

Targeting the Hard-Core Poor: An Impact Assessment

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Abstract

It has been noted that many anti-poverty programs, notably microfinance, fail to reach the poorest of the poor. This study reports the results of a randomized evaluation of a program designed to reach this demographic, assist them in establishing a reliable stream of income and "graduate" them to microfinance. Our results indicate that this particular intervention, which includes the direct transfer of productive assets and additional training, succeeds in elevating the economic situation of the poorest. We find that the program results in a 15% increase in household consumption and has positive impacts on other measures of household wealth and welfare, such as assets and health.

1 Introduction

That hundreds of millions of individuals survive on incomes that are inadequate at best¹ has led to the emergence of a large development industry, both public and private, dedicated to reducing the incidence of poverty. Unfortunately, however, many programs and services aimed at poverty alleviation do not reach the poorest of the poor. It has been noted that microfinance, for example, tends not to reach those lowest on the socioeconomic ladder (Morduch, 1999; Rabbani, et al., 2006). Morduch (1999) remarks that this phenomenon lends credence to the argument that “poorer households should be served by other interventions than credit.” Public assistance programs, however, also have shortcomings that limit their impact on the poorest. A report by the Indian National Sample Survey Organization, for example, found that 18% of the wealthiest 20% of the rural population (ranked by monthly per capita expenditure) held Below Poverty Line (BPL) rationing cards.² Moreover, there are concerns that the final lists of BPL households are directly manipulated to include non-poor households (Mukherjee, 2005). Jalan and Murgai (2007) find that many households who are below the poverty line according to consumption measures are incorrectly classified by the BPL census and Banerjee et al. (2007) find that the poorest of the poor are no more likely to be reached by public assistance programs than their better off neighbors, suggesting that failures in the distribution process may systematically excluded the poorest and least socially connected households.

These limitations illustrate the need for targeted programs which can be successful in reaching the poorest of the poor, enabling them to elevate and maintain higher levels of income. One such program, which has been cited as a success, is the “Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor” (CFPR-TUP) program pioneered by BRAC, a Bangladeshi development organization. This program targets the most disadvantaged households living in an area, provides them with direct asset transfers, livelihood training and ultimately “graduates” them into regular microfinance programs.³ This program has been the subject of a number of non-experimental studies (Das and Misha, 2010; Ahmed et al, 2009; Matin and Hulme, 2003; Mallick, 2009; Rabanni, et al, 2006). Using non-experimental evaluation techniques, these

¹World Development Indicators, World Bank

²National Sample Survey Organisation (NSSO), Ministry of Statistics and Programme Implementation. Report No. 510 “Public Distribution System and Other Sources of Household Consumption, 2004-05.” Summary at: http://mospi.nic.in/press_note_510-Final.htm

³BRAC website <http://www.brac.net/cfpr.htm> [viewed October 2007].

studies generally find very positive program impacts on household's asset base and consumption.

Based on this apparent success, international donors have taken interest in the program and especially in rigorously evaluating the effects of programs modeled on BRAC's CFPR-TUP. CGAP (Consultative Group to Assist the Poor) and the Ford Foundation have sponsored the implementation and evaluation of 9 similar programs in 7 countries.⁴ This paper presents the results from an experimental impact evaluation of this type of anti-poverty program.

Working with Bandhan, a microfinance institution based in West Bengal, India, we conducted baseline and post-program surveys with nearly 1,000 households, half of which were randomly selected to be invited to participate in Bandhan's "Targeting the Hard-core Poor" (THP) program. This program is modeled on BRAC's CFPR-TUP and incorporates the same elements: asset transfer, livelihood training and graduation to microfinance. The program is described in greater detail below.

Using experimentally generated variation in program participation, we find that the program results in substantive improvements in household welfare. Notably, our estimates suggest that the offer to participate in the THP program leads to a 15% increase in per capita monthly consumption. This estimate reflects the expected impact of the offer to participate and, therefore, takes into account that not all households will take up the program when offered. Households which actually chose to participate in the THP program experienced an average increase in per capita monthly consumption of greater than 25%.

Given that the program includes direct asset transfers, mostly livestock, it is not surprising that we also find that treatment households, or those offered the chance to participate in the THP program, have a larger asset base than comparable control households. We find that households derive some income from these animals, primarily through the sale of livestock. Further results, however, cause us to speculate that the increase in consumption is due to treatment households leveraging the program to increase income from small-scale households enterprises (such as bamboo weaving or bidi making).

We find a number of additional benefits accrue to members of treatment households. In particular, they suffer less from food insecurity, they report being happier and are more likely to report that their physical health has improved. In spite of this latter results, we do not detect program effects in terms of

⁴Ethiopia, Haiti, Honduras, Pakistan, Peru, Yemen and three locations in India. <http://www.cgap.org/p/site/c/template.rc/1.26.12411/>

more objective measures of physical health, but such effects may take time to become apparent. The data analyzed in this study were collected before THP households "graduated" to microfinance and, within this time frame, we do not find that participation in the THP program has substantive impacts on household's financial behaviors, except through the savings component of the THP program. Treatment households do, however, indicate a greater willingness and interest in obtaining credit.

In additional results, we evaluate whether the program had heterogeneous effects on THP participants. This analysis reveals that the program appears most successful for households that had prior experience operating a household enterprise and, potentially, had ready channels for investment. In the full sample it also appears that, among this especially impoverished population, households which were richer (measured by per capita consumption) when they began the program benefit more from participation. But this result is driven by the extreme 1% of the baseline consumption distribution. Prior credit history, measured by how much the households had borrowed before the program began, does not appear to interact with the impact of the THP program.

This study compliments earlier work on the effects of BRAC's CFPR-TUP program (Das and Misha, 2010; Ahmed et al, 2009; Matin and Hulme, 2003; Mallick, 2009; Rabanni, et al, 2006) and confirms many of the positive effects documented there, such as on assets, food security and savings. Our results differ in other respects, however. For example, we find more modest increases in consumption than Ahmed et al. (2009). We also do not find effects on agricultural activities, such as leasing in land, as is suggested by Ahmed et al. (2009) and Rabanni, et al. (2006). These difference may derive from the different context (Bangladesh vs. West Bengal) or from the difference in methodologies.

Additionally, this investigation ties into the body of research concerned with the returns to investment in developing countries (McKenzie et al., 2008; McKenzie and Woodruff, 2008). The intervention studied here differs in important respects, notably the focus on households per se as opposed to firms, the fact that asset transfers were accompanied by ongoing training and the special demographic group studied here. Nevertheless, our estimates of the effect on household consumption are indicative that even exceptionally poor households are able to generate substantial returns on their assets.

2 Setting and Data

2.1 Overview of Bandhan’s “Targeting the Ultra Poor”

In light of evidence that microfinance does not reach the poorest of the poor (Morduch 1999, Rabbani, et al. 2006) various initiatives have begun which aim to "graduate" the poorest to microfinance. The intervention operated by Bandhan is intended to ease credit constraints for exceptionally poor individuals by helping them establish a reliable income stream. To that end, Consultative Group to Assist the Poor (CGAP) provided \$30,000 as grants for the purchase of income generating assets to be distributed to households identified as “Ultra Poor.” Grants of \$100 were distributed to 300 beneficiaries residing in rural villages in Murshidabad, India (a district north of Kolkata) by Bandhan. The design of this program was based on the pioneering work of BRAC, a Bangladeshi development organization. For several years, BRAC has been distributing grants through its “Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor” (CFPR-TUP) program with the aim of helping the absolute poorest graduate to microfinance.⁵ Working in close consultation with BRAC, Bandhan developed the criteria to identify the Ultra Poor.

The initial phase of the intervention consists of Bandhan identifying those eligible for the grants; the poorest of the poor within each village. To classify such household Bandhan used a set of criteria adapted from those used by BRAC in their CFPR-TUP program. Firstly, an eligible household must have an able-bodied female member. The rationale for this requirement is that the program is intended particularly to benefit women⁶ and any benefit accruing from the grant requires that the beneficiary be capable of undertaking some enterprise. The second mandatory requirement is that the household not be associated with any microfinance institution (in keeping with the aim of targeting those who lack credit access) or receive sufficient support through a government aid program.⁷ In addition to these two criteria, eligible households should meet three of the following five criteria: the primary source of income should be informal labor or begging, land holdings below 20 decimals (10 katthas, 0.2 acres), no ownership of productive assets

⁵BRAC website <http://www.brac.net/cfpr.htm> [viewed October 2007].

⁶While the majority of beneficiaries are female, some men were identified as eligible under special circumstances such as physical disability.

⁷“Sufficient support” was determined on a case-by-case basis by Bandhan; while many of the households they identified as Ultra Poor participate in some government aid program, they determined that this assistance was not sufficient to alleviate the poverty of the household.

other than land, no able bodied male in the household and having school-aged children working rather than attending school.

To identify those households satisfying this definition of Ultra Poor, Bandhan utilized a multi-phase process. The initial task is to identify the poorer hamlets in the region. Since Bandhan has operations in Murshidabad, this is accomplished by consulting with local branch managers who are familiar with the economic conditions in these villages.

In the second phase, Bandhan conducts Participatory Rural Appraisals (PRAs) in particular hamlets of selected villages to identify the subset of the population most likely to be Ultra Poor. To ensure that the PRA includes a sufficient number of participants, Bandhan employees enter the hamlet on the day prior to the PRA; they meet with teachers and other local figures to build rapport with the residents, announce that the PRA will occur on the following day and encourage participation. Bandhan aims for 12-15 PRA participants, but often the figure is as high as 20. Moreover, they encourage household members from various religions, castes and social groups to attend.

The PRA consists of social mapping and wealth ranking. In the first stage the main road and any prominent hamlet landmarks (temples, mosques, rivers, etc.) are etched into the ground, usually in front of a central house in the hamlet. Subsequently the participants enumerate each household residing in the hamlet and mark the location of the households on the hamlet map. For each household, the name of the household head is recorded on an index card.

In the wealth ranking stage, the index cards are sorted into piles corresponding to socioeconomic status. To accomplish this, Bandhan's employees select one of the index cards and inquire about that household's occupation, assets, land holdings and general economic well-being. They then take another card and ask how this household compares to the prior household. A third card is selected, classified as similar in wealth to one or the other of the prior households and then whether it is better off or worse off than that household. This process is continued until all the cards have been sorted into piles, usually 5 of them, corresponding to poverty status (the fifth pile representing the poorest group). Often a large percentage of the cards end up in the fifth pile, in which case these households are sorted in a similar manner into two or more piles.

Following the PRA, Bandhan selects the households assigned to the lowest few ranks, progressively taking

higher categories until they have approximately 30 households. In the second phase of their identification process a Bandhan employee visits these households to conduct a short questionnaire. The questionnaire pertains to the criteria for Ultra Poor classification; inquiring about the presence of an able-bodied woman, the presence and ability to work of a male household head, land holdings, assets, NGO membership and so on. Based on the information collected in this survey, Bandhan narrows its list of potentially Ultra Poor households in that hamlet to 10-15.

In the final stage of the process, the project coordinator, who is primarily responsible for administration of this program, visits the households. He verifies the questionnaire through visual inspection and conversations with the household members. Final identification as Ultra Poor is determined by the project coordinator, according to the established criteria and his subjective evaluation of the households' economic situation.

Following identification, half of the potential beneficiaries were randomly selected to receive assets. Rather than transferring cash, Bandhan procures assets, such as livestock or inventory, and distributes them to beneficiaries. The grants are also used to finance other inputs, such as fodder and sheds to house the animals. Following selection, Bandhan staff met with beneficiaries to select the livelihood option best suited to the household. In this sample beneficiaries predominantly chose livestock, receiving either 2 cows, 4 goats or 1 cow and 2 goats; of the beneficiaries surveyed in the endline 240 had selected livestock while 33 had taken non-farm enterprises.

Over the following 18 months, Bandhan staff met weekly with beneficiaries. These meetings accomplished multiple objectives. Firstly, Bandhan utilized these meetings to provide information and training on a number of topics related to the households enterprise (such as proper care for livestock) as well as regarding broader social and health issues.⁸ Additionally, beneficiaries were required to save Rs. 10 (approximately \$US 0.25) per week at these meetings and, finally, Bandhan disbursed a weekly "subsistence allowance" of Rs. 90 at these meetings. The duration of the subsistence allowance depended on the particular enterprise selected by the households and ranged from 13 to 40 weeks.⁹

Approximately eighteen months after receipt of the asset, the beneficiaries were "graduated" to microfi-

⁸These topics included: Early Marriage, HIV/ AIDS, Sanitation & Personal health, Immunisation, Fruits tree plantation, Women & child trafficking, Family planning, Dowry, De-worming and Marriage Registration.

⁹The exact duration was 13 weeks for households which selected a non-farm enterprise, 30 weeks for households receiving goats and 40 weeks for households receiving cows.

nance and became eligible for regular microfinance loans provided by Bandhan. As most of the ultra poor households did not have prior experience with a formal financial institution, such as a bank or MFI, Bandhan conducted a three day long micro credit orientation training course for the THP program beneficiaries, which was mandatory to be considered eligible for loan disbursement. The training addressed a number of social, health and community issues¹⁰ as well as explaining the functioning of a micro credit group, its rules and regulations, group solidarity and the role of savings in one's financial life. The endline survey discussed below, and utilized in the analysis, was generally conducted before the graduation training. At the time of writing, however, the majority of beneficiaries had joined one of Bandhan's microfinance groups and had taken a loan.

2.2 Data

The data used in this study comprise two waves of surveying. The initial wave, spanning from February 2007 to March 2008, was conducted among those households identified as Ultra Poor by Bandhan. The survey consists of a household module, covering income, consumption, migration and various other features of the household. It also included an adult module, which was administered to all adults (over 18 years old) in the household, inquiring, among other topics, about labor supply, time use, health and aspirations.

Following the completion of the baseline survey, households were randomly selected to receive an offer to participate in the program. Randomization was done remotely by the research team, and selection was stratified on hamlet (a sub unit within village). A total of 991 baseline surveys were conducted, of which 512 (51.66%) were randomly selected for program participation.¹¹ The figure of 512 exceeds the number of households which actually received assets as a non-negligible fraction of households were either found to be ineligible between randomization and enterprise selection (on account of participating in microfinance activities or self-help groups) or refused the offer to participate. Of the 512 offers to participate, 266¹²

¹⁰These topics included generating awareness of the role of village committees (formed by Bandhan), discouraging dowry and early marriage, raising awareness about basic human rights and the role of the government and local self governments (such as the Panchayat, and Gram Sabha) and fostering awareness about health, safe drinking water and sanitation.

¹¹A total of 13 households were not randomized. The names of 11 households were inadvertently left of the list of names for randomization and 2 households were directly selected by Bandhan to receive assets later in the course of the study. We omit these households from the analysis.

¹²262 originally accepted, 4 of those randomly selected to participate later received an asset from another household (e.g. returned assets) retransferred by Bandhan.

individuals participated in the program, 64 were found ineligible before asset transfer¹³ and 156 declined to participate. 26 individuals initially participated in the program, but decided later not to and returned the asset.¹⁴

Of the 991 households administered the baseline, 11 were inadvertently left off a list of names to be randomized. Two other households received assets from households which had returned the assets later on. We surveyed these households later, but they were not chosen randomly; rather Bandhan selected these households. We omit these 13 households from the analysis.

Of the 978 households included in the study, 818 (84%) were found again in the endline which was conducted 18 months after asset transfer, although 6 chose not to take the survey. In addition we conducted an endline interview with 2 households who were part of the list of households for randomization, but who refused the baseline survey.¹⁵ Our final sample consists of these 814 households of which 428 were randomly selected to participate in the program and 257¹⁶ held assets from Bandhan at the time of the endline survey.

3 Empirical Strategy

In the results that follow, we estimate the causal impact the THP program on a number of household and individual level outcomes, including income, consumption, health, food security and labor supply, which are denoted by y . Letting S_i be an indicator variable that household i was randomly selected to participate in the THP program, we estimate the following equation

$$y_{ih} = \beta S_{ih} + \alpha_h + \varepsilon_{ih} \tag{1}$$

where the subscript h indicates hamlet (a sub-unit of villages). We include hamlet level fixed effects

¹³16 had a microfinance loan, 29 were members of SHGs and others were found ineligible for various reasons (migrated before being contacted, too old to care for asset, receiving other government assistance, etc.).

¹⁴This occurred for a variety of reasons; when the household migrated Bandhan often retransferred the asset to another household. This also happened if the beneficiary died or became unable to care for the asset. Also some households elected to return the asset; anecdotally, this was due to misperceptions that the program was associated with a Christian organization seeking converts. Apparently, a similar occurrence happened with BRAC's parallel program in Bangladesh (see Mallick, 2009).

¹⁵Although randomization was customarily done after the completion of the baseline, 3 households were mistakenly included on the list for randomization before the baseline was complete. We revisited these households after discovering but they declined to give the interview at that point. 2 of these households were found for the endline.

¹⁶251 of these were selected to receive the assets randomly. The remaining 6 were selected by Bandhan to receive assets later on (usually they received an asset that was returned by another household).

given that randomization was stratified at the hamlet level. Random offers of program participation ensure that S_{ih} is not correlated with ε_{ih} and that we recover the true causal impact of the program on the outcome. This is measured by β which captures the mean difference in y between those who were offered program participation and those that were not after removing the effect of common hamlet level determinates of y .

β does not measure the actual impact of participating in the program on the outcome of interest, but rather the expected change in the outcome for a household which is offered the chance to participate. We report these Intent to Treat (ITT) estimates (as opposed to the Treatment on the Treated, or TOT, estimates) given that these estimates give the expected impact and are most relevant to the issue of scaling up the program.¹⁷

Additionally, where baseline data is available, we estimate a difference-in-difference specification given by

$$y_{iht} = \beta_1 S_{ih} + \beta_2 E + \beta_3 S_{ih} * E + \alpha_h + \varepsilon_{ih} \quad (2)$$

where E is an indicator variable for the data deriving from the endline survey and t indexes time (0 for baseline and 1 for endline). As these results are generally very similar to those from equation (1) we note differences below but omit the results (they are available from the authors on request).

For individual level outcomes we estimate

$$y_{ijh} = \beta S_{ih} + \alpha_h + \varepsilon_{ih} + \varepsilon_{ijh} \quad (3)$$

where the subscript j denotes individual j residing in household i . When reporting results for individual level outcomes we cluster standard errors at the household level, reflecting the likely possibility of correlation within households.

¹⁷The TOT results can be estimated by scaling the ITT results by a factor of 1 divided by the difference in participation (having an asset) between treatment and control groups, which is $\frac{1}{\frac{251}{428} - \frac{6}{385}} = 1.75$.

4 Results

4.1 Attrition

While the empirical strategy outlined above provides internally consistent estimates of the program impact, the results may lack external validity and suffer from bias if there is unbalanced attrition; meaning that the probability that we were able to reach the household for a follow up survey is correlated with some other factor which influences the outcomes of interest. To understand how the sample which we were able to resurvey differs from the entire study population, we compare the means of various household characteristics, as measured in the baseline survey, between households which we surveyed in the endline and those that we did not.

Table 1 shows that households which we were not able to resurvey differ along various dimensions: they have less land, tend to have fewer adult household members (and more children; the average total number of members is the same for both groups) and are more likely to be Muslim. These differences accord with the reasons for failure to resurvey recorded by enumerators. Land and household composition, for example, may be correlated with migration; households which were not resurveyed were more likely to migrate, but the difference is not statistically significant. That rumors that Bandhan was a Christian organization seeking converts circulated in some Muslim communities explains the greater reluctance of Muslims to participate in the endline survey, and thus the difference in religious affiliation between the groups.

These differences alone, however, do not necessarily entail bias. Only if attrition is unbalanced across the treatment and control groups should we be concerned about bias. To assess this concern, we regress an indicator variable that the household was an attrition household (surveyed at baseline but not endline) on an indicator that the household was selected to participate in the program (S_{ih}). Table 2 shows that treatment assignment is not a significant predictor of attrition, which mitigates concerns about attrition bias affecting the results.

4.2 Summary Statistics

Another assumption underlying the empirical strategy is that the randomization was in fact successful and baseline characteristics are uncorrelated with treatment assignment. We assess this assumption in Panel A of Table 3, which shows the means, and difference in means, of baseline characteristics for treatment and control households. Of the 25 variables considered we only detect a significant difference between treatment and control households with respect to a single outcome: the percentage of households reporting regular wages as a primary household income source (a very small fraction of control households, 2%, report such income while no treatment households do). These estimates indicate that the randomization was successful.

Panel B reveals substantive differences between treatment and control households at the endline, indicating effects of the program. In particular households randomly selected for participation in the program are significantly more likely to report that their main source of household income derives from non-agricultural enterprises operated by the household and less likely to report it comes from agricultural labor. They are also 12% more likely to cultivate some of their land, significant at the 1% confidence level. There are also highly significant differences (above a 1% confidence level) between treatment and control in terms of per capita consumption, with treatment households consuming approximately 15% more per person per month. Finally, it appears that treatment households are more likely to report experiencing a non-health related economic shock in the last year; as death of livestock is included in the variable as constituting a shock, this may also be an outcome of the program. In what follows we investigate these and other outcomes in greater detail.

4.3 Assets and Income

Before examining potential effects on household consumption and well-being, we explore how program participation changes the composition of household income and affects asset formation. In Figure 1, we illustrate the distribution of primary income sources reported by households, separately for the baseline and endline survey and broken out by treatment status. The figure shows that there are no evident differences between treatment and control households at baseline, but at endline it appears that treatment households are more likely to report that their main source of income derives from non-agricultural self-employment or wages and

less likely to report relying on agricultural labor.

In Figure 2, we present a similar illustration pertaining to whether any household members engage in the indicated activity. This figure shows that, in the endline, treatment households are much more likely to engage in livestock and farming activities. A notable contrast between this figure and Figure 1 is that while a roughly similar percentage of control households report receiving income from a non-agricultural enterprise, the difference between the fraction of treatment and control households reporting this in their primary income source is more pronounced.

The increase in the percentage of households engaging in animal rearing activities is not surprising given that livestock was the primary enterprise selected by beneficiaries. In Table 4, we document the increase in livestock holdings brought about by the THP program. The table shows that households offered a chance to participate in the program have acquired, on average, approximately 2 more animals over the past 3 years; 1.5 small animals (goats, pigs or sheep) and 0.4 cows. The table also indicates that this livestock has generated income for the household; primarily from irregular income sources, defined as the sale of the animal itself, animal products (such as skin or hide) or animal calves. Considering monthly flow income from animals, which captures income from milk, eggs and other animal products less regular expenses such as fodder, we find that, on average, the cost of maintaining livestock exceeds regular flow income from these animals, and that this is especially true for treatment households, who tend to own more animals. This does not imply that rearing livestock is, on balance, not profitable (since income from items such as the sale of calves is captured elsewhere) but that maintaining livestock represents a monthly cost, or investment, and that treatment households incur this cost to a larger extent than control households.

In columns 7-10 we consider assets more broadly. Column 7 takes the quantity of land owned by the household as the dependent variable; we find that treatment households own about $\frac{1}{3}$ of a katta more land than control households, significant at the 10% confidence level. Column 8 shows that treatment households have, on average, 0.5 additional fruit trees, the planting of which was actively encouraged by Bandhan. Finally, we aggregate asset holdings into an index using principal component analysis. Our index includes ownership of livestock as well as of productive assets and durable household items.¹⁸ Column 9 indicates

¹⁸The list of specific items includes: TV Set, Radio / Transistor / Stereo, Electric Fan, Refrigerator, Telephone / Mobile phone, Bicycle, Rickshaw/Van, Sewing machines, Chair / stool, Cot, Table, Watch / Clock, Pairs of shoes/sandals and Golas

that treatment households score higher on this index, a difference which is statistically significant above a 1% confidence level. The difference is also economically meaningful, representing 25% of the standard deviation of the index. To check whether the increase in assets derives solely from the assets directly transferred by Bandhan, or if the program also fosters asset creation beyond the transfer, we replicate the analysis from column 9 in column 10 using an index that excludes ownership of livestock. The point estimate suggests that treatment households own more household assets and durable goods, but the estimate is not statistically significant.

Since Figure 2 indicates there may be a different propensity for treatment and control households to engage in agricultural production and non-agricultural enterprises, we test for treatment effects along these dimensions. Tables 5 and 6 present these results. We do not find any statistically significant difference between treatment and control households in terms of land cultivated (either owned or leased), or their propensity to fish or income from fishing. Nor can we detect any difference in the probability that the household operates a non-agricultural enterprise or income from such an enterprise in the last 30 days.

4.4 Consumption

We find that the program alters the composition of household income, and appears to augment income deriving from several sources. Income, however, is notoriously difficult to measure and, therefore, we consider the effect of the program on household consumption; both as a measure of the economic impact of the THP program and because consumption is a crucial metric of welfare.

Figures 5-7 graphically depict the effect of the THP program on per capita consumption. The figures plot the density of per capita monthly consumption (separately for total consumption, for food and fuel consumption and for non-food consumption) for treatment and control households. For total consumption as well as food and fuel consumption, the density for treatment households is more or less uniformly shifted rightward, indicating that the program increased consumption at all levels of consumption. For non-food consumption the distributions are quite similar, except that the distribution for treatment households includes a longer right tail, indicating the presence of a few exceptionally high expenditure levels on non-food

/ talas (structures for storing grains).

items among treatment households.

We check whether these differences are statistically significant in Table 7, which presents results from estimating equation (1) when taking these measures of consumption as the dependent variable. The point estimates imply that treatment households spend, on average, Rs. 84 per person per month in total than control households, and Rs. 64 more on food and fuel. These differences are statistically different from zero above a 1% confidence level. The estimates imply that treatment households spend Rs. 20 more per person per month on non-food items, significant at the 10% level. But Figure 7 suggests this is driven by a few outliers. Finally, in column 4, we investigate whether treatment households are acquiring more household durables, but can not reject that the expenditure levels between treatment and control are equal in this respect.

We should note that in addition to being highly statistically significant, the results with respect to total and food consumption are also of considerable magnitude; these differences represent approximately 15% of the mean level of consumption among the control group.

In Table 8, we disaggregate the gains in food consumption across food groups. We find that the increase was more or less uniform across all food groups. But in percentage terms the largest increases were in fruits & nuts, dairy and meat & eggs, suggesting that program participants were consuming more nutritious food than members of control households.

The increase in the quantity and nutritional value of food consumed by treatment households would be expected to impact their perceptions and reports of food security, which is what we find in Table 9. Column 1 of the table takes an index of food insecurity as the dependent variable. The results indicate that, predictably, treatment households score lower on this index. The difference is statistically significant above the 1% confidence level. Columns 2-6 consider differences in individual components of the food insecurity index. The results suggest that the difference in food insecurity is primarily driven by adults in treatment households eating more and more regularly than comparable adults in control households. The final column reports the difference in the households self-perception of their current financial situation on a scale from 1 (worst) to 10 (best). Treatment households report a score which is 0.2 points, or 7%, higher than control households.

For these consumption outcomes (total consumption, food consumption and food item consumption) the difference-in-difference estimates, available on request, are slightly higher but generally consistent with the results discussed above.

4.5 Financial Behaviors and Confidence

The ultimate aim of the program is to enable individuals to establish a regular income stream and "graduate" them into microfinance groups. Since our data was gathered before Bandhan conducted training sessions and integrated THP beneficiaries into their microfinance activities, we are not able to evaluate this process (a second follow up survey is ongoing). Nevertheless, we investigate whether treatment households exhibit different attitudes and behaviors with respect to saving and borrowing than control households, which may be indicative of the ease with which beneficiaries will transition into microfinance.

Columns 1-3 of Table 10 indicate that 18 months after entering the program, beneficiary households do not have greater credit access than non-beneficiary households; in total or considering informal credit (e.g. moneylenders or shopkeepers) or quasi-formal credit (e.g. microfinance) separately. Treatment households, however, appear to save more than control households; depositing an average of Rs. 56 in the last 30 days into their accounts compared to the Rs. 34 deposited by control households (although this difference is not statistically significant in the difference-in-difference specification).

Mostly this savings occurs through the accounts held by Bandhan, thus we can not conclusively say whether this is additional savings, or a shift in savings held at home into the account with Bandhan.

Although we do not detect any difference in actual credit, our survey included several hypothetical questions about ones willingness to borrow. Households were asked whether they would be interested in borrowing Rs. 1,000, 2,000, 5,000 or 8,000 at 12.5% interest (flat). Respondents in treatment households indicate that they would be willing to borrow 17% more than respondents in control households.

Finally, beneficiaries (women in the household who actually received the asset) score higher on an index of financial autonomy than potential beneficiaries (women identified as eligible residing in control households). The index is constructed from variables indicating that the (potential) beneficiary participates in financial decisions made in the household. The difference in the index is driven entirely by the fact that women in

treatment households are more likely to be personally responsible for savings accounts, which were part of the program provided by Bandhan.

4.6 Sharing and Crowd-out

Given that this intervention took place in rural villages, where beneficiary households know and are known by other households, we investigate whether receiving assistance through the THP program crowds out assistance provided by the community. In Table 11 we regress the number of meals given or received by the household and the value of food, gifts and loans given or received by the household on an indicator that the household was randomly selected to participate in the THP program and hamlet fixed effects.

We find that selected households have given an additional 0.7 meals in the last 30 days to other households, significant above a 5% confidence level, and report receiving Rs. 17 less (over 50% less) in gifts of food from other households in the last month than control households. We do not observe statistically significant results for other outcomes, but the point estimates are generally consistent with the notion that selected households receive less in gifts and loans from other community members than control households.

In unreported results (available on request) we evaluate whether participation in the THP crowds out government assistance administered by local government officials (such as subsidized food). We do not find that selection for participation in the THP program results in any differential probability of receiving government assistance.

4.7 Individual Level Impacts

In addition to surveying a knowledgeable member of the household about that household's situation, we also administered an individuals survey to each adult member of the household (18 years or more), allowing us to investigate the impact of the THP program on individual outcomes such as time use and health.

Table 12 shows how adults in treatment and control households report spending their time. It evaluates differences between members of treatment and control households in terms of the average quantity of time allocated to work, leisure and household chores. The table suggests that adults in treatment households increased the quantity of time spent working by an additional hour a day (significant at the 1% confidence

level). We also consider earnings from this work in columns 4-9. Considering all adults, we do not find that adults in treatment households report earning more in the last 24 hours from their labor than adults in control households. The majority of adults, however, do not report earning anything from their activities in the last 24 hours. We find that adults in treatment households are slightly less likely to report having earned money from their activities the previous day (column 7); this difference is significant at the 10% level, but not especially large compared to the average propensity to report income (43%). Among those adults who do report earning income from their activities, members of treatment households earn, on average, Rs. 6 more than members of control households. The difference is significant at the 5% confidence level. It appears that this additional earning derives from enterprises operated by the household; members of treatment households earn Rs.6 more from operating household enterprises than members of control households. This difference is significant at the 5% confidence level and represents nearly 30% of the mean daily earnings from household enterprises.

Table 13 investigates time allocation in more depth, revealing that the additional hour per day spent working by adults in treatment households is entirely accounted for by increased time spent tending livestock. This finding, coupled with our failure to detect any significant difference between treatment and control households with respect to their propensity to operate a non-farm enterprise suggests that the program may have augmented income from small household enterprises by facilitating investment rather than the creation of new enterprises.

We examine the allocation of children's time in Table 14, which does not suggest any clear differences in how children residing in treatment and control households spend their time. This table reports results from estimating equation (3) when taking child's time use on various activities as the dependent variable. Since we asked each adult member about the time their children spend on various activities, we often obtained multiple reports for the same child (one from each parent). Panel A of Table 14 uses only data reported by (potential) beneficiaries on how her children spend their time. The point estimates indicate that children of women offered the opportunity to participate in the program study 30-40 additional minutes a day when compared to children of other potential beneficiaries, significant at the 10% level. There are no statistically significant differences with respect to other categories of time use however, and the difference with respect

to time studying is not statistically different from zero when averaging both parent’s reports of how their children spend their time and considering children of non-beneficiaries residing in the household (Panel B).

Finally, Table 15 shows result pertaining to health outcomes. We find that adults residing in treatment households score higher on an index of health knowledge and behaviors which is constructed using principal components analysis of questions pertaining to health behaviors and knowledge, such as hand washing, having soap in the household and knowledge of diseases and disease prevention techniques. We do not find any effects on actual health outcomes, such as lost working days to illness or Activities of Daily Living (ADL) scores. We do, however, find that adults residing in treatment households are 6% more likely to perceive that their health has improved over the last year (significant at the 1% confidence level). We also find that these adults are less likely to report symptoms of mental distress and have a more positive outlook on the future, as measured by an index of mental health on which individuals from treatment households score higher.

Given that the program also incorporated an education campaign around social and health issues, we evaluate differences in knowledge and attitudes about social issues. In Table 16 we find that members of treatment households think that families should have fewer children, are more likely to indicate that there is legal punishment for taking dowry and are more likely to self-report vaccinating children. We do not find any significant differences in knowledge about legal ages for marriage or voting.

Finally, in Table 17, we evaluate whether the program influences political involvement and women’s empowerment. Given that the program was targeted at women, and engaged them economically, it is possible that this would influence their degree of autonomy and, potentially, engagement in local politics. We do not find that there are any differences between treatment and control households in terms of political involvement. We do find that women in treatment households score higher on our index of autonomy than women in control households. The difference is driven entirely by women in treatment households having their own financial resources, separate from the resources of the household, which is likely the savings accounts held with Bandhan; we do not find substantial differences along other dimensions, such as women’s freedom to travel.

5 Heterogeneity

The goal of the THP program is to reach the poorest of the poor, assist them in establishing a regular income stream, enable them to partake in microcredit services and prevent them from falling back into extreme poverty. It is crucial to the success of this program that the very poorest are able to use this program to build assets, start businesses and obtain greater access to credit. In what follows, we assess whether there are heterogeneous program impacts for some of the main effects. We focus on household consumption, as it is perhaps our best measure of the overall economic impact of the program and an important welfare metric, the existence of and income from household enterprises, as this appears to be a source from which treatment households derive income, and financial behaviors, as increasing credit access is a main goal of the program. We consider heterogeneous effects along several dimensions: baseline consumption, as a general measure of poverty, prior borrowing history, indicative of ability to obtain credit, and the prior existence of a household enterprise, as an indicator of entrepreneurship and experience. To estimate heterogeneous effects we estimate

$$y_{ih} = \beta_1 S_{ih} + \beta_2 X_{ih} + \beta_3 X_{ih} * S_{ih} + \alpha_h + \varepsilon_{ih} \quad (4)$$

where y is one of the outcomes discussed above and X is either baseline per capita monthly total consumption, the rupee value of debt taken by the household in the 12 months before the baseline or an indicator variable for the household operating a small non-farm enterprise at the time of the baseline survey.

The results with respect to endline consumption are show in Table 18. The top panel shows that there are differential program impacts based on initial household consumption. The point estimate implies that each additional rupee of baseline consumption leads to a 0.27 rupee additional impact of the program on endline consumption. The interaction effect is statistically significant at the 10% confidence level. This point estimate suggests that going from the 25th to the 75th percentile of baseline consumption (a difference of Rs. 217) leads to an expected program impact 57 rupees higher, approximately $\frac{2}{4}$ of the average program effect. This appears largely driven by the tail of the distribution however, given that we find positive treatment effects on consumption at all levels of consumption in the analysis above.

We do not observe any heterogeneous effects based on credit history, but find that households which

had a non-farm enterprise at baseline experience a treatment effect on per capita total consumption of approximately Rs. 150 larger than treatment households which did not have an enterprise initially. In this specification the main treatment effect enters at the 1% confidence level and the interaction term enters at the 5% confidence level. When considering per capita food and fuel consumption, the coefficient on the interaction term is only marginally significant. These results, however, appear driven by the upper tail of the distribution; when we omit the top 1% of the sample, ranked by baseline per capita monthly consumption, the interaction term in no longer enters the regression at conventional significance levels.

Turning to heterogeneous effects on credit (total credit and credit from informal and quasi-formal sources) at endline, in Table 19, we do not find that either prior consumption, prior credit history or the prior existence of a household enterprise result in heterogeneous program impacts on household credit access at endline.

In Table 20, we do find some indication of heterogeneous effects on the profits of household enterprises. We fail to find such effects with respect to the existence of or investment in household enterprises, but it appears that households which were richer at the time of the baseline and households which operated an enterprise at the baseline benefit to a larger extent from the THP program in terms of growing their enterprise. The estimates imply that each additional rupee of baseline consumption leads to an expected program impact on household enterprise profits 0.32 rupees higher; or that a treatment household at the 75th percentile of baseline consumption would be expected to have enterprise profits Rs. 65 higher than a treatment household at the 25th percentile of baseline consumption. This coefficient on the interaction term enters at the 10% confidence level. But again, when we omit the highest 1% of the baseline consumption distribution, the coefficient on the interaction term is not statistically distinguishable from zero. We do find, however, that a treatment household which had a preexisting household enterprise is expected to earn profits from household enterprises which are Rs. 323 higher than the expected profits from a treatment household without a pre-existing enterprise. In this case the coefficient is significant at the 5% confidence level.

6 Conclusion

In this study we report the results of a randomized impact assessment of an anti-poverty program targeted at the poorest of the poor in rural villages of West Bengal, India. The program, operated by a local

microfinance institution, makes direct asset transfers to women residing in poor households, to enable them to establish a reliable income source and "graduate" them into regular microfinance groups.

We find that this program was successful in notable respects. In particular we find that participation in the program results in substantial increases in per capita household consumption. This effect appears especially large for households which operated a pre-existing small-scale household enterprise. We also find various other benefits, such as reduced food insecurity, increased assets and some indication of improved health. Although the data analyzed in this study was collected before beneficiaries joined microfinance groups, we find that program participants express greater interest in obtaining credit, although we do not detect any effect on current financial behaviors.

This particular intervention is modeled on BRAC's pioneering CFPR-TUP program, which also targets the "ultra poor" with asset transfers and graduates them to microfinance, and has been replicated in various countries around the globe. The results from this experimental impact evaluation suggest that this type of intervention represents a viable strategy to reach the poorest of the poor and enable them to move up the economic ladder.

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Figure 1

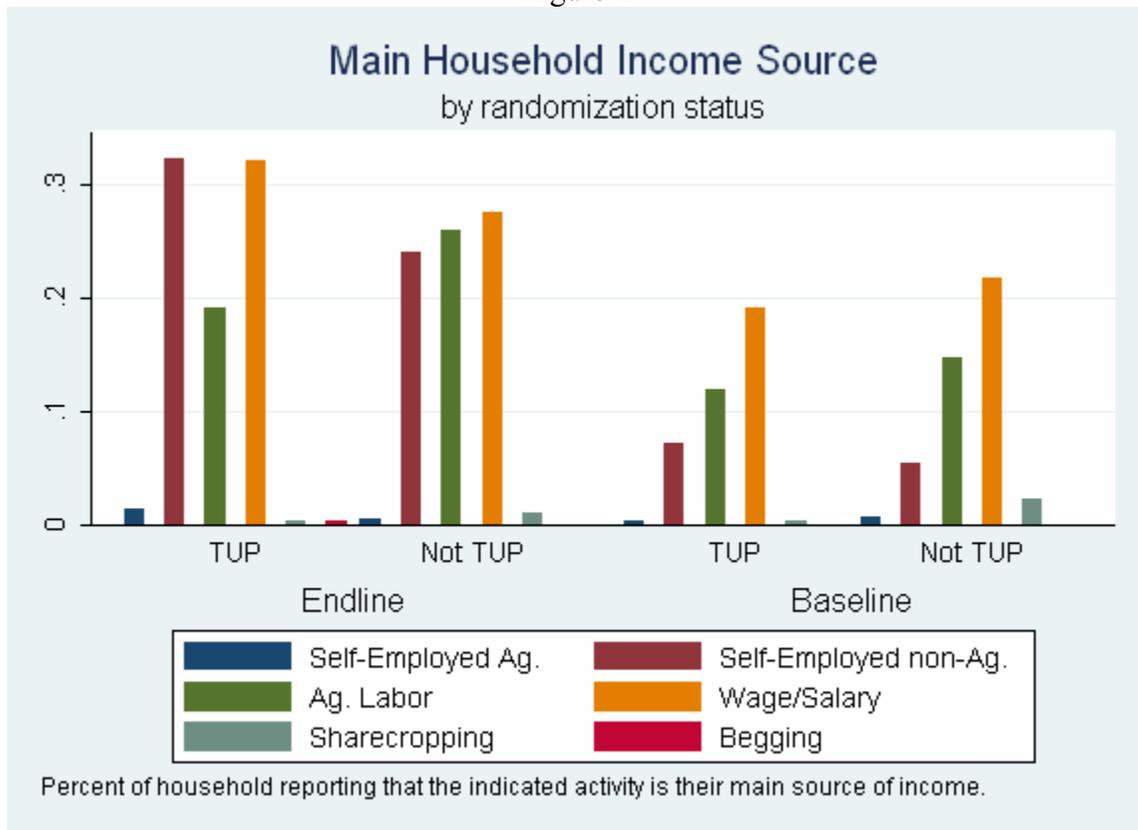


Figure 2

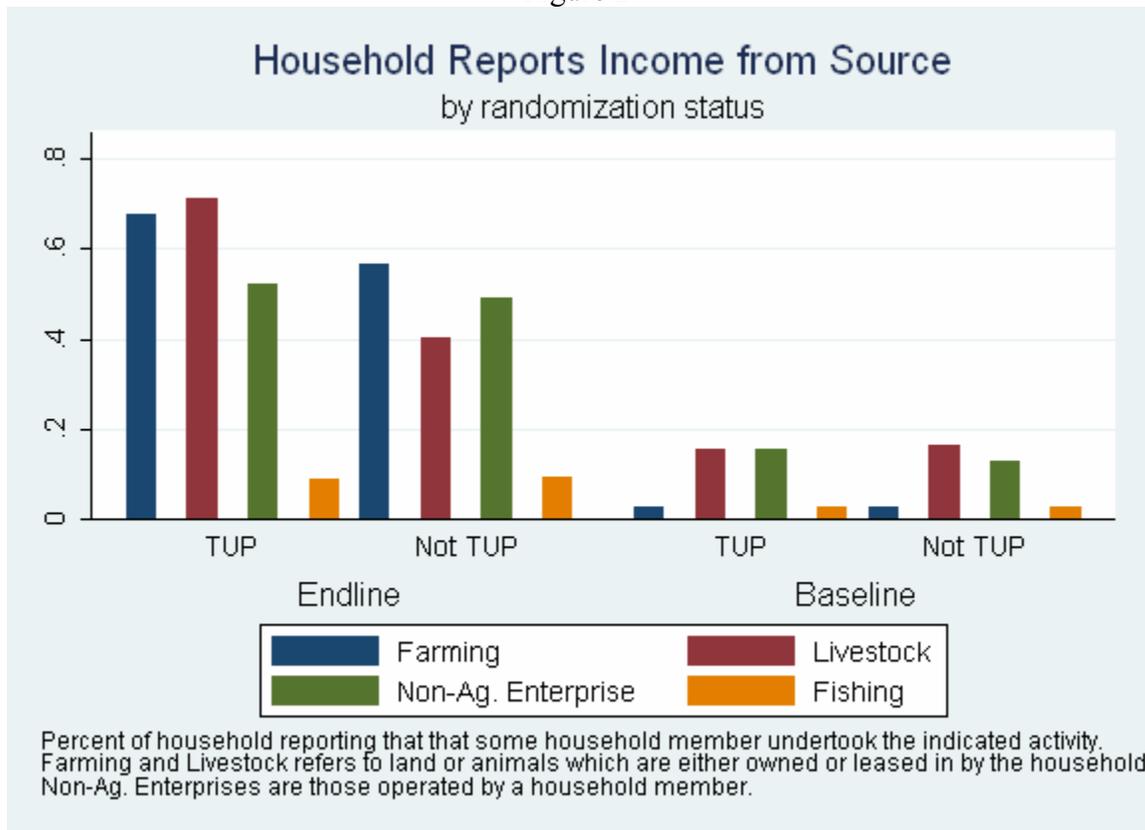


Figure 3

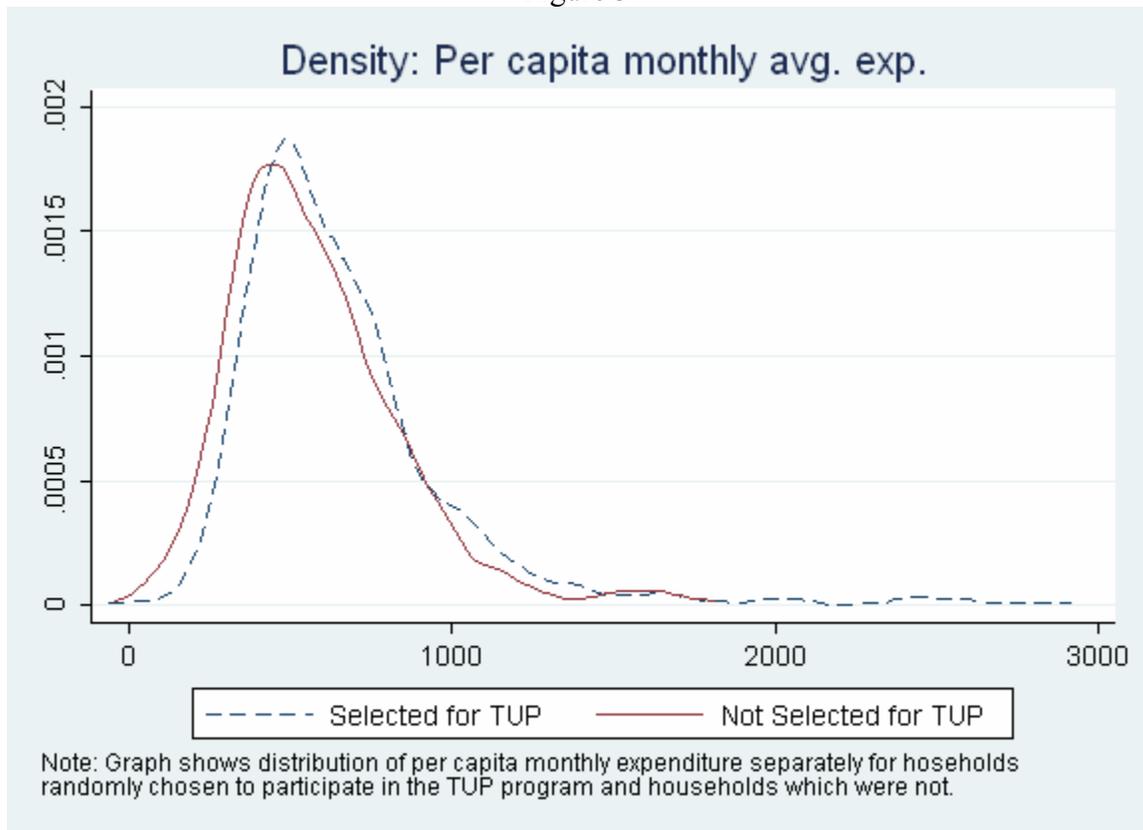


Figure 4

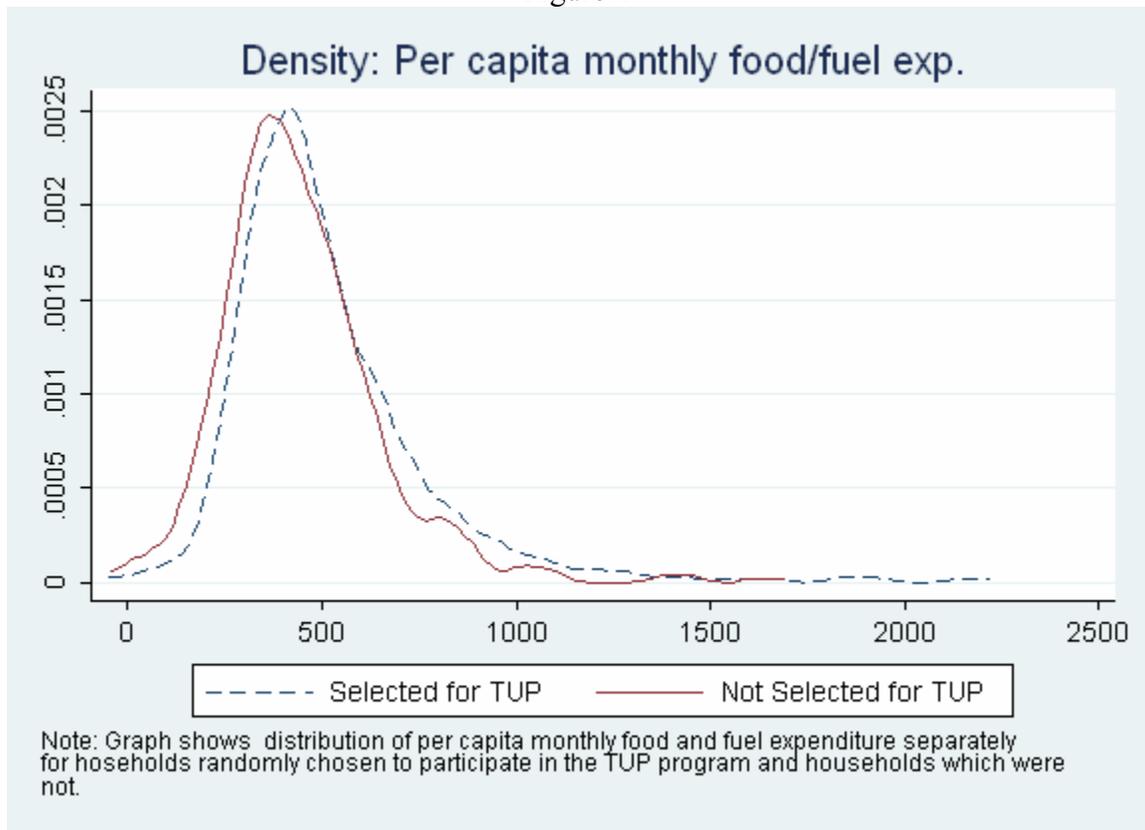


Figure 5

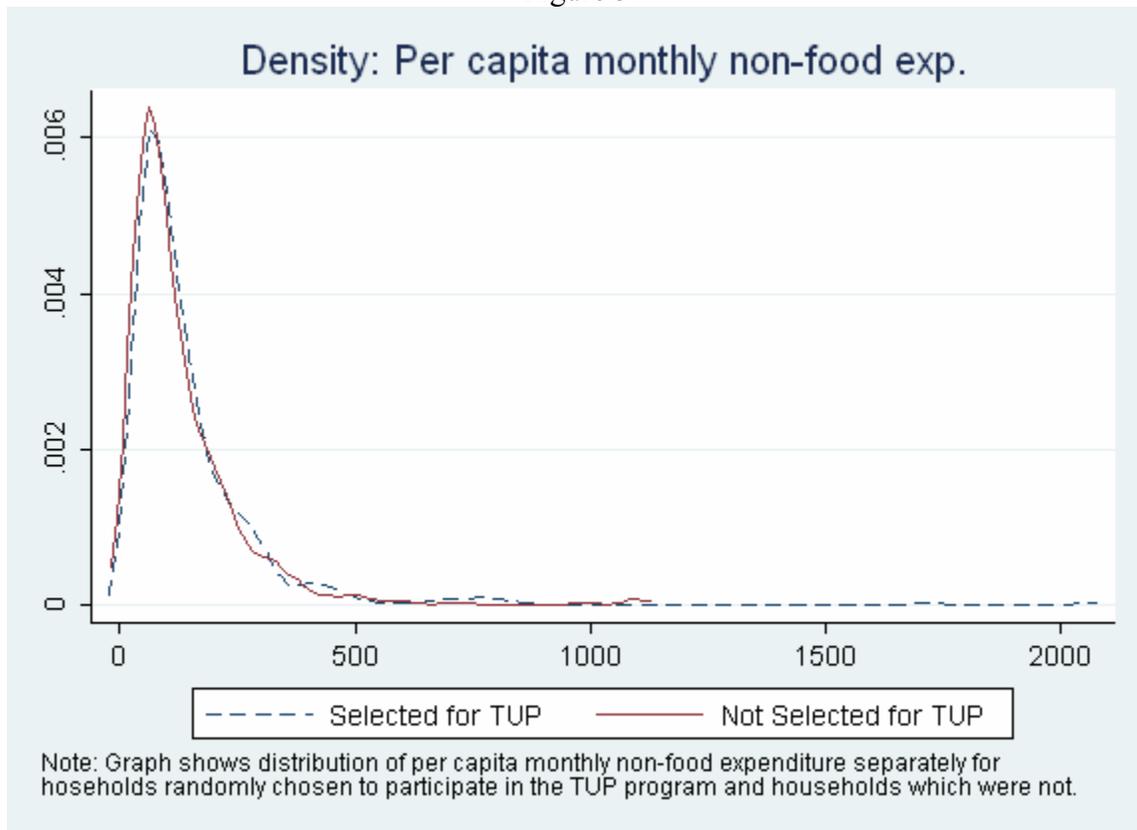


Table 1: Summary Statistics for Surveyed and Not Surveyed Households

Variable	Not		Surveyed		Diff	p-value
	Surveyed	N	Surveyed	N		
Main income source: Own Agriculture	0.00	166	0.01	812	-0.01	0.311
Main income source: Own non-Agriculture	0.06	166	0.06	812	0	0.855
Main income source: Agricultural Labor	0.15	166	0.13	812	0.02	0.547
Main income source: Non-Agricultural Labor	0.18	166	0.2	812	-0.02	0.487
Main income source: Regular wage/salary	0.01	166	0.01	812	-0.01	0.423
Main income source: Sharecropping	0.00	166	0	812	0.00	
Do you cultivate any land owned by the household?	0.01	166	0.01	812	0.00	0.977
Do you lease in/sharecrop any land?	0.00	166	0.02	812	-0.02	0.078 *
Land owned, katthas	1.14	163	1.66	794	-0.53	0.006 ***
How many rooms does your house have?	1.17	163	1.18	804	-0.01	0.875
How many rooms are pucca?	0.01	163	0.02	804	-0.01	0.497
How many rooms are kuchha?	0.79	163	0.81	804	-0.03	0.638
Number of household members	3.89	166	3.88	812	0.01	0.945
Household members aged 14 or older	2.08	166	2.32	812	-0.23	0.003 ***
Household members aged 0-13	1.8	166	1.56	812	0.24	0.035 **
HH head died in last 5 years	0.1	166	0.15	812	-0.05	0.116
Number working HH members died in last 5 years	0.1	166	0.1	812	0.00	0.935
Religion: Hinduism	0.29	166	0.57	812	-0.28	0.00 ***
Percent male in household	0.42	166	0.42	812	0.00	0.862
Average age in household	25.68	166	26.77	812	-1.1	0.352
Average schooling in household (year)	3.37	110	3.54	524	-0.17	0.293
Per capita monthly avg. exp.	389.68	165	415.02	811	-25.34	0.237
Per capita monthly food/fuel exp.	287.19	165	296.79	810	-9.59	0.511
One or more health shock (1 year)	0.34	166	0.31	806	0.04	0.367
Experienced non-health economic shock in last 12 months	0.19	165	0.25	803	-0.06	0.1

Note: Table shows the mean of the indicated variables among households reached in the endline survey and those not surveyed as well as the difference in means. Serious health events are those which required hospitalization or resulted in the loss of working days. Non-health economic shocks include severe home damage, illness/death of livestock, theft or legal dispute.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 2: Attrition and Treatment Assignment

	Attrition household	Attrition household
Selected in randomization?	-0.01 (0.02)	0.00 (0.02)
Hamlet FEs	No	Yes
Observations	978	977
R-Squared	0.0	0.3
Mean of dependent variable	0.17	0.17

Notes: Table shows the results from a regression of an indicator variable that the household was surveyed in the baseline but not in the endline survey on an indicator that the household was randomly selected for participation in the Ultra Poor program.

* Significant at the 10% confidence level

** Significant at the 5% confidence level

*** Significant at the 1% confidence level

Table 3: Summary Statistics

Panel A						
Variable	Selected		Not Selected		Diff	p-value
		N		N		
Main income source: Own Agriculture	0.00	427	0.01	385	0.00	0.572
Main income source: Own non-Agriculture	0.07	427	0.05	385	0.02	0.295
Main income source: Agricultural Labor	0.12	427	0.15	385	-0.03	0.231
Main income source: Non-Agricultural Labor	0.19	427	0.22	385	-0.03	0.357
Main income source: Regular wage/salary	0.00	427	0.02	385	-0.02	0.021 **
Main income source: Sharecropping	0.00	427	0.00	385	0.00	
Do you cultivate any land owned by the household?	0.01	427	0.01	385	0.00	0.869
Do you lease in/sharecrop any land?	0.02	427	0.02	385	0.00	0.953
Land owned, katthas	1.63	418	1.69	376	-0.06	0.718
How many rooms does your house have?	1.18	422	1.17	382	0.01	0.651
How many rooms are pucca?	0.03	422	0.02	382	0.01	0.727
How many rooms are kuchha?	0.79	422	0.84	382	-0.05	0.266
Number of household members	3.91	427	3.84	385	0.07	0.52
Household members aged 14 or older	2.36	427	2.26	385	0.10	0.137
Household members aged 0-13	1.55	427	1.57	385	-0.02	0.818
HH head died in last 5 years	0.16	427	0.14	385	0.02	0.506
Number working HH members died in last 5 years	0.10	427	0.09	385	0.01	0.658
Religion: Hinduism	0.58	427	0.56	385	0.03	0.433
Percent male in household	0.43	427	0.4	385	0.03	0.114
Average age in household	26.8	427	26.74	385	0.06	0.952
Average schooling in household (year)	3.56	275	3.52	249	0.04	0.782
Per capita monthly avg. exp.	411.41	427	419.04	384	-7.63	0.676
Per capita monthly food/fuel exp.	295.07	427	298.7	383	-3.63	0.772
One or more health shock (1 year)	0.29	424	0.33	382	-0.05	0.149
Experienced non-health economic shock in last 12 months	0.24	420	0.26	383	-0.03	0.406

Panel B						
Variable	Selected		Not Selected		Diff	p-value
		N		N		
Main income source: Own Agriculture	0.01	428	0.01	386	0.01	0.202
Main income source: Own non-Agriculture	0.32	428	0.24	386	0.08	0.01 ***
Main income source: Agricultural Labor	0.19	428	0.26	386	-0.07	0.021 **
Main income source: Non-Agricultural Labor	0.32	428	0.27	386	0.05	0.157
Main income source: Regular wage/salary	0.00	428	0.01	386	-0.01	0.344
Main income source: Sharecropping	0.00	428	0.00	386	0.00	0.179
Do you cultivate any land owned by the household?	0.66	428	0.55	384	0.12	0.001 ***
Do you lease in/sharecrop any land?	0.06	428	0.04	383	0.02	0.262
Land owned, katthas	1.47	422	1.21	383	0.26	0.105
How many rooms does your house have?	1.26	428	1.26	385	0.00	0.957
How many rooms are pucca?	0.02	428	0.02	385	0.00	0.862
How many rooms are kuchha?	0.72	428	0.75	385	-0.03	0.584
Number of household members	3.95	428	4.21	386	-0.26	0.437
Household members aged 14 or older	2.48	428	2.41	385	0.07	0.307
Household members aged 0-13	1.49	423	1.49	379	0.00	0.965
Able bodied male adult (18+)	0.69	428	0.67	386	0.02	0.525
HH head died in last 5 years	0.11	428	0.10	386	0.01	0.696
Number working HH members died in last 5 years	0.12	428	0.07	386	0.04	0.04 **
Religion: Hinduism	0.61	428	0.57	385	0.04	0.30
Percent male in household	0.43	428	0.42	386	0.01	0.68
Average age in household	28.49	428	28.54	385	-0.05	0.956
Average schooling in household (year)	3.65	298	3.6	263	0.05	0.732
Per capita monthly avg. exp.	663.28	428	575.75	385	87.53	0.00 ***
Per capita monthly food/fuel exp.	514.3	428	444.07	385	70.22	0.00 ***
One or more health shock (1 year)	0.42	426	0.41	385	0.01	0.883
Experienced non-health economic shock in last 12 month:	0.38	428	0.21	386	0.17	0.00 ***

Note: Table shows the mean of the indicated variables among households randomly selected to receive an offer to participate in the THP program and those that were not as well as the difference in means. Panel A presents results from the baseline survey and Panel B presents results from the endline survey. Serious health events are those which required hospitalization or resulted in the loss of working days. Non-health economic shocks include severe home damage, illness/death of livestock, theft or legal dispute.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 4: Effect of Treatment on Livestock and Assets

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Small animals acquired (3 years)	Goats, pigs or sheep acquired (3 years)	Birds acquired (3 years)	Cows acquired (3 years)	Irregular income from livestock	Monthly flow income from livestock	Land owned, katthas	Number fruit trees	Assets index (durables and livestock)	Assets index (durables)
Selected in randomization?	1.95 (0.191)***	1.52 (0.119)***	0.42 (0.136)***	0.4 (0.053)***	398.83 (78.960)***	-82.05 (23.662)***	0.28 (0.169)*	0.56 (0.249)**	0.39 (0.119)***	0.12 (0.12)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	811	811	811	802	811	810	804	809	796	797
R-Squared	0.28	0.35	0.2	0.34	0.24	0.16	0.14	0.16	0.2	0.18
Mean of dependent variable	1.91	1.11	0.79	0.33	256.28	-73.38	1.34	1.66	0.38	0.32

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Irregular income includes income derived from the sale of animals, sale of animal calves or sale of products (hides, etc.) of deceased animals over the prior 3 years. Monthly flow income includes income from home consumption or sale of milk, dung (for fuel), wool, or other animal products. Assets index is the principal components index of household durable goods and livestock owned by the household or durables alone (as indicated in the column heading).

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 5: Effect of Treatment on Income from Agriculture and Fishing

	(1)	(2)	(3)	(4)
	Own land cultivated (katthas)	Leased land cultivated (katthas)	Household fishes	Income from fishing (30 days)
Selected in randomization?	-0.03 (0.17)	0.15 (0.36)	-0.01 (0.02)	-101.95 (116.10)
Hamlet FEs	Yes	Yes	Yes	Yes
Observations	811	810	812	811
R-Squared	0.07	0.22	0.37	0.17
Mean of dependent variable	0.23	1.05	0.09	200.47

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation.

Regressions include hamlet fixed effects. Robust standard errors in parentheses.

Land cultivated refers to the sum of land area cultivated in each season.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level,

*** Significant at the 1% confidence level

Table 6: Effect of Treatment on Income from Non-farm Enterprises

	(1)	(2)	(3)
	Operate small enterprise	Investment in small enterprise	Enterprise income (1 month)
Selected in randomization?	0.03 (0.03)	-1.58 (37.09)	41.51 (40.91)
Hamlet FEs	Yes	Yes	Yes
Observations	813	804	797
R-Squared	0.36	0.26	0.27
Mean of dependent variable	0.51	201.87	319.25

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Variables refer to any enterprise operated within the last 3 years. Investment refers to investment in any non-merchandise item necessary to operate the enterprise. Income is net of expenses.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 7: Effect of Treatment on Consumption

	(1)	(2)	(3)	(4)
	Per capita monthly avg. exp.	Per capita monthly food/fuel exp.	Per capita monthly non-food exp.	Per capita durable good exp.
Selected in randomization?	83.95 (22.433) ^{***}	63.75 (16.386) ^{***}	20.2 (11.387) [*]	-51.06 (53.20)
Hamlet FEs	Yes	Yes	Yes	Yes
Observations	812	812	812	812
R-Squared	0.2	0.22	0.14	0.18
Mean of dependent variable	621.8	481.05	140.75	290.74

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 8: Effect of Treatment on Disaggregated Food Consumption

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Exp. cereals	Exp. pulses	Exp. dairy	Exp. edible oil	Exp. vegetables	Exp. fruit, nuts	Exp. meat, eggs	Exp. other food	Exp. pan, tobac., alcohol	Exp. fuel and light
Selected in randomization?	15.02 (5.340) ^{***}	2.61 (1.387) [*]	4.74 (1.678) ^{***}	2.82 (1.667) [*]	15.14 (4.276) ^{***}	3.01 (1.142) ^{***}	8.26 (2.548) ^{***}	8.76 (2.686) ^{***}	0.47 (2.28)	2.91 (2.96)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	812	812	812	812	812	812	812	812	812	812
R-Squared	0.2	0.22	0.22	0.21	0.22	0.23	0.22	0.22	0.15	0.23
Mean of dependent variable	167.64	15.49	12.51	38.24	98.06	7.37	30.08	54.62	19.5	37.54
Effect as % of mean	9%	17%	38%	7%	15%	41%	27%	16%	2%	8%

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. All variables are per capita.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 9: Effect of Treatment on Food Security

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Food insecurity index	Adult skipped meal	Adult not eat entire day	Child skiped meal	Do all members of your household get enough food everyday?	Regularly eat 2 meals a day	Self- classification (ladder)
Selected in randomization?	-0.05 (0.013)***	-0.08 (0.025)***	-0.13 (0.030)***	-0.01 (0.03)	0.07 (0.025)***	0.01 (0.02)	0.21 (0.072)***
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	811	810	810	811	811	811	810
R-Squared	0.29	0.21	0.26	0.24	0.2	0.25	0.24
Mean of dependent variable	0.27	0.84	0.25	0.18	0.16	0.92	2.91

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Dependent variable in column 1 is an index of food insecurity, it is the simple average of indicator variables where 1 indicates greater food insecurity than 0. The dependent variables in the following columns are indicator variables used to construct the food insecurity index. The time period of reference for skipping meals is 12 months. Dependent variable in column 1=7 is households self-perception of well-being on a scale from 1 (extremely poor) to 10 (very comfortable).

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 10: Effect of Treatment on Financial Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Total borrowing	Informal borrowing	Quasi-formal borrowing	Rs. deposited in savings (30 days)	Willingness to borrow (min of loan size bounds)	Financial autonomy index	Decide: buy and sell assets	Decide: spend, borrow and save.	Responsible for savings accounts.
Selected in randomization?	-204.58 (371.16)	-61.83 (345.46)	-142.75 (98.85)	22.62 (10.820)**	439.63 (216.052)**	0.14 (0.025)***	0.03 (0.04)	0 (0.04)	0.38 (0.032)***
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	811	811	811	804	793	813	793	791	812
R-Squared	0.18	0.18	0.18	0.2	0.22	0.21	0.21	0.23	0.34
Mean of dependent variable	3206.95	2984.13	222.83	33.99	2519.55	0.39	0.37	0.38	0.42

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. The willingness to borrow and financial autonomy variables are constructed only from survey responses of the THP beneficiary or potential beneficiary (for control households). The former pertains to expressed willingness to borrow different amounts of money with interest. The later is the simple average of indicators of financial autonomy (presented separately in the following three columns): specifically taking independent decisions about buying and selling assets, taking decisions about borrowing, spending and saving and operating savings accounts).

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 11: Effect of Treatment on Transfers

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Meals received	Meals given	Value food received	Value food given	Loans given to other households	Gifts given to other households	Loans received from other households	Gifts received from other households
Selected in randomization?	0.99 (0.87)	0.71 (0.327)**	-17.59 (9.392)*	0.29 (0.73)	-6.76 (14.74)	6.57 (11.79)	-286.76 (291.37)	-138.07 (382.92)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	807	811	788	811	797	797	797	797
R-Squared	0.19	0.18	0.14	0.07	0.12	0.13	0.2	0.14
Mean of dependent variable	6.1	1.78	30.11	1.02	23.51	17.97	1575.97	991.27

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects, which correspond roughly to villages. Robust standard errors in parentheses. Time period of reference for dependent variables in columns 1-4 is 30 days, in columns 5-8 it is 18 months.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 12: Effect of Treatment on Adult Time Use

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Time spent household chores	Time spent on leisure activities	Time spent working	Individual income from labor	Individual income from HH business	Individual income from outside labor	Earned from work yesterday	Individual income from labor (if earn)	Individual income from HH business (if earn)	Individual income from outside labor (if earn)
Selected in randomization?	-4.57 (7.23)	2.57 (2.49)	61.25 (10.22)***	1.02 (1.58)	1.72 (1.16)	0.36 (1.26)	-0.04 (0.02)*	6.01 (3.00)**	6.07 (2.68)**	1.88 (2.86)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1515	1515	1515	1515	1515	1515	1515	653	653	653
R-Squared	0.1	0.14	0.13	0.08	0.12	0.1	0.12	0.25	0.28	0.29
Mean of dependent variable	232.07	18.14	256.2	22.09	8.38	11.64	0.43	51.25	19.44	27.01

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. Time spent on various activities is minutes spent in the last 24 hours. Income is in Rs. earned in the last 24 hours, including payments in cash and the value of in kind payments. Income is reported separately for income from a non-agricultural enterprise operated by the household and income from outside labor (agricultural, non-agricultural or housework in another household). The final three columns restrict to adults who report earning some income (in cash or in kind) from their labor in the past 24 hours.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 13: Effect of Treatment on Adult Labor Time

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Own/rented field	Own animals	Own business	Fishing	Agricultural labor	Outside housework	Non- agricultural labor	Other work
Selected in randomization?	1.66 (2.10)	64.64 (5.00)***	9.45 (6.89)	-3.61 (2.11)*	-4.1 (5.34)	-12.38 (6.26)**	7.66 (5.82)	-1.95 (3.17)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1515	1514	1514	1515	1515	1515	1515	1515
R-Squared	0.11	0.25	0.2	0.16	0.15	0.14	0.08	0.11
Mean of dependent variable	5.12	68.18	69.62	4.53	38.12	29.47	32.63	8.61

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. Time spent on various activities is minutes spent in the last 24 hours.

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Table 14: Effect of Treatment on Children's Time Use

	(1)	(2)	(3)	(4)
	Time	Time	Time	Time
	spent	spent on	spent	spent
	household	leisure	working	studying
	chores	activities	working	studying
	(Child)	(Child)	(Child)	(Child)
Panel A				
Selected in randomization?	-0.55	9.66	2.59	38.09
	(8.89)	(11.39)	(7.12)	(21.14)*
Hamlet FEs	Yes	Yes	Yes	Yes
Observations	518	517	517	519
R-Squared	0.25	0.39	0.31	0.35
Mean of dependent variable	64.41	139.99	25.54	179.33
Panel B				
Selected in randomization?	-0.69	10.54	2.68	19.71
	(6.97)	(9.68)	(7.09)	(16.29)
Hamlet FEs	Yes	Yes	Yes	Yes
Observations	625	625	625	625
R-Squared	0.26	0.34	0.27	0.33
Mean of dependent variable	61.8	140.81	27.56	181.01

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. The estimates in the top panel are constructed using time reported by the (potential) beneficiary for her children. The estimates in the lower panel use the average of time reported by each of the child's parents. Time spent on various activities is minutes spent in the last 24 hours.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 15: Effect of Treatment on Adult Health

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Health Knowledge and Behavior Index	Health Index	Unable to work because sick or injured (30 days)	Days unable to work	Average ADL score (1-4=can't do task)	Self perception of health (10=best 1=worst)	Perceive health improved last year	Mental Health Index	Life satisfaction index (1-5=most satisfied)	Index of reported symptoms of mental distress	Did not experience period of worry/anxiety in last year	Scale (1-3) think life will get better
Selected in randomization?	0.44 (0.09)***	0.11 (0.07)	-0.03 (0.02)	-0.03 (0.22)	-0.02 (0.02)	0.08 (0.08)	0.06 (0.02)***	0.41 (0.11)***	0.14 (0.04)***	-0.08 (0.02)***	0.04 (0.02)***	0 (0.01)
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1511	1514	1515	1515	1515	1514	1515	1498	1512	1512	1510	1501
R-Squared	0.16	0.16	0.17	0.13	0.14	0.16	0.14	0.19	0.17	0.2	0.14	0.22
Mean of dependent variable	0	0	0.36	2.23	1.53	3.97	0.27	0	2.51	0.56	0.09	2.94

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. The index of health knowledge and behaviors is constructed using principal components analysis using questions pertaining to health behaviors and knowledge including washing hands after defecating, wearing sandals to the latrine and elsewhere, awareness of waterborne diseases and ways to prevent them, knowledge of HIV and ways to prevent the disease, having soap, a toothbrush and paste at home and knowledge of iodized salt. The index of physical health is a principal component index of various indicators of health, including: self-perception, missed work days, and Activities of Daily Living measures. The index of mental health is also constructed using principal component analysis based on the self-reported presence or lack of symptoms of poor mental health and an individual's outlook for the future.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 16: Effect of Treatment on Knowledge

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Good # of children to have	What is the legal age of marriage for a boy?	What is the legal age of marriage for a girl?	What is the lowest age for casting vote?	Punishment for giving and taking dowry at marriage?	Mother should be involved in fertility decision	Do you get your child administered to vaccines?	Are you aware of the different Government schemes?
Selected in randomization?	-0.05 (0.03)*	-0.02 -0.17	0.03 -0.1	0.07 -0.16	0.05 (0.03)*	0 -0.01	0.05 (0.03)*	-0.01 -0.02
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1504	1466	1469	1263	1470	1477	748	1513
R-Squared	0.11	0.1	0.11	0.11	0.13	0.14	0.26	0.16
Mean of dependent variable	2.14	22.5	18.58	19.19	0.67	0.93	0.88	0.82

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. Variation in sample size driven by

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Table 17: Effect of Treatment on Empowerment

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Index of (potential) beneficiaries's autonomy	Woman travels out of village (30 days)	Travels unescorted to next village	Participates in SHG	Has own financial assets
Selected in randomization?	0.01	0.07	0.08	-0.01	-0.02	-0.02	0.35
	-0.02	(0.01)***	(0.02)***	-0.03	(0.01)*	-0.02	(0.03)***
Hamlet FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1515	1512	758	1490	1511	1511	1512
R-Squared	0.12	0.19	0.21	0.16	0.11	0.17	0.28
Mean of dependent variable	0.45	0.52	0.53	0.59	0.96	0.14	0.41

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors, clustered at the household level, in parentheses. Women's autonomy index is the simple average of indicators that the woman can travel outside the village, participation in Self Help Groups or having her own savings and loans; the components are also evaluated separately. This index is also considered exclusively for beneficiaries and potential beneficiaries (in the control group). The index of political involvement is the simple average of indicators that the individual voted in local elections or approached local political officials.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 18: Heterogeneous Consumption Effects

	(1)	(2)
		Per capita
	Per capita	monthly
	monthly	food/fuel
	avg. exp.	exp.
Baseline: Per capita monthly avg. exp.		
Selected in randomization?	-22.57 (59.73)	-19.27 (41.01)
Baseline: Per capita monthly avg. exp.	0.24 (0.081) ^{***}	0.14 (0.053) ^{***}
Selected X Per capita monthly avg. exp.	0.27 (0.152) [*]	0.21 (0.106) [*]
Hamlet FEs	Yes	Yes
Observations	810	810
R-Squared	0.28	0.28
Mean of dependent variable	622.34	481.35
Baseline: Total borrowing		
Selected in randomization?	75.55 (23.592) ^{***}	58.06 (16.867) ^{***}
Baseline: Total borrowing	-2.95 (1.521) [*]	-2.93 (1.068) ^{***}
Selected X Total borrowing	3.74 (7.12)	1.74 (4.59)
Hamlet FEs	Yes	Yes
Observations	803	803
R-Squared	0.21	0.24
Mean of dependent variable	622.03	480.72
Baseline: Household has enterprise		
Selected in randomization?	62.82 (23.470) ^{***}	51.26 (17.569) ^{***}
Baseline: Household has enterprise	-6.88 (41.14)	8.24 (31.17)
Selected X Household has enterprise	149.1 (74.430) ^{**}	86.92 (54.90)
Hamlet FEs	Yes	Yes
Observations	810	810
R-Squared	0.21	0.23
Mean of dependent variable	622.34	481.35

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Borrowing is measured in 1000s of rupees.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level

Table 19: Heterogeneous Credit Effects

	(1)	(2)	(3)
	Total borrowing	Informal borrowing	Quasi-formal borrowing
Baseline: Per capita monthly avg. exp.			
Selected in randomization?	0.03 (0.54)	175.15 (509.16)	(148.77) -136.904
Baseline: Per capita monthly avg. exp.	0 (0.00)	-0.29 (0.53)	0.15 -0.252
Selected X Per capita monthly avg. exp.	0 (0.00)	-0.6 (0.86)	0.02 -0.326
Hamlet FEs	Yes	Yes	Yes
Observations	809	809	809
R-Squared	0.18	0.18	0.18
Mean of dependent variable	3.21	2986.87	223.38
Baseline: Total borrowing			
Selected in randomization?	-0.2 (0.40)	-30.92 (366.89)	-171.44 (112.17)
Baseline: Total borrowing	0.13 (0.09)	125.96 (89.91)	0.29 (9.16)
Selected X Total borrowing	0.06 (0.15)	35.26 (147.87)	26.57 (25.00)
Hamlet FEs	Yes	Yes	Yes
Observations	803	803	803
R-Squared	0.19	0.2	0.18
Mean of dependent variable	3.22	2994.13	221.31
Baseline: Household has enterprise			
Selected in randomization?	-0.21 (0.38)	-71.9 (356.90)	-137.29 (106.62)
Baseline: Household has enterprise	1.79 (1.076)*	1584.39 (956.909)*	209.91 (216.35)
Selected X Household has enterprise	-0.1 (1.24)	-44.83 (1157.24)	-52.65 (266.64)
Hamlet FEs	Yes	Yes	Yes
Observations	809	809	809
R-Squared	0.19	0.19	0.18
Mean of dependent variable	3.21	2986.87	223.38

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Borrowing is measured in 1000s of rupees.

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Table 20: Heterogeneous Enterprise Effects

	(1)	(2)	(3)
	Operate small enterprise	Investment in small enterprise	Enterprise income (1 month)
Baseline: Per capita monthly avg. exp.			
Selected in randomization?	0.01 (0.07)	-27.37 (73.73)	(90.21) -76.744
Baseline: Per capita monthly avg. exp.	0 0.00	-0.09 (0.08)	-0.06 -0.098
Selected X Per capita monthly avg. exp.	0 0.00	0.06 (0.14)	0.32 (0.166)*
Hamlet FEs	Yes	Yes	Yes
Observations	810	801	794
R-Squared	0.36	0.26	0.27
Mean of dependent variable	0.51	202.55	319.99
Baseline: Total borrowing			
Selected in randomization?	0.02 (0.03)	-22.07 (40.92)	34.65 (45.23)
Baseline: Total borrowing	-0.01 (0.01)	-0.44 (2.30)	9.01 (9.57)
Selected X Total borrowing	0.01 (0.01)	13.51 (10.46)	10.71 (18.34)
Hamlet FEs	Yes	Yes	Yes
Observations	803	794	787
R-Squared	0.36	0.26	0.27
Mean of dependent variable	0.5	199.8	316.29
Baseline: Household has enterprise			
Selected in randomization?	0.02 (0.03)	-15.86 (34.09)	-4.47 (41.25)
Baseline: Household has enterprise	0.29 (0.068)***	240.83 (128.064)*	210.37 (98.365)**
Selected X Household has enterprise	0.06 (0.09)	78.37 (156.42)	323.29 (161.075)**
Hamlet FEs	Yes	Yes	Yes
Observations	811	802	795
R-Squared	0.4	0.28	0.31
Mean of dependent variable	0.51	202.3	319.59

Note: OLS regression of variable indicated in the column heading on an indicator for whether the household was selected randomly for THP program participation. Regressions include hamlet fixed effects. Robust standard errors in parentheses. Variables refer to any enterprise operated within the last 3 years. Investment refers to investment in any non-merchandise item necessary to operate the enterprise. Income is net of expenses. Borrowing is measured in 1000s of rupees.

* Significant at the 10% confidence level, ** Significant at the 5% confidence level, *** Significant at the 1% confidence level