Impact of Ethiopia's Productive Safety Net Program on Household Dietary Diversity and Child Nutrition in Rural Ethiopia

Authors : Tagel Gebrehiwot, Carolina Castilla

Abstract : Food insecurity and child malnutrition are among the most critical issues in Ethiopia. Accordingly, different reform programs have been carried to improve household food security. The Food Security Program (FSP) (among others) was introduced to combat the persistent food insecurity problem in the country. The FSP combines a safety net component called the Productive Safety Net Program (PSNP) started in 2005. The goal of PSNP is to offer multi-annual transfers, such as food, cash or a combination of both to chronically food insecure households to break the cycle of food aid. Food or cash transfers are the main elements of PSNP. The case for cash transfers builds on the Sen's analysis of 'entitlement to food', where he argues that restoring access to food by improving demand is a more effective and sustainable response to food insecurity than food aid. Cash-based schemes offer a greater choice of use of the transfer and can allow a greater diversity of food choice. It has been proven that dietary diversity is positively associated with the key pillars of food security. Thus, dietary diversity is considered as a measure of household's capacity to access a variety of food groups. Studies of dietary diversity among Ethiopian rural households are somewhat rare and there is still a dearth of evidence on the impact of PSNP on household dietary diversity. In this paper, we examine the impact of the Ethiopia's PSNP on household dietary diversity and child nutrition using panel household surveys. We employed different methodologies for identification. We exploit the exogenous increase in kebeles' PSNP budget to identify the effect of the change in the amount of money households received in transfers between 2012 and 2014 on the change in dietary diversity. We use three different approaches to identify this effect: two-stage least squares, reduced form IV, and generalized propensity score matching using a continuous treatment. The results indicate the increase in PSNP transfers between 2012 and 2014 had no effect on household dietary diversity. Estimates for different household dietary indicators reveal that the effect of the change in the cash transfer received by the household is statistically and economically insignificant. This finding is robust to different identification strategies and the inclusion of control variables that determine eligibility to become a PSNP beneficiary. To identify the effect of PSNP participation on children height-for-age and stunting we use a difference-in-difference approach. We use children between 2 and 5 in 2012 as a baseline because by then they have achieved long-term failure to grow. The treatment group comprises children ages 2 to 5 in 2014 in PSNP participant households. While changes in height-for-age take time, two years of additional transfers among children who were not born or under the age of 2-3 in 2012 have the potential to make a considerable impact on reducing the prevalence of stunting. The results indicate that participation in PSNP had no effect on child nutrition measured as height-for-age or probability of beings stunted, suggesting that PSNP should be designed in a more nutrition-sensitive way.

Keywords : continuous treatment, dietary diversity, impact, nutrition security
Conference Title : ICFSS 2017 : International Conference on Food Security and Stability
Conference Location : Paris, France
Conference Dates : March 29-30, 2017