Kenya General Equilibrium Project:
Endline 3 (EL3) Additional Funding Proposal
May 2024
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Overview

The upcoming data collection is a third round of endline surveys as part of the General Equilibrium Effects (GE) project, a randomized controlled trial of an unconditional cash transfer program by the NGO *GiveDirectly* (GD) in western Kenya. This round will estimate the longer-term (9-10 year) effects of the program as part of a third endline (EL3). *We seek **$338,897** in additional funding in order to complete household, enterprise and market surveys that will allow us to estimate (a) long-term household consumption expenditure and welfare effects, (b) the long-term real transfer multiplier, and (c) mechanisms around the child mortality reductions that we have documented as part of EL3 census activities in 2023.*

Background

From late 2014-2017, the NGO GiveDirectly (GD) transferred around USD 1,000 (nominal) to all eligible households in villages randomly assigned to receive their program. The transfers constituted about 75% of annual expenditure for recipient households and a shock of about 15% of local annual GDP at the time that they were distributed. Eligibility for the transfer was determined by a basic proxy means test (whether a household had a grass-thatched roof), with one-third of households meeting this means-test. The intervention involved nearly USD 11 million in transfers and 653 villages in Siaya County, Western Kenya. The research design allows for the estimation of both direct treatment effects for eligible households, as well as spillover effects for non-recipient households and enterprises, see Egger et al (2022).

Planned Data Collection

To date, two follow-up rounds of censuses and surveys have been conducted, along with a third round of household and enterprise censuses. The current data collection effort will build on the recently completed census of all households and enterprises in our study area (completed November 2023), and will also collect information on market prices. Each of these types of data are required in order to (a) study long-term household welfare effects, (b) estimate the long-term real multiplier, and (c) better understand mechanisms behind reductions in infant and child mortality. The data collection is anticipated to take place from May 2024 to May 2025.

The household sample includes 12,000 households. 75% of these were in the baseline sample, allowing us to measure the longer-term welfare impacts of cash transfers on recipient households and their neighbors. Baseline households that have since moved outside the study area will be tracked and surveyed in their current location where possible. The other 25% of households are a random subset of new households established after the start of the program (for instance, due to in-migration or household splits), which are included to maintain current representativeness of the study area population and to measure impacts on the local economy more broadly. The household survey will take on average 2.5 hours, and includes modules on household economic characteristics (consumption expenditures, assets, income, labor supply),

health and fertility (including maternal care and child health status), key demographics (marriage, education, migration status), and child outcomes (including education).

The enterprise sample includes 5,500 enterprises. It includes enterprises that were previously targeted for surveys and are still operating, plus a representative subsample of newly created enterprises. The enterprise survey will take 45 minutes on average. It includes modules on business characteristics, operations, profits, revenues, assets and capital, costs (including the wage bill and intermediate inputs), and output prices.

The household and enterprise survey sample will be split into two waves, each containing a representative 50% of households and enterprises within each village. We will first target all Wave 1 households and enterprises for interviews, with villages randomly ordered to ensure representativeness of each wave over time. After Wave 1 is completed, Wave 2 will target the remaining 50% according to the same village order.

Following the approach in earlier rounds we will also collect price data of 70 relatively homogenous products and 18 commonly sold service goods in 61 weekly market centers in the study area to assess whether there are inflationary or other price effects from the transfers, and to ensure that we can generate a real (and not just nominal) transfer multiplier estimate.

Activities Funded by this Proposal

The additional funding requested (as outlined in the budget below) will enable completion of Wave 2 data collection activities with the full sample size. In the absence of this funding, we would be able to complete the full planned data collection for Wave 1 of the study sample (a representative half), but would not be able to undertake the full Wave 2 activities. Wave 2 provides key advantages of (i) increasing the sample size (two-fold), and thus statistical power to detect effects, and (ii) increasing the duration of the follow-up period, thus providing more insights into the longer-term trajectory of effects. The proposed funding will support field data collection costs, including management, enumerator salaries, field transport, and respondent gifts, as well as research support at the University of California, Berkeley. (We have also included a line item for required gift indirects from U.C. Berkeley.)

Proposed Budget

Funding of **$338,897** would support the following:

Kenyan Field Costs ($296,585)

- Field Personnel ($179,181)
- Field Transportation and Logistics ($92,580)
- Field Incentives and other Direct Costs ($24,824)

Berkeley Research Assistant Costs ($11,503)

U.C. Berkeley Philanthropic Assessment, Indirect Costs rate @10% ($30,809)