

Accepted Manuscript

Cash transfers and labor supply: Evidence from a large-scale program in Iran

Djavad Salehi-Isfahani, Mohammad H. Mostafavi-Dehzoeei

PII: S0304-3878(18)30608-4

DOI: [10.1016/j.jdeveco.2018.08.005](https://doi.org/10.1016/j.jdeveco.2018.08.005)

Reference: DEVEC 2279

To appear in: *Journal of Development Economics*

Received Date: 31 December 2016

Revised Date: 28 July 2018

Accepted Date: 6 August 2018

Please cite this article as: Salehi-Isfahani, D., Mostafavi-Dehzoeei, M.H., Cash transfers and labor supply: Evidence from a large-scale program in Iran, *Journal of Development Economics* (2018), doi: 10.1016/j.jdeveco.2018.08.005.

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Cash transfers and labor supply: evidence from a large-scale program in Iran *

Djavad Salehi-Isfahani
Virginia Tech and ERF

Mohammad H. Mostafavi-Dehzoeei
Bloomsburg University

July 2018

Abstract

This paper examines the impact of a national cash transfer program on labor supply in Iran. In 2011, Iran started monthly deposits of cash into individual accounts covering more than 70 million people and amounting to 28% of the median per capita household income. The payments were compensation for the sudden removal of hefty energy subsidies. The program has been heavily criticized for its disincentive for work, especially for the poor. We use panel data to study the causal effect of the transfers on labor supply using exogenous variation in the time households first started receiving transfers and in the intensity of treatment, which we define as the share of net transfers from the program in total per capita household expenditures. We find no evidence that cash transfers reduced labor supply, in terms of hours worked or labor force participation. To the contrary, we find positive effects on the labor supply of women and self-employed men.

Keywords: Cash transfers, labor supply, Iran, impact evaluation

JEL codes: D13, I38, J22, O12

*Financial support from the Economic Research Forum under the RIAD initiative is gratefully acknowledged. We have benefited from comments from participants in the Third Annual Conference of the International Iranian Economic Association held in Boston, October 2014.

Download English Version:

<https://daneshyari.com/en/article/11004826>

Download Persian Version:

<https://daneshyari.com/article/11004826>

[Daneshyari.com](https://daneshyari.com)