

Economics Project IV

Project Summary

A research project is currently being undertaken under the auspices of the Jameel Poverty Action Lab (J-PAL) at the AUC, whereby researchers are piloting the Graduation approach – introduced by BRAC in 2002, a multifaceted program targeted at the extreme poor and that includes a consumption stipend, financial training, an asset transfer and technical training and coaching. The project is being implemented by two local NGOs in Upper Egypt and is funded by Sawiris Foundation for Social Development. The research focuses on measuring the effectiveness of the Graduation approach in Upper Egypt, with a special focus on cost-effectiveness and inter-household dynamics in choosing and managing an income-generating activity. The methodology being used in this research is a randomized control trial and data is expected to be collected for the baseline in 2019 and mid-line data should be further collected in 2020. Within this context, the selected graduate student will conduct his/her master thesis research.

Introduction

As governments gravitate towards introducing more sustainable programs for social protection an impact evaluation that tests the Graduation approach in Egypt and its effectiveness will offer valuable insights about transitioning out of extreme poverty. At a “micro” level, the evaluation will illuminate whether participants benefit from the program or not, and in what ways. Typically: Did the program have an impact on consumption, asset ownership, health, and the food security of households? What is the impact of explicitly targeting income-generating support (asset transfer and technical training) to women in the households compared to the male heads of the household? Can a leaner model with lower costs lead to similar household outcomes? At the “macro” level, the evaluation can inform decisions to scale it up at the national level by the Ministry of Social Solidarity in Egypt, and that it adds to the global literature on the impact of the Graduation approach across a number of different contexts.

Problem Statement

According to the 2015 income and expenditure survey conducted by the Central Agency for Public Mobilization and Statistics, 27.8 percent of Egypt's population lived below the national poverty line of EGP 482 (US\$61). This figure was expected to increase following the devaluation of the Egyptian currency and the rise in food prices in 2016. Aligning with the social justice pillar outlined by the Egypt 2030 strategy goals, the Ministry of Social Solidarity launched the Takaful and Karama (T&K) programs in 2017 to support the country's extreme poor. The T&K programs provided conditional and unconditional cash transfers to approximately 2.2 million Egyptian families as of 2018. However, as the program grows, there is mounting pressure to find innovative policies to “graduate” the T&K programs' participants from extreme poverty. According to the World Bank, 1.3 percent of Egypt's population was living under \$1.90 per day in 2015. If this pressure is not addressed soon, the Ministry of Social Solidarity will struggle with sustaining its social protection programs as more beneficiaries continue to get absorbed into them.

Background

There are many interventions that work towards supporting Egypt's poorest. There are also questions on where to prioritize interventions that are related to supporting marginalized groups out of poverty and what are the most important and most effective components of a poverty

alleviation program. Is it supporting basic needs such as a balanced food intake, or supporting access to finance and income-generation, or encouraging better financial management, or improving linkages to health services and promoting behavioral change? J-PAL has previously evaluated the Graduation approach across a number of contexts globally, and the research has shown positive impacts across a number of indicators for the beneficiaries of the program.

Significance

Piloting the approach in Egypt can inform decisions to scale it up at the national level by the Ministry of Social Solidarity in Egypt, and that it adds to the global literature on the impact of the Graduation approach across a number of different contexts.

Project Description

The overall objective of the research is to evaluate the impact of the Graduation approach in Egypt in 400 poor villages across two governorates in Sohag and Assiut. The evaluation will focus on the impact of the standard program but also some variations that could potentially make it more cost-effective.

The researchers will randomize the 400 villages into four groups to address a number of points, namely: the measuring of the respective impact of each variation of the Graduation program; the measure of the effect of the “standard” Graduation program when poor households are offered an unrestricted set of assets; the measuring of the effect of the program at a significantly lower cost by reducing, for example, the intensity of coaching or the supervision; the measuring of the impact of the program when it is targeting women in priority by offering a set of assets (such as livestock) that are more amenable to their participation; and the measuring of the returns on assets that are managed by women and whether targeting them has an impact on their empowerment and more generally on the intra-household allocation of resources.

The selected graduate student will be responsible for a module of this research. The duration of his/her project is 12 months. The first 9 months will be for the graduate student to conduct the research work and the following 3 months will be for finalizing the thesis document.

The Advancement of Scientific Knowledge and Broader Impact

Results from this impact evaluation can directly influence the discussions on poverty alleviation, particularly in Upper Egypt. The findings will guide policy recommendations on how best to support Egypt’s most marginalized populations and in the most cost-effective way. The special focus on gender will also shed light on the implications of inter-household dynamics and how they affect decision-making in extremely poor households.

Biographical Sketches

Dr. Mona Said is currently an associate professor and chair of Department of Economics. She earned her BA and MA degrees in Economics from AUC and her MPhil and PhD degrees in Economics from University of Cambridge, United Kingdom. She previously held the position of Regional Economic Consultant on the South Eastern Mediterranean (SEMED) Region, in the Office of the Chief Economist of the European Bank for Reconstruction and Development (EBRD) London, United Kingdom, and was Economic Consultant to various International European and Euro-Med Institutions (UN Women, ILO, European Training Federation and FEMISE). She was also previously a lecturer in Economics and assistant professor with reference to the Middle East at the Economics Department of the School of Oriental and African

Studies (SOAS), London University. She also held operational positions at the Middle East and North Africa Department of the World Bank and Policy Development and Review Department of the International Monetary Fund. Said is currently an academic affiliate of the London Middle East Institute (LMEI), SOAS, London, board member of FEMISE (the Euro-Mediterranean Forum of Institutes of Economic Sciences) France and active Research Fellow of the Economic Research Forum for Arab Countries, Iran and Turkey. Her current research interests are in labor and human resource economics, poverty and income distribution, gender gaps in earnings and job quality and equity implications of trade policy, Islamic finance and micro-finance.

Leveraging Resources

The existing J-PAL/AUC Initiative has a number of resources concerning the running of randomized evaluations in the form of technical resources and experienced staff in data collection and analysis. These resources, available on campus, will support the graduate students in capacity building with regards to running randomized evaluations.

Deliverables

Deliverables include a master thesis deposited at the Digital Archive and Research (DAR) Repository of the American University in Cairo, publically accessible. In addition, the results of the research project will be disseminated through recognized venues in the field, such as international conferences, journals, and/or policy briefs.

Professional Development and Mentoring Plan

The Co-PIs will be committed to the close mentoring of the graduate student through thesis research supervision, in order to have him/her develop the required skills for successfully carrying out the research, in addition to mentoring, support and guidance for results dissemination at local and international venues of relevance. The graduate student will be involved in the survey and qualitative component design phase, data collection and analysis, project publications and dissemination activities.

References

Building stable livelihoods for the ultra-poor

<https://www.povertyactionlab.org/sites/default/files/publications/TUP.pdf>

Targeting extreme poverty in Egypt, a national priority

<https://www.povertyactionlab.org/blog/3-27-19/targeting-extreme-poverty-egypt-national-priority>

BRAC Ultra-Poor Graduation Programme

<http://www.brac.net/program/ultra-poor-graduation/>