implemented at all if, for example, employees are not able to visit households regularly.

A further possibility has mixed welfare implications: the civil unrest may lead households to divest of the productive asset sooner than they would have without the civil unrest, which undermines the long-term aspiration to build a stable income source, but does provide the household with an effective tool to absorb the immediate shock from the civil unrest.

We use a randomized evaluation to examine the four-year impact of a graduation program in Yemen, which was implemented by the Social Fund for Development (SFD) and the Social Welfare Fund (SWF) in the governorates of Aden, Lahj, and Taiz. The program targeted beneficiaries of the national cash transfer program (run by SWF) and used public lotteries to randomly choose a subset to participate in the graduation program. Targeted households could choose from several types of assets, including goats, stock for kiosks, a sewing machine and materials for tailoring, or other goods. All households continued to receive consumption support in the form of cash transfers from SWF, so this does not distinguish the project beneficiaries from the comparison group. Beneficiary households received an initial training in how to profitably manage the enterprise they chose. They then received regular visits from SFD staff, which were meant to provide training, ensure that individuals did not simply liquidate their assets, and provide households with the encouragement needed to persist in the program.

Due to the political instability in Yemen, which started shortly after the baseline survey, our data collection efforts were cut short. We only have one follow-up survey, which was conducted in 2014, four years after the program began. Thus, while we are able to measure the living standards of our sample households after four years, we do not have data from the intervening period of unrest. This limits our ability to describe the path of impact over the four years. Further limiting our ability is a statistical power challenge, induced by imperfect compliance at the beginning of the project. The implementer, post-randomization, did a “validation” that removed 39% of households from treatment status. No control households were included in this process, unfortunately. Once it was brought to our attention, we attempted to reconstruct this post-randomization selection process with an independent process in which control groups households were also reassessed. Unfortunately, the proportion identified as ineligible in the control was different enough that we deemed this reassessment unusable to reconstruct the sample for the study. Thus, we instead focus on intent-to-treat estimates throughout our analysis. This provides us with the average treatment effect on all households initially identified as eligible for the program, compared to the control group (regardless of whether they were re-verified and participated in the program). Aside from being lower powered for detecting average treatment effect, this also makes queries regarding heterogeneous treatment effects all the more difficult to answer.

We find modest positive results four years after the start of the program. Household selected into the program have a higher level of assets and savings, though this increase in wealth is substantially less than the value of the transfers received by the household four years earlier. We do not have precise estimates on per-capita consumption or household income, and thus can draw no conclusions for these outcomes. We find evidence to suggest increased participation in livestock rearing and slaughtering. We do not have precise enough evidence to suggest that borrowing or food security increased as a result of the program. We also observe a potentially important result: mortality is higher in the treatment group; we discuss both positive and negative reasons, as well as sampling attrition, that may explain this mortality difference.

The long-run nature of the measurement and the intermediary crisis could be masking positive benefits from the program on resilience. A reasonable and more positive interpretation of the results would focus

on the asset increase as evidence that, despite the political instability, the program was able to make important and long-lasting impacts on households, albeit at a high cost.

## **2. Setting, experimental design and data**

### **Partners and site selection**

The Yemen Graduation program was a new program created as a partnership between Yemen's Social Fund for Development (SFD) and Social Welfare Fund (SWF). SFD operates as a non-governmental organization, receiving regular funding and loans from the Government of Yemen but without direct oversight and control by the Government. Its main goal is to help alleviate poverty and reduce unemployment in Yemen through the implementation of targeted development projects. The SWF is a government agency tasked with delivering social protection and operates the national, unconditional cash transfer program.

The project was targeted at the poorest SWF cash transfer beneficiaries in three governorates in southern Yemen—Aden, Lahj, and Taiz. These areas were selected because they are home to a relatively large number of ultra-poor households, have an accessible terrain and are in close proximity to one another.

### **Program eligibility and randomization**

SFD identified eligible individuals for the program from the list of households in SWF's unconditional cash transfer program in project areas. As a result, both the treatment and the control households received consumption support, as all sample households were recipients of SWF cash transfers. SFD then surveyed 7,300 individuals using the Grameen Foundation's Progress out of Poverty Index (PPI),<sup>1</sup> with the intention of identifying approximately 1,000 households for the program. Individuals were deemed ineligible if they received a PPI score above 40 or if they did not meet a number of criteria related to participation in existing programs and ease of logistics.<sup>2</sup>

In addition, SFD had the general aim of identifying the poorest members of society. Community leaders verified the selection and all eligible households received a visit from the program's management to check there was no erroneous targeting. A final list of 1,002 eligible households was initially confirmed at the time of the baseline survey. Households were then randomly chosen for the program using a public lottery in each village. In total, 505 households were assigned to the treatment group for participation in the Graduation program, and 497 households were assigned to the control group. The control group did not receive any assets or training through the project but, as pre-existing beneficiaries of SWF, they still received their regular cash transfers. After the baseline survey and randomized assignment but (for most part) before the asset-transfer ---a key component of the program--- the implementing agencies conducted an additional verification exercise which resulted in the exclusion of nearly 40% of treatment households. We discuss the reverification in detail below.

### **Graduation program**

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<sup>1</sup> <http://www.progressoutofpoverty.org/country/yemen>

<sup>2</sup> The criteria were as follows: the household was not benefiting from any program run by a non-governmental organization, government agency, or microfinance institution; the head of the household was willing and able to work and was between the ages of 18 and 60; the head of the household was not employed by the government; and, the household was not nomadic.

The Yemen Graduation program consisted of five main components:<sup>3</sup>

- Enterprise development training
- Productive asset transfer
- Stipend (also available to non-graduation participants)
- Encouragement to save
- Education in social awareness, health care, and financial management

Once participants were chosen for the program, SFD provided each household with an asset to help jump-start economic activity. The beneficiaries had the option to choose, based on preference and past experience, from a list of livelihood options. The livelihood options included both agricultural (sheep and goat rearing) and off-farm activities (petty trade, tailoring, barber shops, ice cream vending, etc.). The implementation team ensured that the chosen activity had the potential to be economically viable, was easily manageable, and was socially acceptable within the communities served. The average cost per participant of each project was 70,000 Yemeni riyals (US\$327, or US\$963 in Purchasing Power Parity (PPP) terms). Livestock rearing was the most commonly chosen activity, with 75% of the beneficiary households choosing this option. The remaining 25% selected petty trade or other business activities.

Prior to the asset transfer, SFD provided participants with initial classroom-based training specific to their chosen means of income generation. The aim of the training was to help them acquire the skills needed to manage their assets or small businesses, and to teach them best practices. Furthermore, they were given information on where to obtain assistance and services from SFD should they need further help. The length of the training varied according to the enterprise, but typically took around three days. For more specialized enterprises, such as hairdressing and tailoring, training took up to one month.<sup>4</sup>

While this asset transfer leads to a substantial increase in the households' asset wealth in the immediate-term, the underlying theory of the program is that people will increasingly engage in the encouraged income-generating activity (i.e., livestock or micro-enterprise). Key outcomes are therefore (a) whether the asset base is maintained over time; and (b) whether revenues and incomes increase due to these assets. Ultimately, the program aims to increase living standards in the form of per capita consumption.

As pre-existing SWF beneficiaries, participants also received 6,000–12,000 Yemeni riyals (PPP\$82–165) per quarter in consumption support from SWF.<sup>5</sup> This safety net provides a predictable source of income to participants and helps them stabilize their livelihood.

Participants were encouraged to participate in saving schemes, either formally (e.g., through postal savings), or informally (e.g., through “hakba” savings clubs or in a secure saving box). Households were encouraged to save 100–150 riyals (PPP\$1.37–2.06) a month to foster financial discipline and build-up their asset base to better cope with shocks and emergencies. Due to the 2011 political crisis (described further in the next section), this component was not fully executed, with only 104 participants reporting

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<sup>3</sup> There were also plans to provide a link with microfinance after the end of the program, but this did not happen.

<sup>4</sup> The livestock training did not require any basic literacy skills because the training was focused on teaching participants how to tend to their livestock (in terms of feeding, vaccination, etc.). For trade activities, however, participants who lacked basic literacy skills were advised to bring another family member who was able to read, write, and understand basic math in order to teach families some basic principles of running a business.

<sup>5</sup> The levels of support were 6,000, 7,200, 8,400, 10,800 and 12,000 YER (82, 98, 115, 148, and 165 USD PPP, respectively). The amount each household received mainly depended on their number of dependents.

having saved. Furthermore, the bulk of savings we observe is on an informal and intermittent basis. We consider savings another key outcome of the program, given that they improve the ability of households to finance expenses and mitigate shocks.

SFD field workers were hired for the program, with the intent of providing regular monitoring, coaching, and skills training for participants throughout the project. In addition, the implementation team was tasked with organizing weekly visits to the households to raise awareness on a number of social concerns, such as early marriage, and to educate participants on health issues, such as vaccination, qat use, water, sanitation, and hygiene. While the program was designed with the aim that SFD staff would meet with beneficiaries on a regular schedule, it is worth noting that we are unable to directly report the extent to which this coaching was successfully implemented, especially in light of the political crisis (see next section).

It is important to note that both treatment and control households received quarterly consumption support from the SWF fund (participation in SWF's unconditional cash transfer program was the first criterion establishing eligibility for the program tested here). Thus, the comparison between the two groups only measures the total impact of the *additional* components of the graduation program: asset transfer, livelihoods, coaching, health and community-building trainings, and savings. Most other evaluations within the seven-country evaluation of Banerjee et al. (2015), with the exception of Ethiopia, and to some extent Peru, evaluate the impact of the full program (including consumption support), while the Yemeni case provides evidence on the impact of the remaining components, given the presence of preexisting consumption support for everyone in the study. This becomes particularly important when considering the program's cost-effectiveness.

### **2011 Political Crisis**

The Yemen Graduation program was launched in 2010, just prior to the Arab Spring and the accompanying political crisis in Yemen. Since the late twentieth century, Yemen has been one of the poorest countries in the Middle East, with a weak central government and high levels of instability. In January 2011, demonstrations erupted in the major cities of Sana'a, Aden, and Taiz. The situation deteriorated into a period of active armed conflict as a major tribal alliance began supporting the opposition. Former President Ali Abdullah Saleh fled to Saudi Arabia and was eventually convinced to resign in November 2011, at which point his former Vice President, Abdrabbuh Mansour Hadi, became Acting President pending the drafting of a new constitution by an internationally supported National Dialogue Conference. Significantly for the Graduation program participants, the delivery of the SWF transfers for most beneficiaries was suspended for five quarters from April 2011 until September 2012. While beneficiaries received a large lump-sum that included the missing payments when the transfers were resumed, the lack of regular delivery during the crisis period was a challenge for poor households (Moqueet 2013; IPC-IG and Unicef Yemen 2014).

The period from 2012 to 2014 (the year of our follow-up survey) was relatively peaceful and allowed for economic recovery after the disruptions of the 2011 revolution. There was, however, continued conflict with al-Qaeda during this period, taking the form of frequent bombings of government installations in major cities and oil pipelines, as well as clashes and drone strikes in some of the more isolated rural areas where al-Qaeda is based, including areas near the study's intervention sites (Sundberg and Melander 2013). Additionally, the large share of Yemeni households reliant on remittances from migrant labor experienced a significant economic shock as hundreds of thousands of Yemenis working in Saudi Arabia

were expelled (*Economist* 2013). The National Dialogue Conference failed to reach a final agreement among the various parties and in September 2014 the Houthi seized control of the government in Sana'a. A coalition led by Saudi Arabia intervened in 2015 to attempt to re-install the Hadi government, precipitating the ongoing civil war.

A baseline survey was completed in July 2010. Enterprise selection started immediately after the baseline survey and continued until January 2011. Figure 1 summarizes the timing of the project components and the political instability in Yemen at the time.

### **Impact of the crisis on program implementation**

Despite the crisis, the implementing teams maintained that they were able to provide services. This was confirmed with the monitoring data collected at endline: 229 out of 287 households in the program that were interviewed at endline said they received regular visits from SWF or SFD, at least initially, while three households said they did not receive regular visits (note however that this question was unanswered by 55 households). Out of those who reported regular visits initially, only 25% reported that visits stopped at any point due to political instability. 231 beneficiary households received training from the implementing partners, while two reported not receiving this training (and for 56 households we do not have responses for this question). The interruptions of the regular household visits may have reduced the effectiveness of the intervention. A study of a similar program in Uganda tested the importance of household visits, and found that a lack of regular supervisory visits were associated with significantly lower business survival (Blattman et al. 2016). Internal communications with SFD suggest that during the crisis visits were sometimes canceled due to road closures and unrest. There were also delays in distributing consumption support. Despite these challenges, field staff were able to travel to visit program beneficiaries with some regularity and internal monitoring suggested that few beneficiary households sold off their assets or lost their capital.

Even if the program had been implemented perfectly despite the crisis, households may have been facing unique constraints as a result of it. The most direct effect of the crisis was the increase in transport costs due to the lack of security and the proliferation of checkpoints that demanded toll payments and caused long delays. Attacks on the pipelines also led to shortages and high black market fuel prices, further increasing transport costs as well as the cost of pumping ground water for agriculture (*Reuters* 2013). Other evaluations of household welfare covering this time period found that employment in the private non-agricultural sector declined by half during 2011 (Christian et al. 2015) and proximity to conflict events during 2012 and 2013 was associated with significant decreases in child anthropometric status (Ecker et al. 2019). For program participants, the high transport costs meant that prices for inputs could be higher and prices for outputs could be lower (if middlemen needed to transport them elsewhere to sell), and prices could be more variable over time and space. Increases in food insecurity also gave households an incentive to consume the assets provided by the program.

### **Reverification of participants**

Initial screening of households for program eligibility was done using the Progress out of Poverty Index (PPI), a country-specific proxy means test based on 10 survey questions that are used to identify the likelihood that a household is below the national poverty line. Our baseline data suggests that prior to the implementation of the program approximately 40% of our sample was below Yemen's National Poverty Line of YER 179 per day in 2010 (Chen and Schreiner 2009).

Households were also generally quite poor in terms of food insecurity at the time of our baseline survey. In our sample, 70% of households report having an adult who skipped a meal at some point in the last 12 months due to a lack of food, and 37% report having an adult who had gone a full day without food.

However, the baseline data showed that despite the high incidence of poverty, a substantial share of individuals chosen from SWF's initial list and SFD's further screening had income levels and asset holdings that suggested they were not necessarily among the poorest of the poor. Several factors caused the program implementers to doubt the effectiveness of the targeting process. First, the baseline report showed that the averages for water, power, and gas usage for beneficiaries in two of the three governorates of this project (Lahj and Aden) were higher than expected. Second, some beneficiaries were found to have received recent loans from the Social Welfare Fund or Al-Amal Microfinance bank. Third, a few beneficiaries in some villages seemed to be selling their assets immediately after receiving them. The fact that the selected participants were relatively well off was likely a result of known issues with targeting within the SWF system from which the eligible households were selected, so that the selected households were among the poorest in the SWF system, but not necessarily the poorest in their communities.<sup>6</sup> The implementers decided to re-screen households and 199 people from the treatment group were determined to be *ineligible* for the program after the re-evaluation process was completed.<sup>7</sup> The rescreening was conducted after the assignment to treatment and control groups. Thus, some households who were originally identified as eligible for the program and were randomly selected into the treatment group did not actually receive the treatment. Unfortunately, an identical re-evaluation process was not carried out for the control group. Instead, several months later, a separate process was put in place to attempt to recreate the rescreening process. However, the proportion identified as ineligible among the control group was considerably different and, as a result, we do not have a reliable way to model selection into receipt of actual treatment.

Households that were excluded during reverification have, on average, more children, older household heads, larger houses, and more education than households that remained eligible. The differences are not necessarily large economically, but they are all statistically significant (see Appendix Table 1). The households do not differ statistically significantly in total household size or in likelihood of owning any livestock at baseline.

Since we present intent-to-treat (ITT) estimates, the fact that many treatment households were removed from the program reduces our power to detect the impacts of the program. For example, the ITT minimal detectable effect (MDE) for per-capita consumption is 14.5% of the mean of the control group.<sup>8</sup> This number is equal to the minimum effect of the program on those that participated that we could have

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<sup>6</sup> The SWF system was originally designed based on inclusion of social categories such as the elderly and disabled, and a shift towards targeting the poorest households via a Proxy Means Test was never fully implemented due to the challenge of removing existing non-poor beneficiaries from the rolls (IPC-IG and Unicef Yemen 2014).

<sup>7</sup> Seven households sold their assets immediately upon receipt, triggering the re-evaluation of beneficiaries, most of whom had yet to receive their assets. The process was informal and based on an interview and observation by the implementers. The program implementers removed households from treatment prior to the transfer based on four criteria: selling asset, taking a loan, being insufficiently poor, or qualitatively appearing unwilling to participate in the program. Poverty status was based on observables, including observable assets and housing construction (floor material, roof material, etc.), size of SWF stipend, and whether the household owned or rented their house.

<sup>8</sup> For 80% power, with a test size of 5%, a control group of 497 and a treatment group of 505, the MDE is 0.177 standard deviations. The mean and standard deviation of per capita monthly consumption in the control group is PPP\$91.94 and PPP\$75.15, respectively.

expected to detect had 100% of treatment households been eligible. Given that 39% of treatment households were ineligible after rescreening, the MDE of the program *on those who participated* is 23.8%, calculated from the ITT MDE scaled by 164% ( $=1/0.61$ ), the inverse of the share of those who were eligible after rescreening.

### **Data collection**

Initially, 1,002 households were considered eligible to participate in the project. We conducted a baseline survey with all eligible households prior to the start of the program, which included information about assets, health status, land use or access, livestock, and business activity, among other things.

An endline was originally planned for 2012, two years after the start of the program, but was delayed due to the violence and insecurity associated with the Arab Spring. Instead households were re-surveyed for an endline in May and June 2014, four years after the baseline survey was completed and one year after the intervention ended.<sup>9</sup> A total of 874 households were found and surveyed at endline.

### **Survey Attrition**

The endline response rate was 87%. Given the gap of four years between baseline to endline, and the political upheaval in Yemen, we consider this a high resurvey rate. Attrition took place for the following reasons: 29 treatment and 35 control households declined to be interviewed; seven treatment and five control households relocated; six treatment and six control households dissolved; two treatment households were too old to participate; one treatment household was not found due to a member's death; and one control household was travelling at the time of survey. For another 11 treatment and 24 control households, we do not have a recorded reason. To test for systematic selection into participating in the endline survey, we compare those found and surveyed at endline to those not surveyed. Appendix Table 2 reports the results of a regression that examines predictors of being interviewed at endline. Notably, treatment households were 4 percentage points (with a standard error of 2 percentage points) more likely to be surveyed than control households (columns 1 and 2), and this remains the case when controlling for a number of baseline household characteristics (columns 3 and 4). In addition, relative to control households, treatment households are statistically significantly more likely to be surveyed at endline if they have more children or an older household head. While we reject zero correlation for the latter univariate relationships, the aggregate test does not find systematic evidence of biased composition due to attrition at normal significance levels; the p-value of a test of joint significance of the baseline variables interacted with treatment is 0.18, implying that the composition of surveyed households is not strongly different between treatment and control.

### **Sample characteristics and balance**

Columns 1 and 2 of Table 1 shows means and standard deviations of basic household characteristics at baseline, separately for the control and treatment group. In the control group, households contain an average of 4.5 adults and 3.4 children under the age of 18. Heads of household are 51 years old on

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<sup>9</sup> For the endline survey, as with the baseline, Innovations for Poverty Action (IPA) contracted Apex to carry out the data collection. IPA provided training to Apex staff members on the endline survey instrument and conducted quality checks on the incoming data. The initial training on the instrument was held in Turkey given the ongoing security concerns. Although on-site supervision was not feasible for this survey round, the use of electronic data collection allowed IPA to routinely monitor incoming data to check for inconsistencies and other errors.

average, and women head 31% of the sample’s households. Household members have on average 4.3 years of schooling by the time they are 18. Livestock ownership at the time of baseline is high at 42%. However, only 14% of the sample owned goats, which was the most commonly chosen asset of the Graduation program. On average, households had a total monthly consumption of PPP\$739.

We do not reject equality of means at the 5% significance level for control and treatment households at baseline for any of the variables shown in Table 1. Only the housing index variable shows a statistically significant difference at the 10% level (p-value of 0.06), with treatment households having 0.11 standard deviations higher score. We do not reject equality of means for baseline characteristics in a joint test (p-value of 0.83). We conclude that, overall, the randomization was successful in creating comparable experimental groups.

### 3. Results

To measure the intent-to-treat (ITT) impact of assignment to the Graduation program, we estimate OLS regressions of the outcomes on the treatment group indicator and the baseline value of the outcome variable if available:

$$Y_{i,t=1} = \alpha + \beta_0 + \beta_1 T_i + \beta_2 Y_{i,t=0} + v_j + \epsilon_i$$

where  $Y_{i,t}$  is the outcome variable of interest for household  $i$  at baseline ( $t=0$ ) or endline ( $t=1$ ) and  $v_j$  are stratification cell (i.e., village) fixed effects. The coefficient  $\beta_1$  captures the average effect of being assigned to participate in the program. Under the assumption of no spillovers, we can interpret the coefficient as the causal effect.

#### Primary Outcomes

Table 2 presents results for the key welfare outcomes that the program aimed to improve.

We find a large and statistically significant increase in total assets (PPP\$290, se=PPP\$67, with a control group mean of PPP\$744) as well as in an index of savings outcomes (0.44 sd increase, se=0.12), but do not find an accompanying positive treatment effect on either consumption or income. Importantly, we can rule out effects of consumption and income that are similar to magnitude to that on assets; the confidence interval for change in monthly consumption per household ranges from negative PPP\$55 to positive PPP\$73 (with a control group mean of PPP\$616), which means that the upper bound equals a 12% increase in consumption in the treatment group relative to the control group, compared to a 39% increase in assets. We discuss this in more detail below.

Examining the components of total asset value, we find the increase in assets comes from productive assets, particularly livestock and, to a lesser extent, agricultural tools and structures (Appendix Table 3). In addition to the results on productive assets, we see a change in the housing index, another primary outcome, which increased by 0.11 standard deviations (se=0.06).

Note that the average value of the asset transfer of the program was PPP\$963 (US\$326) per participant. Since only 61% of the treatment group actually received the program, the cost figure that is comparable to the ITT—i.e. the cost per treatment group member—is PPP\$587 and so the effect after four years on total asset value is about 49% of the value of the initial transfer. This could reflect the selling or

consumption of some assets over the four years between the initial transfer and the endline; the positive impact on the housing index may be evidence of spending of this type.

Treatment households also increased savings activities as captured by a savings index that combines balance and deposit behavior. Ultra-poor households are often characterized by extreme financial vulnerability; they tend to have low and irregular income and are unlikely to have formal savings to draw from in case of emergencies or for investment. In Yemen, one of the core components of the graduation program was encouragement to save and the monitoring of records of savings by field officers. At the time of the baseline survey, only 1.1% of the entire sample reported having any kind of saving so it is reasonable to expect that the inclusion of a savings component would have visible effects on the savings habits of treatment households. This can be clearly seen in the endline results, indicating that the savings component did in fact change savings habits; treatment households have a higher monthly average savings balance and report higher levels of deposits in the three months prior to the survey (Appendix Table 8).

## Secondary Outcomes

Table 3 presents results on a second set of outcomes, encompassing experiencing and coping with shocks; household composition; mortality; and travel.

The Graduation program aims to improve the resiliency of program participants—to enable households to respond to shocks in ways that do not harm long-term investment and income generating activities. While treatment households do not have a statistically significantly higher incidence of experiencing a shock of any type in the past 12 months (Table 3, Panel A), they do report a 7 percentage points higher likelihood of livestock shocks ( $se=2pp$ ). The latter is likely a mechanical by-product of having more livestock (Appendix Table 3) and thus should not be interpreted as a negative consequence *per se*. We examine households' ability to cope with shocks and find a 4-percentage-point increase ( $se=2pp$ ) in the likelihood of having a shock in the past 12 months *and* using savings to cope with it. On net, it is ambiguous whether this a good or bad outcome. Taking on more risks, when coping strategies are viable and risk is positively correlated with expected returns, can lead to higher and more sustainable long-term income. Of course, higher risk without compensating higher returns is bad. The effects here are not large enough, nor are the data granular enough, nor is there is enough variation in relevant observable states of the world, to be able to ascertain whether the net effect here on shocks and coping is evidence of positive or negative impacts.

Importantly, we find an increase in mortality in the household (Table 3, Panel C). Treatment households are 6 percentage points ( $se=2pp$ ) more likely than the control group to have seen their household head die since the baseline four years earlier. The control group mean is only 5 percent, thus a 6-percentage-point increase represents a doubling of the mortality rate of the household head.

We posit a number of possibilities for why we measure an increase in mortality for the household head, several of which imply positive impact on welfare, others negative, and others ambiguous. First, the mortality effect could be due to increased economic activity that led treatment households to leave the house and village more often to trade and do business. To examine this we look at data on travel incidence (Panel D) and indeed find higher travel rates for treatment households. We do not have travel data broken

down by household member, however, which would be useful to pinpoint whether travel could be responsible for the increased mortality of the household head in particular. In addition, we do not find an increase in the number of household members dying in an accident, which provides evidence against the travel mechanism. Many causes of death, however, were not reported in the survey in the first place.

Second, the mortality effect could be the result of a household composition change as a by-product of being better-off economically, i.e., the higher levels of prosperity and economic activity led to elderly relatives being brought into the household. Average household size does increase, but not statistically significantly so (0.19 more members in the household,  $se=0.16$ ). Furthermore, the point estimate for the effect on average age of household members is *negative* (-0.70 years,  $se=0.48$ ). Thus, we do not have direct or indirect evidence in favor of this mechanism.

Lastly, the results could be an artefact of differential survey attrition. We conclude in our discussion of attrition above that the composition of endline respondents does not differ substantially in aggregate. However, one univariate comparison may be important: relative to the control group, older household heads are more likely to respond in the treatment group (Appendix Table 2, interaction of age of head with treatment; +4pp per ten years of head age,  $se=2pp$ ). Although this is a weak result statistically, it still may be the underlying explanation. There are two mechanisms to consider that would lead to an upward-biased estimated mortality effect. First, if treatment effects led to positive income-generating changes, a widow may be more likely to be able to stay in her homestead and support herself and her remaining family with the new income-generating activity. Control household widows on the other hand may have to move, and thus also be harder to find for surveying. Second, treatment households maintained further contact with the implementers of the program, whereas control households did not. And, thus, if a household did relocate after the death of the household head, this might make treatment households relatively more easily findable by the survey team -- irrespectively of any effects on economic activity.

### **Why would Assets Increase but not Consumption?**

Given the importance of these divergent results, we put forward four possible explanations.

First, the difference could be due to imprecision. However, as discussed above, the upper bound on monthly household consumption after four years is a 12% increase over the control group, whereas the asset increase is 39%. We can therefore safely rule out that the increase in consumption at endline was proportionally the same size as the increase in assets.

Second, the difference may relate to a higher proportion of travelers amongst treatment households. We do observe more travelling by household members, and the consumption survey did not include their consumption. This could cause a noticeable downward bias in the estimated treatment effect on consumption. When we adjusted for this in the household consumption per capita by computing consumption per non-travelling member, the point estimate for change in consumption was no longer negative (Appendix Table 4, Panel A). The adjustment is not large enough, however, to explain the difference between the consumption and asset results.

Third, unobserved consumption prior to the period captured by the endline survey may be responsible for the difference. Consumption increases may have occurred over the four years since the program start are not captured by the endline. The most generous estimate of this would be to use the monthly consumption per household result of PPP\$9.32 monthly increase per household at endline (Table 2), and

multiply this by four years, yielding a PPP\$447 increase in consumption over four years. This is likely to be the upper bound, in that the PPP\$9.32 per household point estimate has a standard error of PPP\$32, thus encompassing both zero and noticeably negative values, and the monthly consumption per capita (rather than per household) point estimate is actually negative (because of the increase in household size in the treatment group relative to the control group).

Fourth, unobserved categories of consumption in the endline survey may be part of the explanation. The results on housing may be evidence of this since we do see improved housing stock in treatment relative to control. We do not have a way of valuing this differential, but improved housing stock is evidence that treatment households were investing more in durable assets (which we find direct evidence of as well).

Lastly, to reconcile these results, we should consider why, if consumption had indeed not improved, households did not divest of more of the livestock. The shocks from the civil conflict could have made them value their assets more, preserving them as a buffer stock for even worse times. Times were already harsh, however; for example, 20% of adults skip entire days of eating (Appendix Table 7). While this may make the buffer stock mechanism somewhat less convincing, the interpretation is both in line with results from other settings (Kazianga and Udry 2006) and with the implementer's assessment of the buffer stock role of livestock in a setting where conflict is salient in household's decision-making. Program officers may also have reinforced buffer-stock behavior through messages delivered during their weekly visits. As reported in a qualitative study of the intervention, program officers strongly discouraged participants from selling off their productive assets (Moqueet 2013).

### **Cost-Benefit Analysis**

To determine the effectiveness of the program, we must consider the cost-benefit ratio (particularly since this is a fairly expensive program). However, it is impossible to be comprehensive without data on what transpired over much of the four years, and it is reasonable to conjecture that we are underestimating the benefits relative to the costs; the costs are fully measured, and any consumption benefits realized but not measured over the four years are not included in our calculation.

With that caveat in mind, we first examine change in wealth as a percentage of costs. The size of the transfer to each participating household was PPP\$963 on average. Under the assumption of no spillovers, we can scale the ITT estimates from the treatment effect tables by 164% ( $=1/0.61$ ) to compute the estimate of the Treatment on the Treated (TOT) that accounts for the fact that 39% of the treatment group did not receive the program (and therefore did not benefit from the program but also had no associated costs). Assets increased by an average of PPP\$475 per participant, while savings rose by PPP\$12 (based on the scaled estimates in Table 2 and Appendix Table 8, respectively). Therefore, the increase in total wealth four years after the asset transfer corresponds to approximately 49% of the size of the transfer. Purely in terms of wealth, the *measured* benefits after four years to households were substantially less than the size of transfers received. Much remains unmeasured, however, thus rendering the cost-benefit analysis incomplete. For example, households may have liquidated some of the assets over the four years, perhaps due to the civil unrest, in order to absorb the shock and smooth consumption, or households may have earned and consumed more over the first three of the four years as a by-product of the program.

Next, we examine consumption, a perhaps stronger long-term measure, since eventually increases in wealth ought to lead to higher consumption. Estimating the total benefit to individuals requires some

assumptions about how consumption levels differed between control and treatment households over time. Using the most generous approach from the above section would yield a PPP\$733 (PPP\$447 inflated by 1/0.61) increase in consumption over four years. When combined with the increase in assets, this adds up to a total benefit per participant of PPP\$1,120. This surpasses the cost of the asset transfer (PPP\$963) and approaches the total cost of the program (PPP\$1,175 after adding costs of supervision of PPP\$170 and costs of operation PPP\$42).

Lastly, two other potentially important outcomes are not incorporated into the cost-benefit analysis. The housing improvements amongst the treatment group may be indicative of more stable households, able to invest in long term durables. Second, the shift in mortality could be important, and could be indicative of a positive change (more economically active households, more able to take-on elderly care of relatives) or negative (households that are taking on more risks in travel and exposure to civil conflict).

#### **4. Conclusion**

As the events of the Arab Spring brought political and economic crisis to Yemen, the Yemen Graduation program became an important test of the graduation approach in difficult contexts. Could the livelihood, asset-base, and coaching provided by the project give households what they needed to weather sudden macroeconomic shocks? Or would economic conditions prevent beneficiaries from developing livelihoods and moving out of extreme poverty? Answering this question is hampered by two factors. A decision by the implementing agencies to drop a large portion of the treatment group from the program reduced the ability to detect statistically significant results, and the security situation in Yemen delayed the collection of follow-up data until four years after the baseline and the subsequent training and transfer of assets.

Despite these challenges, the evaluation of the Yemen graduation program shows positive gains in some, though not all, areas. Compared to the control group, treatment households have considerably higher values of productive assets. Treatment households also report saving more and keeping more money in their savings accounts. No statistically significant differences were found for income or total household consumption, and negative impacts were observed on per capita consumption (because household size increased). We observe a potentially important increase in mortality rate that could be the result of positive impacts of the program. The mortality increase could be a consequence of positive impacts of the program (households became more economically capable of taking care of the elderly; but we do not find support for this mechanism); an unintended negative impact from the positive economic impacts (increased economic activity led to more travel and exposure to the civil unrest); or a result of differential survey attrition (which itself may be a by-product of positive economic impacts on households that experience a death for unrelated reasons).

The results differ considerably from the other six sites evaluated as part of this larger worldwide effort. Banerjee et al. (2015), which studied the same program in Ethiopia, Ghana, Honduras, India, Pakistan, and Peru, finds strong increases in income, consumption, assets, food security, mental health, and female empowerment. Furthermore, the program was cost effective in five out of the six sites. We highlight several differences in the program, context and evaluation, to help explain the difference between the results in Yemen and the other sites.

Firstly, the program differed with respect to consumption support. The underlying theory behind the provision of consumption support is that households need a certain degree of “breathing room” in order to profitably manage the asset they receive. If households are chronically food insecure, and on the

margin of eating or not eating, they are likely to be tempted to liquidate (or slaughter) any assets received for the sake of improving their consumption in the short-term. In Yemen, both treatment and control households received consumption support as part of a pre-existing government social protection program and this support was irregularly delivered during the political crisis, whereas in most of the other sites only the treatment group received the consumption support.

Secondly, the civil unrest in Yemen could be a critical underlying contextual variable that lowers the long-run returns to the program. It could make it more difficult for participants to access markets, or (more positively) could lead to higher incentives to sell or slaughter assets in order to absorb the shock from the civil unrest and address immediate consumption needs.

Thirdly, the long gap in surveying (four years, from 2010 to 2014, as a result of the political instability) limits our ability to observe what happened in the early stages of the project and is also likely to increase outcome variance. It could be that the program had a large short-run positive impact, specifically in helping households absorb the shock from the civil unrest. We do find some evidence, albeit limited, to support this: households in the treatment group were more likely to report using savings to absorb shocks. Note, however, that evaluations have found persistent long-run impacts of similar programs in India and Bangladesh (Banerjee et al. 2016; Bandiera et al. 2017). The gap in surveying therefore limits our ability to measure mechanisms but is not itself an explanation for the lack of positive treatment effect on many outcomes, in particular consumption.

The lack of consumption support and presence of civil unrest potentially interacted with each other, as consumption support would be particularly relevant in a setting where participants were exposed to more adverse shocks, especially over a longer time horizon. In two of the six stable sites (Ethiopia and Peru) reported on in Banerjee et al. (2015), consumption support did not differ between treatment and control groups and yet evaluations found impacts from the asset transfer and training alone. On the other hand, in both of the other evaluations so far conducted in conflict-affected settings (Afghanistan and South Sudan), consumption support has differed between treatment and control groups. In the Afghanistan graduation program, where impacts were particularly strong, participants received not only ongoing consumption support, but also veterinary support and replacement of sick or deceased animals during the operation of the program (Bedoya et al. 2019).

There is some external evidence for the potential for the graduation program asset transfers to increase rather than reduce vulnerability to shocks in unstable contexts such as Yemen. The Yemen Social Fund for Development's Rainfed Agriculture and Livestock Program is similar to the Yemen Graduation program in that it provided livestock assets and training, but it relied on self-selection into cooperative groups and required co-investment rather than targeting the ultra-poor. However, an evaluation of this program during the same time period (2009–2011) found that even for somewhat better-off households, increases in livestock ownership were not accompanied by increases in consumption measures and participation in the program caused an increase in the probability that households had experienced a money shortage during the past 12 months (Janvry et al. 2016). Raising sheep and goats is costly for farmers in Yemen, even if the animals are originally transferred for free. In addition to the time spent grazing animals, owners invest in constructing pens, providing water, purchasing feed supplements, and paying for medications and veterinary services. The baseline for this evaluation showed that most households in rural Yemen do not have access to veterinary services for their livestock, and conversations with program staff and participants revealed that this lack of access was compounded by the conflict and participants tended to

sell off livestock during times of crisis if they did not expect that they would receive sufficient support from the program (Egel and Yeslam 2010). Faced with shocks exacerbated by the conflict—such as animal disease, high cost or difficulty in access to watering sources, or high costs of transportation to markets and low prices—households may find that their expected returns to investing in raising livestock are negative.

The fact that some initially randomized beneficiaries preferred to sell off the livestock assets rather than engage in an income generating project, as well as the significant impacts found by the evaluation on durable good ownership compared to somewhat low though positive impacts on livestock asset ownership, also suggest that for risk averse households, the expected returns from the livelihood projects may have been too low to accept the risk of losses in an already highly unstable environment.

Finally, as discussed above, the re-qualification process amongst the treatment group led to lower statistical power for assessing the impact of the program. However, the India site from Banerjee et al. (2015) had a similar issue (albeit through participant choice rather than disqualification), and the results in India are quite strong across almost all outcome measures, both two and three years after the asset transfers.

Overall, and even during exceptionally difficult circumstances, the graduation approach in Yemen was able to have important positive impacts on asset accumulation and savings behavior four years after the asset transfer, albeit substantially less than the amount the household had originally received.

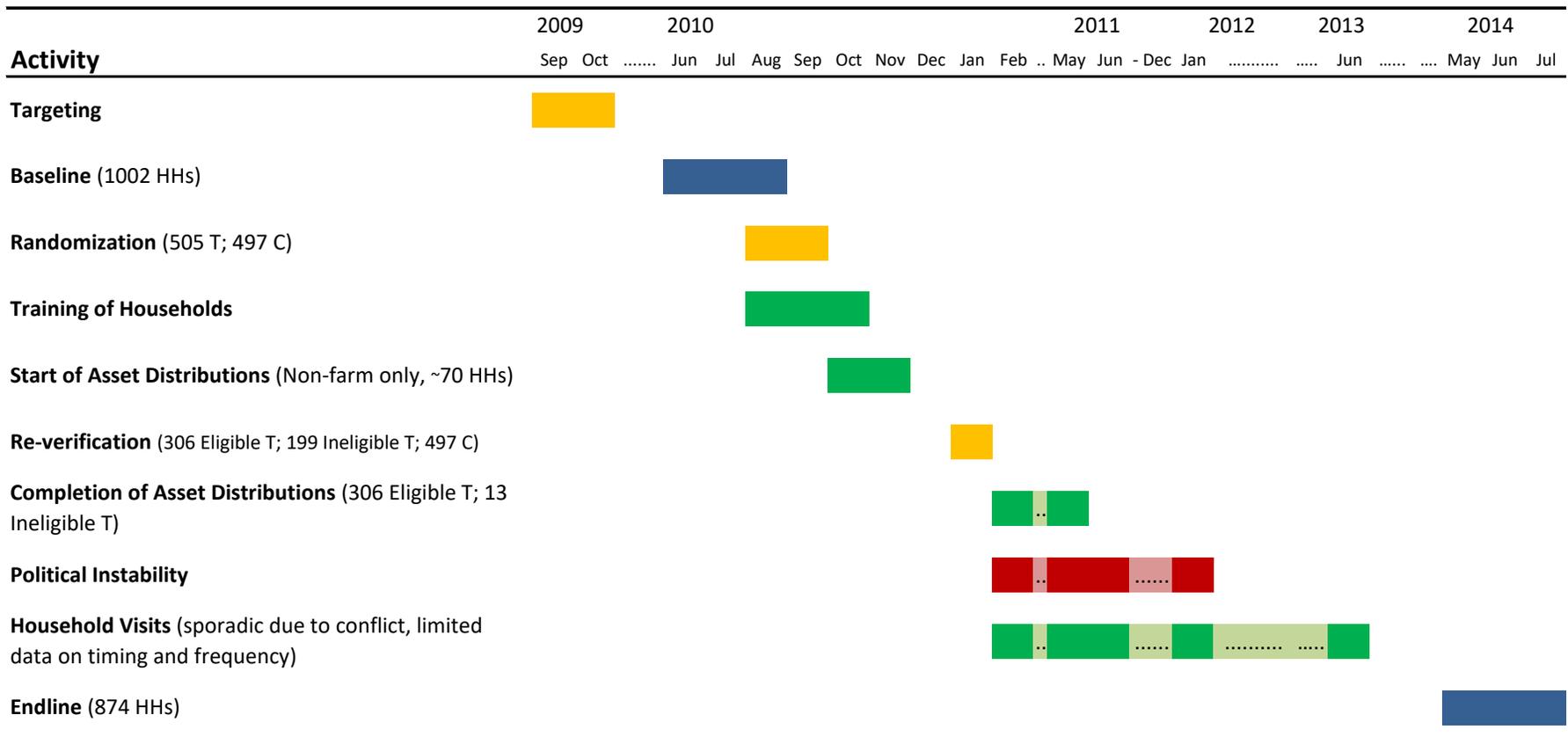
Still, the question remains whether the lack of impact on other dimensions is due primarily to missing short-run benefits from the program, to the crisis, to the low precision from the requalification process, or to some other factor. While the graduation approach has been largely successful elsewhere, there has been a wide range of impacts among the nine sites previously studied (Bangladesh, reported in Bandiera et al. (2017); Ethiopia, Ghana, Honduras, India, Pakistan and Peru, reported in Banerjee et al. (2015); South Sudan reported in Chowdhury et al. (2017); and, Afghanistan reported in Bedoya et al. (2019)). Further research is needed to better understand how such programs can help households to survive system-wide crises. Such research would likely benefit from more frequent data collection during the crisis, though this poses obvious logistical challenges.

As part of a developing literature on the degree to which ultra-poor graduation programs can work in conflict affected settings, this evaluation suggests that in such a high-risk environment—and without program attributes such as consumption support and ongoing business support, and insurance during the duration of the intervention to help to mitigate the risk of shocks—graduation programs may be less effective than they are in non-conflict settings, but may still be an effective method of helping households cope with the conflict.

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**Figure 1. Timeline of program activities and surveying**



**Table 1. Summary Statistics and Balance**

	(1)	(2)	(3)	(4)
	Control mean (S.D.)	Treatment mean (S.D.)	Obs.	P-value of test: (1)=(2)
<b>Demographics</b>				
Num. of adults ( $\geq 18$ years)	4.48 (2.45)	4.71 (2.48)	1002	0.18
Num. of children (<18 years)	3.39 (2.44)	3.16 (2.33)	1002	0.15
Age of household head (years)	50.50 (12.63)	51.45 (13.77)	957	0.36
Female household head	0.31 (0.46)	0.31 (0.46)	996	0.87
Avg yrs of schooling of adult hh mem.	4.20 (2.76)	4.40 (2.60)	1002	0.36
<b>Economic outcomes</b>				
Household owns any livestock	0.42 (0.49)	0.47 (0.50)	1002	0.20
Household owns goats	0.14 (0.34)	0.14 (0.35)	1002	0.96
Monthly consumption (PPP\$)	738.88 (516.31)	749.06 (544.06)	932	0.98
Food security index (z-score)	-0.00 (1.00)	0.06 (0.97)	1002	0.35
Perceived economic status (1-10)	2.80 (1.79)	2.80 (1.75)	979	0.93
Housing index (z-score)	-0.00 (0.99)	0.11 (1.01)	1002	0.06
P-value of joint F-test of equality				0.83

*Notes:* Randomization was stratified by village. Column 4 shows p-values based on regressions of each baseline variable on the treatment indicator and a full set of village indicators. The joint test for orthogonality is based on regression of the treatment indicator on all baseline variables and village indicators. See Appendix Tables 7 for the components of the food security index and Appendix Table 9 for the housing index.

**Table 2. Treatment Effects on Key Welfare Outcomes**

	(1)	(2)	(3)	(4)	(5)	(6)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.	Appendix table # with details
Total asset value (PPP\$)	290.15***	(66.97)	743.56	922.05	874	3
Monthly consumption per capita (PPP\$)	-2.22	(4.80)	91.94	75.14	874	4A
Monthly consumption per household (PPP\$)	9.32	(32.07)	616.36	483.78	874	4B
Total income, past 12m (PPP\$)	-21.85	(342.71)	1406.68	4532.56	847	5 & 6
Livestock income, past 12m (PPP\$)	-20.09	(34.53)	-70.73	484.30	874	5
Non-livestock income, past 12m (PPP\$)	42.79	(338.43)	1411.33	4439.80	847	6
Food security index (z-score)	0.04	(0.07)	-0.00	1.00	874	7
Savings index (z-score)	0.44***	(0.12)	-0.00	1.00	874	8
Perceived economic status (1-10)	-0.04	(0.14)	3.68	2.23	864	-
Housing index (z-score)	0.11*	(0.06)	-0.00	0.98	874	9
Debt index (z-score)	-0.05	(0.05)	-0.02	0.86	874	10

Notes: Regressions with the components of each outcome variable in this table are shown in Appendix Tables 3 through 10. Regressions include as controls a full set of village indicators (= level of stratification of randomization) and the baseline value of dependent variable where available (namely, rows 2-6 and 9-11). Missing values of dependent variables at baseline were replaced by zero and indicators for missing observations are added to the regression as controls. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Table 3. Treatment Effects on Shocks, Household Composition, Mortality and Travel**

	(1)	(2)	(3)	(4)	(5)
			Control	Control	
	Coeff.	(S.E.)	Mean	S.D.	Obs.
<u>Panel A: Shocks in past 12m</u>					
Had any shock	0.03	(0.03)	0.55	0.50	874
Had livestock shock	0.07***	(0.02)	0.03	0.18	874
Had shock <i>and</i> used [...] to finance coping					
savings	0.04*	(0.02)	0.13	0.34	874
loan	0.00	(0.03)	0.25	0.43	874
sale of livestock or crops	-0.00	(0.01)	0.98	0.14	874
<u>Panel B: Household composition</u>					
Household size	0.19	(0.16)	7.48	3.50	874
Average household education (adults)	0.08	(0.11)	4.37	2.88	874
Average household age	-0.70	(0.48)	28.58	10.27	874
Hh has new members since baseline	0.01	(0.03)	0.44	0.50	874
Number new members since baseline	0.14	(0.11)	0.91	1.48	874
New household head since baseline	-0.01	(0.01)	0.02	0.13	874
<u>Panel C: Mortality</u>					
Hh head died since baseline	0.06***	(0.02)	0.05	0.22	874
Number of members ...					
who died since baseline	0.06*	(0.03)	0.17	0.40	874
present at baseline who died since	0.06**	(0.03)	0.16	0.40	874
who died of an illness	0.01	(0.02)	0.06	0.23	874
who died from an accident	-0.01	(0.01)	0.02	0.13	874
Average age of members who died	1.58	(5.67)	49.35	27.58	158
<u>Panel D: Travel</u>					
Number of members who travelled	0.15**	(0.07)	0.48	0.89	874
Proportion of traveling members	0.02**	(0.01)	0.08	0.15	874
Number of members travelling for work	0.07**	(0.03)	0.21	0.50	874
Proportion of members travelling for work	0.02***	(0.01)	0.03	0.08	874

Notes: "Hh" = household. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level. For additional notes, see Table 2.

**Appendix Table 1. Analysis of Eligibility Among Households Assigned to Treatment**

	(1)	(2)	(3)	(4)
	Eligible mean (S.D.)	Non-eligible mean (S.D.)	Obs.	P-value of test: (1)=(2)
Num. of different income sources	1.18 (0.43)	1.24 (0.49)	505	0.26
Num. of household members	7.52 (3.01)	7.86 (3.15)	505	0.27
Num. of children	3.38 (2.37)	2.82 (2.22)	505	0.11
Num. of rooms in house	2.64 (1.15)	3.06 (1.19)	505	0.00
Quarterly SWF stipend (PPP\$)	127.48 (30.10)	147.17 (112.72)	505	0.02
Owns land that home is built on	0.69 (0.46)	0.85 (0.36)	499	0.01
Has bank account	0.00 (0.00)	0.00 (0.00)	505	.
Has a loan	0.58 (0.50)	0.45 (0.50)	501	0.13
Took a formal loan in past 12m	0.03 (0.18)	0.07 (0.26)	505	0.19
Has a loan from formal source	0.49 (0.50)	0.32 (0.47)	505	0.03
Has refused a loan in past 12m	0.27 (0.44)	0.23 (0.42)	497	0.68
Owns livestock	0.51 (0.50)	0.50 (0.50)	505	0.12
Owns a TV	0.69 (0.46)	0.87 (0.34)	505	0.01
Owns a radio	0.20 (0.40)	0.22 (0.42)	505	0.43
Owns a telephone	0.36 (0.48)	0.55 (0.50)	505	0.01
Owns an electric fan	0.59 (0.49)	0.81 (0.39)	505	0.03
Owns a stove	0.77 (0.42)	0.91 (0.29)	505	0.01
Owns a gas cylinder	0.75 (0.43)	0.88 (0.32)	505	0.03
Owns a fridge	0.42 (0.49)	0.65 (0.48)	505	0.05
Uses electricity for lighting	0.79 (0.41)	0.91 (0.28)	505	0.14
P-value of joint test for orthogonality				0.00

*Notes:* Randomization was stratified by village. Column 4 shows p-values based on regressions of each baseline variable on the treatment indicator and a full set of village indicators. The joint test for orthogonality is based on regression of the treatment indicator on all baseline variables and village indicators. Variables are top winsorized at the 99th percentile.

**Appendix Table 2. Endline Survey Response Rate Analysis**

	(1)	(2)	(3)	(4)
	Coeff.	(S.E.)	Coeff.	(S.E.)
Treatment	0.04	(0.02)**	0.04	(0.02)**
Number of adults (>18 yrs)			0.00	(0.01)
Number of children (<= 18 yrs)			-0.00	(0.01)
Age of hh head (years/10)			-0.02	(0.01)*
Household head is female			-0.01	(0.03)
Number of rooms in home			-0.03	(0.02)
Avg years of schooling of hh members			-0.01	(0.01)
Household owns goats			-0.03	(0.05)
Household owns any livestock			0.00	(0.04)
Monthly consumption (PPP\$/1000)			0.03	(0.03)
Food security index			0.02	(0.02)
Perceived economic status (1-10)			0.00	(0.01)
Housing index			0.01	(0.02)
Treatment interacted with:				
Number of adults (>18 yrs)			0.00	(0.01)
Number of children (<= 18 yrs)			0.02	(0.01)*
Age of hh head (years/10)			0.04	(0.02)**
Household head is female			-0.00	(0.04)
Number of rooms in home			0.01	(0.02)
Avg years of schooling of hh members			0.01	(0.01)
Household owns goats			0.03	(0.06)
Household owns any livestock			0.01	(0.05)
Monthly consumption (PPP\$/1000)			0.03	(0.04)
Food security index			-0.01	(0.02)
Perceived economic status (1-10)			-0.00	(0.01)
Housing index			-0.03	(0.02)*
Mean of dependent variable	0.85		0.85	
Observations	1,002		1,002	
P-value of F-tests:				
Treatment = 0	0.03		0.03	
Interacted covariates = 0			0.18	
Treatment & interacted covariates = 0			0.02	

Notes: The table shows results from a regression of an indicator for being successfully surveyed at endline on treatment status, baseline variables and interactions, run on the sample of all households interviewed at baseline. Village fixed effects included in all columns. Robust standard errors in parentheses. Dummy variables are included as controls and in set of interactions if a covariate is missing (coefficients not shown). Regressors are demeaned and the coefficient on "Treatment" in the interacted specification shows the average effect of treatment, as it does in the non-interacted specification. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 3. Treatment Effects on Asset Values**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Total asset value (PPP\$)	290.15***	(66.97)	743.56	922.05	874
[2] Household durables (PPP\$)	64.16*	(33.13)	406.32	481.52	874
[3] Productive capital (PPP\$)	227.52***	(42.25)	306.01	579.22	874
[4] Ag. tools & structures (PPP\$)	30.81**	(14.61)	82.17	220.88	847
[5] Livestock (PPP\$)	195.37***	(35.17)	219.75	462.39	874
[6] Goat and sheep (PPP\$)	195.89***	(30.78)	149.76	358.23	874

*Notes:* For simplicity of presentation we include five items as part of household durables that could not readily be classified as a household durable or productive asset. The mean of these "other" items is PPP\$87.76 and the results are qualitatively unchanged when classifying them as part of a separate category. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 4. Treatment Effects on Consumption**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
<u>Panel A: Monthly consumption, per capita (PPP\$)</u>					
Per household member					
[1] Total	-2.22	(4.80)	91.94	75.14	874
[2] Food	-3.06**	(1.38)	34.03	25.32	874
[3] Non-food	-1.29	(2.33)	36.64	37.18	874
[4] Durable	0.58**	(0.26)	1.11	3.22	874
[5] Education	0.12	(0.15)	1.53	2.15	874
[6] Health	0.36	(3.25)	18.89	46.33	874
[7] Total, per non-travelling member	0.70	(6.61)	104.18	99.12	870
<u>Panel B: Monthly consumption, total per household (PPP\$)</u>					
[8] Total	9.32	(32.07)	616.36	483.78	874
[9] Food	-9.59	(8.79)	223.28	154.98	874
[10] Non-food	8.74	(16.59)	244.18	244.24	874
[11] Durable	3.01*	(1.75)	7.95	22.96	874
[12] Education	1.29	(1.16)	11.88	16.55	874
[13] Health	-1.84	(19.07)	124.27	275.43	874

*Notes:* Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 5. Treatment Effects on Livestock Income in Past 12 Months [PPP\$]**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Net livestock income ([2]-[3])	-20.09	(34.53)	-70.73	484.30	874
[2] Revenue	56.48***	(20.49)	91.97	288.76	874
[3] Total costs ([4]+[10])	76.51***	(20.46)	145.37	285.37	874
[4] Input costs ([5]+[6]+[7]+[8]+[9])	75.11***	(20.08)	139.66	280.45	874
[5] Fodder	63.29***	(19.46)	131.64	273.39	874
[6] Transportation	-0.19*	(0.10)	0.31	1.93	874
[7] Animal related labor	-0.00	(0.52)	1.05	7.48	874
[8] Vaccines and vet costs	3.79***	(0.92)	1.62	9.03	874
[9] Other input costs	7.12***	(1.67)	0.19	2.95	874
[10] Livestock structure costs	1.59	(1.27)	4.57	19.76	873

*Notes:* Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 6. Treatment Effects on Non-Livestock Income in Past 12 Months**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Non-livestock income ([2]+[3]+[6])	42.79	(338.43)	1411.33	4439.80	847
[2] Income from paid work	48.44	(332.36)	1303.67	4373.40	851
[3] Business profit ([4]-[5])	25.05	(49.08)	96.27	626.70	870
[4] Business revenue	20.06	(88.15)	263.99	1275.45	874
[5] Business expenses	22.08	(42.65)	105.92	621.12	872
[6] Agriculture profit ([7]-[8])	-22.53	(24.54)	-25.26	195.03	874
[7] Agriculture revenue	-0.57	(10.48)	26.65	149.85	874
[8] Agriculture expenses	10.32	(13.54)	49.36	194.54	874

*Notes:* Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 7. Treatment Effects on Food Security**

	(1)	(2)	(3)	(4)	(5)
			Control	Control	
	Coeff.	(S.E.)	Mean	S.D.	Obs.
[1] Food security index	0.04	(0.07)	-0.00	1.00	874
[2] All household members usually get enough food	0.01	(0.03)	0.47	0.50	862
[3] Everyone regularly eats 2+ meals a day	0.03	(0.02)	0.89	0.31	874
[4] Adults did not cut or skip meals in past 12m	0.02	(0.03)	0.46	0.50	871
[5] Adults did not skip eating for a full days in past 12m	-0.01	(0.03)	0.80	0.40	871
[6] Kids did not cut or skip meals in past 12m	0.01	(0.04)	0.56	0.50	649

Notes: The dependent variable of row 1, "Food security index", is a normalized average of the normalized transformations of rows 2-6, with normalization referring to subtracting the control group mean and dividing by the standard deviation of the control group. Dependent variables in rows 2-6 are binary indicators. The dep. var. of row 2, "All household members usually get enough food", is based on the question "How often do all members of your household not get enough food to eat?" and is coded as 1 if the response was not one of the prompted options that ranged from "Daily" to "Yearly", and 0 otherwise. The dep. var. of row 3, "Everyone regularly eats 2+ meals a day", is based on the question "Does everyone in the household regularly eat at least two meals a day?" and is coded as 1 if the response to the latter question was "Yes", and 0 otherwise. The dep. var. of row 4, "Adults did not cut or skip meals in past 12m", is based on the question "In the last 12 months, did you or any other adults in your household ever cut the size of your meals or skip meals because there were not enough resources for food?" and is coded as 1 if the response to the latter question was "No", and 0 otherwise. The dep. var. of row 5, "Adults did not skip eating for a full days in past 12m", is based on the question "In the last 12 months, did you or any other adults in your household ever not eat for a whole day because there wasn't enough money for food?" and is coded as 1 if the response to the latter question was "No", and 0 otherwise. The dep. var. of row 6, "Kids did not skip eating for a full days in past 12m", is based on the question "In the last 12 months, did a household member younger than 18 ever cut the size of the meals or ever skip a meal because there wasn't enough money for food?" and is coded as 1 if the response to the latter question was "No", and 0 otherwise. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 8. Treatment Effects on Savings**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Savings index (z-score)	0.44***	(0.12)	-0.00	1.00	874
[2] Total savings balance (PPP\$)	7.51***	(2.11)	2.23	15.69	874
[3] Deposits made, past 3 months (PPP\$)	0.91***	(0.32)	0.20	2.38	874

*Notes:* Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 9. Treatment Effects on Housing**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Housing index (z-score)	0.11*	(0.06)	-0.00	0.98	874
[2] Number rooms per adult equivalent	-0.02	(0.02)	0.52	0.34	874
[3] Primary roofing material: concrete/stone/brick	-0.01	(0.02)	0.07	0.25	874
[4] Primary wall material: stone/concrete	0.02	(0.02)	0.27	0.44	874
[5] Uses a latrine (not open)	0.02	(0.02)	0.82	0.39	874
[6] Did hh repairs in the last 12m	0.06**	(0.03)	0.24	0.43	874
[7] Money spent on hh repairs last 12m (PPP\$)	88.27**	(41.48)	192.26	565.80	859
[8] Plan to do hh repairs/improvements next 12m	0.06**	(0.03)	0.19	0.40	836
[9] Drinking water is treated	-0.00	(0.02)	0.13	0.33	874
[10] Inverse of time to get to water source (min.)	0.36	(1.15)	169.51	21.87	851

*Notes:* "hh" = household. Variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.

**Appendix Table 10. Treatment Effects on Lending and Debts**

	(1)	(2)	(3)	(4)	(5)
	Coeff.	(S.E.)	Control Mean	Control S.D.	Obs.
[1] Informal loan amount (PPP\$)	-27.52	(57.54)	294.45	922.28	874
[2] Formal loan amount (PPP\$)	-23.52	(15.88)	59.02	271.01	874
[3] Debt amount (PPP\$)	-6.92	(43.85)	266.29	688.64	874

*Notes:* All variables are top winsorized at the 99th percentile. \* denotes significance at the 10-percent level; \*\* at the 5-percent level; and \*\*\* at the 1-percent level.