

A Multiplier Approach to Estimating the Market Impact of Cash Transfers

Concern Worldwide
DECT Programme
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What is a Multiplier?

- Cash transfers are spent by beneficiaries; the secondary beneficiaries then spend this income and so on.
- Beneficiary → Village Trader → Fixed Store → Wholesaler → LLW
- Measure of money around moving around the economy.
- Stimulation of demand.
- Stimulation of production and employment.

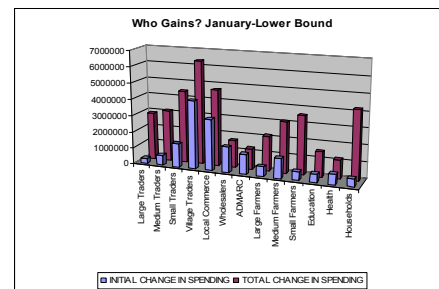


DECT Multiplier

- 2.00 to 2.79 depending upon assumptions.
- Lower bounds favoured (different method 2.11).
- Increase income of other groups apart from direct beneficiaries.
- Demand-stimulated production?
 - Unemployment and Underemployment.
 - Additional or Redistributed Consumption?



Who Gains?



Noteworthy Impacts

- Education
- Health → Long-run effects not analysed.
- Fertiliser
- Traders overwhelmingly favourable towards DECT.
- Some evidence of “extravagant spending” but minimal.
- Some indication of inflationary impact but limited to inaccessible areas.
- Demand and supply side labour market impacts.



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Full report through James/Concern

