Accepted Manuscript

A poor means test? Econometric targeting in Africa

Caitlin Brown, Martin Ravallion, Dominique van de Walle

PII: S0304-3878(18)30581-9

DOI: 10.1016/j.jdeveco.2018.05.004

Reference: DEVEC 2230

To appear in: *Journal of Development Economics*

Received Date: 30 December 2016

Revised Date: 1 May 2018

Accepted Date: 7 May 2018

Please cite this article as: Brown, C., Ravallion, M., van de Walle, D., A poor means test? Econometric targeting in Africa, *Journal of Development Economics* (2018), doi: 10.1016/j.jdeveco.2018.05.004.

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.

ACCEPTED MANUSCRIPT

A Poor Means Test? Econometric Targeting in Africa

Caitlin Brown, Martin Ravallion and Dominique van de Walle[1]

Abstract: Proxy-means tests (PMTs) are popular for poverty-targeting with imperfect information. In a widely-used version, a regression for log consumption calibrates a PMT score based on covariates, which is then implemented for targeting out-of-sample. The performance of various PMT methods is assessed using data for nine African countries. Standard PMTs help filter out the non-poor, but exclude many poor people, thus diminishing the impact on poverty. Poverty-focused econometric methods such as using quantile regression generally do better. We also characterize the optimal informationally-feasible solution for poverty targeting and compare it to econometric methods. Even with a budget sufficient to eliminate poverty with full information, none of the targeting methods studied bring the poverty rate below about three-quarters of its initial value. The prevailing methods are particularly deficient in reaching the poorest. A basic-income scheme or transfers using a simple demographic scorecard often do as well, or even better, in reducing poverty.

Keywords: Poverty, cash transfers, proxy means test, targeting, Africa

JEL: I32, I38

ACCEPTED MANUSCRIPT

[1] Brown and Ravallion are with the Department of Economics, Georgetown University, and van de Walle is with the Development Research Group, World Bank. For their comments the authors thank Arthur Alik-Lagrange, Kathleen Beegle, Mary Ann Bronson, Raphael Calel, Phillippe Leite, Xavier Gabaix, Essama Nssah, Mead Over, Mark Schreiner, Don Sillers, Adam Wagstaff and seminar participants at Georgetown University and the World Bank. The authors also thank the journal's two anonymous referees for helpful comments. The authors are grateful to the World Bank's Strategic Research Program for funding assistance for this research. These are the views of the authors, and need not reflect those of their employers, including the World Bank or its member countries.

Download English Version:

https://daneshyari.com/en/article/7357502

Download Persian Version:

https://daneshyari.com/article/7357502

Daneshyari.com