



International Evidence to Inform Decision Making on Implementing Social Protection Measures During a Crisis

Authors:

Dr Kate Orkin*, Dr Robert Garlick**, Ignacio Rodriguez Hurtado**, Brynde Kreft*, Marta Grabowska*, Helena Channon-Wells*

*Centre for Study of African Economies, Blavatnik School of Government, University of Oxford **Department of Economics, Duke University

22 February 2022

We acknowledge funding and support from:



Table of Contents

| | |
|---|-----------|
| <i>Executive Summary</i> | 3 |
| I. About this paper | 4 |
| II. Review methodology..... | 4 |
| 1. Background and COVID-19 response | 5 |
| 2. Evidence review: social assistance programmes | 7 |
| I. Effects of cash transfers on beneficiary welfare | 7 |
| III. Effects of cash on job search, employment and earnings..... | 11 |
| IV. Effects beyond beneficiaries | 14 |
| 3. Design features | 16 |
| I. Conditional or unconditional transfers | 16 |
| II. Labelled or unconditional transfers | 16 |
| III. Cash versus in-kind transfers and subsidies for food..... | 17 |
| IV. Systematising emergency targeting system for a crisis response..... | 18 |
| 4. Conclusion | 20 |
| <i>References</i> | <i>21</i> |
| Appendix | 26 |
| COVID-19 social protection response: international comparisons..... | 26 |
| Effect of lump sum cash grants on small businesses | 3 |
| Effect of cash grant modality on nutrition | 5 |
| Building flexible social assistance for responding to crises | 8 |

Executive Summary

The evidence presented in this paper is summarised below. This paper emerged from a rapid review of the evidence on cash transfers to inform the design of emergency social protection during the COVID19 pandemic and, as such, is not a systematic review.

In times of crisis, cash transfers have wide reaching benefits for children, adults, and the wider economy:

- **Child welfare:** Cash grants for child support have been shown to reduce secondary school dropout and hunger, increase dietary diversity and may reduce child malnutrition.
- **Nutrition:** Cash grants and food vouchers have been found to achieve similar improvements in nutrition. Cash transfers are likely to be more cost-effective for governments, especially where a system to distribute grants is already set up.
- **Unemployment:** There is some evidence cash grants will encourage job search and informal economic activity. Little evidence finds that they will discourage adults working or increase alcohol or tobacco spending.
- **Economy-wide effects:** There is little evidence that grants will increase inflation.

Unconditional cash transfers are particularly well suited to crisis response.

- Outside crisis settings, there is some evidence that requiring grant recipients to enrol children in school or attend health check-ups improves children's outcomes more than unconditional grants. However, the differences are small.

Imposing conditions has financial costs and requires setting up systems. Conditions may be difficult to monitor or enforce. Conditions may have unexpected, undesirable consequences. These should be balanced any against anticipated benefits.

- Imposing conditions around job search, self-employment, or volunteering in community projects will be difficult in the short-term, as these behaviours are difficult to monitor and enforce. This has not been widely done so there is little evidence base.

During a crisis, cash grants are flexible and lower risk than other programmes

- Cash grants are flexible, so beneficiaries can use them for needs they identify. They yield benefits for a wide range of beneficiaries.
- For other programmes to encourage employment (e.g., job training, small business programmes) there is more variable evidence around the benefits of such programmes. They may also be poor quality if set up quickly and it can be difficult to clearly identify beneficiaries. While some programmes have large returns, they may also yield no benefit. In contrast, most cash transfers yield at least some benefit.

I. About this paper

This paper was written as a rapid review to inform a particular government's design of emergency social protection during the COVID19 pandemic. This paper reviews international evidence to inform decisions on social protection measures in lower- and middle-income countries (LMICs) in response to crises. It does so by reviewing and analysing existing economic research and presenting a series of key learnings relating to the implementation of cash transfer programmes. It would be of use for governments designing social protection in a similar public health crisis or a recession. Evidence is not specifically from conflict or disaster settings.

We have usually used systematic reviews or other types of review articles. These reviews search and collate findings from all available studies on a question, to avoid people only citing studies with findings in one direction. We have only reviewed studies with a credible control group, such as randomised controlled trials, quasi-experimental studies, and studies with natural experiments. These studies compare two or more groups of people or households who are identical in all ways except that one group receives a treatment intervention and the control group does not. This ensures that any differences between groups are caused by receiving the treatment. Other studies construct a control group using other statistical methods.

The systematic reviews and individual studies used in this paper were all published in English. The publication dates (in journals or in grey literature depositories) range from 2001 to 2021. The evidence considered comes from LMIC populations with a focus on those living in poverty: where other populations were studied, we state this in text. We refer to evidence pertaining to a range of cash transfer policies – primarily conditional and unconditional transfer programmes, but also universal basic income and social insurance pay outs where these interventions help capture the outcomes of interest.

We indicate the number of studies found in a review and the number which find different types of effects. The strongest evidence will be when many studies have been done of effects of giving a cash grant on a particular outcome, and most studies have large and statistically significant positive effects. This suggests high probability that cash grants will have the same effects in similar settings. The finding that cash grants increase food expenditure is an important example of this type of result.

In some cases, there are some studies which find *null effects*: smaller effects which are not statistically significant. This can indicate that effects are zero or small or that studies did not include enough people/households to produce a reliable result. In cases where there are some statistically significant positive effects and some null effects on a particular outcome, this suggests it is probable that cash grants will have the same effects in similar settings, but there is less certainty. This is the case for findings on child nutrition. In instances where this occurs, we suggest how we think evidence should be interpreted.

This paper is divided into five sections. Section 1 describes use of cash transfers as social protection during COVID-19 lockdowns and economic recessions. Section 2 provides a review of evidence on key areas affected by cash social assistance responses. Section 3 discusses design choices for implementing social assistance programmes in response to crises. Section 4 concludes.

1. Use of cash transfers to provide social assistance during COVID19

The global response to COVID-19 demonstrates that cash has become the preferred modality for delivering support aiming to reduce hunger and to protect economic livelihoods when households face an income shock. Governments world-wide have aggressively expanded social protection programmes.

[“Social Protection and Jobs Responses to COVID-19 : A Real-Time Review of Country Measures”](#)

Gentilini, Almenfi, Orton & Dale (2021) offer a comprehensive review of global social protection responses to COVID-19. This box summarises key details of their analysis.

From March 2020 to May 2021:

- The number of countries offering social protection measures of any kind increased from 45 to 222.
- The number of programmes increased from 103 to 3,333, including expansions or extensions of existing programmes.¹
- 55% of measures have been to extend social assistance -- cash transfers, food, financial waivers, public works programs or utility subsidies -- rather than extensions of social insurance or labour market measures.
- Cash grants have been the single most widely used intervention, accounting for 42% of social assistance measures and 23% of all measures. In-kind transfers and public works accounted for 17% and 2% of social assistance measures, respectively.

In a subset of 125 countries, for which data are available, \$2.9 trillion is being spent on social protection measures for COVID-19. That is 3% global GDP in 2021 and is 4.5 times the level of social protection spending that occurred as part of the global response to the 2010 financial crisis.

The average transfer size is 31% of monthly GDP per capita. This hides substantial inter-regional variation: transfers range from 18% in North America to 52% in sub-Saharan Africa. Low-income countries had the largest transfer sizes relative to GDP were found in low-income countries like Burkina Faso (290%) and Afghanistan (176%).

As of May 2021, the bulk of countries have not ended cash transfer programmes yet Data on implementation was available for 984 programmes, of which 512 are ongoing. Many countries have extended programmes several times already.

[Ugo Gentilini's personal website](#) is an excellent source of research regarding social protection.

¹ This includes social insurance grants tied to contribution, like unemployment insurance or extended pension measures, social assistance and labour market measures like training, wage subsidies or labour market regulation adjustments.

The scale and speed with which governments acted has led to logistical issues. In many countries, paying top-up grants to existing beneficiaries of social assistance went smoothly, but expanding the grant to new beneficiaries has caused considerable difficulty.

- Households needed to be informed they were eligible. This could be done through SMS messages, websites to check eligibility and marketing campaigns. However, these tactics may exclude remote and vulnerable households with low access to telecommunication services or there may be difficulties in registration. Even in Hong Kong, the universal cash transfer program announced in February was only expected to start making payments in July due to delays in establishing registration systems.³
- Governments did not have up-to-date information on many vulnerable households who were not already on social assistance programs. For example, Colombia chose to attempt to target their expansion of a cash transfer to new households using administrative data. But they did not have an up-to-date population registry, and so had to combine databases from social security, civil registry and financial regulations. This led to delays: out of three million targeted households in April, only two million had received assistance by June.⁴ The Social Amelioration Program in the Philippines was able to pay existing beneficiaries rapidly but payment to more than 13 million additional families faced significant delays.⁵

We give more detail on new programmes and programme extensions implemented for a set of case study countries (Table 1.1: Examples of cash transfer programmes adapted in response to COVID-19).

³ Tsang, D. and Cheng, L. 2020. [“Hong Kong permanent residents can get HK\\$10,000 cash handout from July 8, finance minister Paul Chan says”](#), South China Morning Post, 8 June.

⁴ Presidency of Colombia. 24/06/2020. [“Presidente Duque anuncia que los giros de Ingreso Solidario se extenderán hasta diciembre de 2020.”](#)

⁵ Dadap-Cantal, E., Fischer, A. and Ramos, C. 2020. [“Ephemeral universalism in the social protection response to the COVID-19 lockdown in the Philippines”](#), Developing Economics Blog, 3 July.

2. Evidence review: social assistance programmes

I. Effects of cash transfers on beneficiary welfare

This section examines evidence from studies of regular cash payments during COVID19, where available, or from studies conducted before the pandemic. All studies are in low- and middle-income countries or focus on sub-Saharan Africa in particular.

A. Hunger and dietary diversity

Studies use a range of related indicators of immediate hunger: how often adults or children skip meals, whether households experienced hunger, spending on food and diversity of diet (measured using scales capturing types of food eaten).

A 2016 systematic review of all papers on cash transfers internationally which use high-quality methodology (a randomised controlled trial or a credible control group) concludes that recipients of cash transfers spend more on food and have better dietary diversity, compared to similar people who do not receive a grant (Bastagli, et al., 2016).

- In this review, 30 studies measure effects on food expenditure. 23 find a significant positive increase for grant recipients.
- 12 studies investigate dietary diversity. Seven find significant increases in the dietary diversity of cash grant recipients. Changes are driven by increased consumption of fruit, vegetables, and animal products, but also by increased consumption of processed foods in some studies. Five studies have positive but smaller and not statistically significant effects. In three of these five programmes (Lesotho, Kenya, Pakistan), there were severe delays to payments or payments often never arrived, which may have reduced benefits.
- None of these programmes had any conditions that transfers should be used for food. Some programmes required children to attend school or go for preventive health check-ups. However, in some programmes children were weighed at check-ups and some programmes also included nutritional advice. It is not possible to disentangle the effects of the components. But some programmes have positive effects on dietary diversity even without health check-ups.

A separate review focused on unconditional cash grant programmes in eight sub-Saharan African countries (Ethiopia, Kenya, Lesotho, Malawi, Mozambique, South Africa, Uganda, and Zambia) found that in all studies, the majority of the transfer income was spent on food and food security and dietary diversity improved (de Groot, Palermo, Handa, Peter Ragno, & Peterman, 2017). None of these studies had conditions on how the transfer was used or required health check-ups for children.

i) Effect of cash grants during COVID19

There is limited evidence on this. We have found one high-quality study in Western Kenya (Banerjee, Faye, Krueger, Niehaus, & Suri, 2020). In these areas, hunger was 74% higher from April-June 2020 than at the same time in the previous year. Sixty-eight percent of households experienced hunger in 2020, compared to 39% in 2019.

In some villages, an NGO had been giving all adults USD \$0.75 a day via mobile phone for two years, and these continued during Kenya's lockdown. They will continue for longer (another 10 years). In villages receiving the transfer, hunger was lower and dietary diversity improved.

- 57% of households receiving the transfer experienced hunger, compared to 68% of households who did not receive the transfer.
- Transfers reduced the extent of food insecurity (the share of days on which household members skipped meals).
- Transfers increased the consumption of meat and fish for a small number of households: only 5.8% of households with no transfer ate any meat or fish, while 7.4% of households ate some meat or fish.
- There were no conditions on the use of the transfer: it was given to all adults over 18 in eligible villages.

B. Child malnutrition

In a systematic review (Bastagli, et al., 2016) there is some but not conclusive evidence that giving transfers reduces stunting (height for one's age, which reflects the cumulative effect of poor nutrition and disease) and wasting (thinness for height, which reflects acute malnutrition or a more recent inadequate diet).

- Thirteen studies measure stunting or height for age. Five find a large, statistically significant reduction in stunting or increase in height for age. Of the remaining eight studies, six find positive but not statistically significant effects.
- Six studies measure wasting. One study finds a reduction, five find no effect. Evidence here is less strong.

This suggests cash grants may be helpful in reducing child malnutrition. On the one hand, study design may not be ideal, preventing the evidence being conclusive, even if cash grants do have benefits in reducing malnutrition. Studies may be over too short a period to pick up effects. Some studies are in contexts where there is little child malnutrition, so it is difficult to make improvements. On the other hand, it may be that cash grants are not sufficient to address malnutrition. Determinants of child nutrition are complex. These indicators may also depend on the health and mental health of parents, availability of quality health facilities, child feeding and care practices. In the longer term, additional measures to reduce malnutrition may be necessary and should be evaluated, but cash grants are likely to be a useful part of any package (de Groot, Palermo, Handa, Peter Rago, & Peterman, 2017).

There are some indications that removing transfers can worsen nutritional indicators. One study in Ecuador finds that stopping regular cash transfers increases child malnutrition (Buser, Oosterbeek, Plug, Ponce, & Rosero, 2017). Two years after families lost the transfer (which they had received for seven years), their young children weighed less, were shorter and more likely to be stunted than young children of families that continued to receive the transfer.

There is some evidence that larger transfers have larger effects on nutrition, although there is limited evidence. Two studies in Mexico find receiving cumulatively larger transfers over the duration of being a beneficiary improves effects on stunting (Fernald, Gertler, & Neufeld, 2008; Fernald, Gertler,

& Neufeld, 2009). In addition, there is some crude evidence from a review of five conditional cash transfer programmes in Latin America, in countries where the size of the transfer is larger (15% to 25% of total monthly household expenditures), the effect of transfer size on children's nutritional status is greater (Leroy, Ruel, & Verhofstadt, 2009).

C. Strategies for coping with shocks

Cash transfers may prevent households from having to make asset sales or take on expensive debt when they face a shock (Gertler, Martinez, & Rubio-Codina, 2012; Handa, Natali, Seidenfeld, Tembo, & Davis, 2018).

- Most studies did not measure asset sales specifically. One study of Malawi's government run transfer finds beneficiary households report smaller amounts from sales of assets compared to control households (Daidone S. , Davis, Handa, & Winters, 2019).⁶
- In a review of seven studies of government unconditional cash grant programmes focused on rural areas in sub-Saharan African countries, cash grant receipt led to significantly fewer loans outstanding in two countries (Ghana and Ethiopia), smaller, insignificant decreases in three countries and no effect in two countries (Daidone S. , Davis, Handa, & Winters, 2019).
- In the same review, three studies measure savings. Two find cash grant receipt increases savings (Zambia and Ghana).

Cash grants are likely to reduce secondary school dropout. A review of 35 studies that measured effects on enrolment of cash transfers in Africa, Asia and Latin America found positive effects in 31 studies, of which 18 were statistically significant (Baird, Ferreira, Özler, & Woolcock, 2013). A review of seven studies of unconditional cash grants in sub-Saharan African countries also finds grant recipients were less likely to take children out of school. In Lesotho, beneficiaries were less likely to send them to work or to live elsewhere (Handa & de Milliano, 2015).

Evidence on the effects of cash grants on academic achievement is less conclusive. A review of eight studies that measured effects on test scores of cash transfers in Africa, Asia and Latin America found positive effects in six studies, of which three were statistically significant (Baird, Ferreira, Özler, & Woolcock, 2013). We view this as weak positive evidence that cash transfers can increase academic achievement, either by increasing enrolment or increasing learning conditional on enrolment. But the small number of studies on this topic means we cannot draw strong conclusions.

D. Unintended consequences and side effects

Policymakers may raise concerns that, compared to food parcels or vouchers, cash may be spent on purposes that may be seen as less desirable. However, a review of 19 studies from Latin America, Asia and Africa finds little evidence that transfer receipt increases spending on alcohol or cigarettes (Evans & Popova, 2014).

Concerns have been raised that cash transfers tied to having children increase childbearing. However, there is little evidence of this:

⁶ Four are randomised trials (Kenya, Lesotho, Malawi, and Zambia); three construct control groups using other methods (Ethiopia, Ghana, Zimbabwe).

- Trials in Zambia (Palermo, Handa, Peterman, Prencipe, & Seidenfeld, 2016) and Mexico (Feldman, Zaslavsky, Ezzati, Peterson, & Mitchell, 2009) find no effects on fertility.
- Two trials in Nicaragua find a decrease in fertility (Todd, Winters, & Stecklov, 2012).
- One study in Honduras found an increase in fertility (Stecklov, Winters, Todd, & Regalia, 2007).
- In South Africa, the child support grant is linked to longer birth spacing between first and second children (Rosenberg, et al., 2015).

Cash transfers increase the use of contraceptives and reduce the likelihood of unsafe sex (Bastagli, et al., 2016). Among teenage girls, one randomised study in Malawi (Baird, McIntosh, & Özler, 2011) and one non-experimental study in Kenya found a reduction in rates of pregnancy among teenage girls (Handa, et al., 2015).

II. Effects of cash transfers on post-crisis welfare and recovery

Although there are fewer studies on the effectiveness of cash transfers designed as an emergency response system than on cash transfers outside emergencies, there is evidence they are more effective and cost-effective than in-kind humanitarian assistance.

Outside COVID19:

- Two studies of a payment delivered soon after a cyclone in Fiji find that recipient households recover more quickly (Ivaschenko, Doyle, Kim, Sibley, & Majoka, 2020; Mansur, Doyle, & Ivaschenko, 2017).
- A conditional cash transfer to households affected by a drought in Nicaragua had positive persistent impacts on child health, development, and labour (Del Carpio & Macours, 2010; Macours, Premand, & Vakis, 2016).
- Finally, a cash transfer sent out before a severe flooding event in Bangladesh significantly improved food consumption and wellbeing for recipient households – and the effects were still present 3 months after the event (Pople, Hill, Dercon, & Brunckhorst, 2021).

COVID-19:

- Emerging studies which evaluate cash transfers implemented in response to the pandemic are consistent with the pre-pandemic literature: cash transfers perform well as an emergency social protection measure in times of crises (Abay, Berhane, Hoddinott, & Tafere, 2021; Arndt, et al., 2020; Bottan, Hoffmann, & Vera-Cossio, 2021).
- See Section 2I “Effects of cash transfers on beneficiary welfare” for evidence about effects of a UBI programme on hunger during the pandemic.

Cash transfers have advantages over other modalities in emergencies

There is considerable evidence that cash transfers have advantages over other modalities in emergencies from systematic reviews of studies comparing costs (Hill, Campero Peredo, & Tarazona, 2021).

- **Value for money:** several systematic reviews document that cash transfers are more cost-effective than in-kind assistance in emergencies (Doocy & Tappis, 2017; Mikulak, 2018; Gentilini U. , 2014).⁷
- **Timeliness:** although there have not been specific studies to test the length of time taken to roll out different types of social protection, the response to the pandemic shows that cash transfers can be rolled out quickly to households, particularly when they are identified through existing programs or databases. New programmes can also be set up quickly – 68% of the transfers made in the first six months of the pandemic were made through new programs (Almenfi, et al., 2020).
- These studies largely occurred before the advent of **better financial and digital technologies for enrolment and transfer delivery**. Cash transfers are likely to be even more effective than food parcels since these advances have come in.

III. Effects of cash on job search, employment and earnings

This section examines evidence from studies of both regular and once off cash payments from studies conducted before the pandemic, on whether people look for work and on self-employment activities. All studies are in low- and middle-income countries or focus on sub-Saharan Africa in particular.

Beyond immediate poverty alleviation, grants may improve people’s ability to generate income from informal sector activities, either in agriculture or in small businesses. It is likely that in the short-term, cash will be more effective than most other short-term programmes set up quickly to improve livelihoods (e.g., training). It is difficult to develop and target such programmes at the right recipients, whereas cash gives recipients flexibility to use it as will most benefit their economic activities.

A. Financing job search

Short-term cash grants are likely to increase job search in urban areas, by making it possible for jobseekers to pay short-term search costs. However, this may not increase employment, if jobs are not available.

Job search can be costly for unemployed workers. As an illustration, we consider search costs in a sample of 7,000 young work seekers in Johannesburg, South Africa, with high school education and limited work experience. They spent an average of R139 per week on transport costs, data, and printing and mailing CVs (Carranza, Garlick, Orkin, & Rankin, 2020). High search costs reflect the high transport costs from low-income neighbourhoods to business centres, the high cost of data in South Africa, and the sheer amount of search required: these work seekers submitted an average of 13 job applications a month but only 1.5% of applications led to job offers.

Studies of small grants for transport costs find they increase job search:

- One study in Addis Ababa, Ethiopia, found giving small subsidies for transport costs increased job search and employment rates after three months, largely by increasing employment in short-term, unskilled work (Franklin, 2018). However, four years after subsidies had ended,

⁷ Note, the pool of studies which report cost comparisons is considerable, but these reports often vary in what they report. For example in one review, of 10 studies included, six examine costs or cost-efficiency, while only four perform a cost-effectiveness or cost-benefit style analysis (Doocy & Tappis, 2017).

the effect did not persist, suggesting the transport subsidies on their own did not enable jobseekers to move into more stable long-term employment (Abebe, et al., 2020).

- Transport subsidies for jobseekers from Soweto, South Africa increased job search. However, they had no effect on jobseekers' employment rate (Banerjee & Sequeira, 2020).

Research on employment effects of long-term cash grants in South Africa is inconclusive. Multiple studies have asked if South Africa's old age pension changes employment rates for working-age adults living with pension recipients, either by reducing the incentive to work or financing job search. There is some evidence that the pension can increase employment by financing rural-to-urban migration (Ardington, Case, & Hosegood, 2009). But the overall effect on employment remains debated (Abel, 2019; Hamoudi & Thomas, 2014).

There have also been concerns that cash transfers might discourage people from working. There is no systematic evidence that transfers discourage people looking for work or working. A systematic review of seven randomised trials evaluating government cash transfer programmes in six countries with 46,000 adults found no effects of cash transfer eligibility on employment rates or hours of work (Banerjee, Hanna, Kreindler, & Olken, 2017).⁸

B. Increasing income earned from agriculture

We focus on a review of seven studies of government unconditional cash grant programmes focused on rural areas in sub-Saharan African countries, Zambia, Malawi, Lesotho, Zimbabwe, Kenya, Ghana, and Ethiopia (Daidone S. , Davis, Handa, & Winters, 2019). This review found that cash grant recipients produce more agricultural produce, partly because they are more likely to purchase agricultural inputs like seed and fertiliser, as well as agricultural tools which will improve productivity of crops:

- In six of seven countries, cash grant recipients increased the amount of total agricultural production. In three, the value of total production also increased.
- In five of seven countries, cash grant recipients are more likely to purchase seed, fertiliser, and other inputs for planting. In six of seven countries, cash grant recipients are more likely to have agricultural tools.
- In four of six countries where this was measured, households can do less wage labour for others. These are often a "refuge" sector, where poor households work to survive, hedge against agricultural risk, or obtain needed liquidity.

Livestock produce food directly and can assist with dietary diversity through milk and eggs. They also can act as store of value enhancing risk-bearing capacity and can aid production by providing draught animal power, transport and/or manure for cropping and fuel.

- In five of seven countries, cash grant recipients own a larger quantity of livestock. This may measure that households have purchased more livestock, or that they have not needed to sell them when facing shocks. This is not measured, but more cash income may also enable households to purchase ongoing inputs (e.g., feed, medicine) to keep livestock healthy.

⁸ Countries and amounts were Mexico: max USD75/month; Honduras: max USD23/month; Nicaragua: max USD28/month + USD1.75/month/child; Mexico: USD13/month; Indonesia: max USD13/month; Morocco: max USD13/month/child.

- In three of seven, the percentage of households owning any livestock increased. This means households were able to enter livestock rearing.

The impacts from these effects are probably lower than the effect of the South African grants:

- Many of these transfers target very vulnerable households. Ethiopia, Ghana, and Kenya explicitly target households with orphans or vulnerable children, and most programs target households that are likely not to be very productive (e.g., elderly, single parents, OVCs being supported by grandparents, or single parents). The Zambian programme was an exception in that it targeted all households with children aged 0-5. The South African child and SRD grant mostly target working age adults.
- Transfers were intended to be paid regularly but in Ghana and Lesotho, delivery was poor. In South Africa, grants are paid regularly.

The Zambian grant was the most generous transfer for the eligible population, at around 28% of median household consumption at baseline. Most of the other programs were providing between 20% and 25% of household consumption. Ghana provided 10%.

These findings are similar in studies in Latin America (Bastagli, et al., 2016).

C. Increasing income earned from non-farm enterprises

There is some evidence on whether cash transfers lead households to start new non-farm enterprises, but this does not occur in all studies.

- A review of seven studies of government unconditional cash grant programmes focused on rural areas in sub-Saharan African countries finds that receiving cash transfers leads to increases in whether households run non-farm enterprises in only two countries (Daidone S., Davis, Handa, & Winters, 2019). It had no effects in three countries and decreased enterprise ownership in two countries.
- In four further studies of government programmes in Kenya, Zambia, Mexico and Nicaragua, transfers increased whether households operated a non-farm enterprise in two (half of) studies (Bastagli, et al., 2016).

If households already have an enterprise, there is some evidence that cash transfers increase profits from enterprises and productive assets, but this does not occur in all studies. Most of the evidence comes from single lump-sum grants, not from programs with regular payments. However, these are often of similar amounts to the total amount of the transfer top-ups. We did not find a systematic review of studies but reviewed several studies ourselves. Details are in Appendix 0.

- Programmes in Uganda, Rwanda, Ghana, and Sri Lanka increased holdings of business assets. One other programme in Ghana had no effect.
- Programmes in Sri Lanka and Mexico increased profits. Programmes in Tanzania and Ghana showed positive impacts but were not statistically significant.
- Programmes in Tanzania and Ghana (2 studies) measured revenues, but no studies found effects on revenues.

Effect of cash grants during COVID-19

For people who are already running enterprises, cash grants may prevent them from closing the business during the economic downturn (for example by having to sell business assets or not having funds to restock or travel to begin business activities). Evidence from the Kenyan study of a twelve year basic income grant cited above found that, before the pandemic, receiving a regular grant increased whether households had a non-farm enterprise. Twenty-nine percent of households without the transfer had a business; 34% of households with the transfer had a business. Households receiving a transfer did not close businesses during the lockdown, although 5% of control group businesses closed. However, all businesses saw a large drop in revenue during lockdown (Banerjee, Faye, Krueger, Niehaus, & Suri, 2020).

IV. Effects beyond beneficiaries

A. Spillover benefits for non-recipient households and stimulating economic growth

There is some evidence that cash grant programmes can stimulate the local economy, although there is very little high-quality research. In theory, cash transfers can stimulate the local economy if there are “fiscal multipliers.” For example, cash transfers might increase demand and hence increase local production to meet this high demand.

- In one study in Western Kenya, a programme of \$1,000 transfers per household had benefits for households in surrounding areas who did not receive transfers (Egger, Haushofer, Miguel, Niehaus, & Walker, 2019). The trial gave unconditional cash transfers, equivalent to about 75% of mean annual household expenditure, to the poorest 40% of households in half of 650 villages. Transfers increased consumption for both recipients and non-recipients in and around villages receiving cash transfers, relative to farther-away villages. Non-recipients of transfers benefited because the cash transfers increased sales at local enterprises. This benefitted non-recipients who owned enterprises. The programme also led to higher wage rates being paid in areas receiving more transfers.
- This Kenyan study concludes the transfer programme increased economic growth. The study estimates a “fiscal multiplier” of 2.6, implying that every Kenyan shilling invested in cash transfers grew the local economy by 2.60 shillings. Effects on economic growth in areas receiving cash transfers will likely depend on the size of the transfer and the proportion of transfers which are spent locally.
- There is some other evidence that cash transfers boost economic growth.
 - A non-experimental study of a cash transfer program giving regular transfers in Mexico finds multipliers from 1.5 to 2.6 (Sadoulet, de Janvry, & Davis, 2001).
 - A different methodology predicted that local income multipliers from cash transfers in rural Kenya could range from 1.6 to 1.9 (Thome, Filipinski, Kagin, Taylor, & Davis, 2013).
 - Alaska’s annual unconditional cash transfer system increases demand for locally produced goods and hence raises employment, though the research is not entirely conclusive (Jones & Marinescu, 2019).

There are multiple studies showing that cash transfers can improve nutrition and increase school enrolment for recipients’ relatives and neighbours (Angelucci & De Giorgi, 2009; Bobonis & Finan,

2009). This is more likely driven by sharing cash transfers than local fiscal multipliers. Nonetheless, this does illustrate another way cash transfers can help non-recipients.

B. Inflation

There is some evidence that cash transfers do not cause inflation, except in very remote communities. However, there are very few studies on this question.

- The Kenyan trial above also finds little evidence that the cash transfer programme changes prices. They find positive but not statistically significant effects on input prices and very small, economically insignificant effects on output prices. Average price inflation is 0.1%, and even during periods with the largest transfers, estimated price effects are less than 1%.
- A Mexican study finds that periodic small transfers raised food prices in the most remote communities in rural areas and not in less remote ones (Cunha, De Giorgi, & Jayachandran, 2018).
- A study in the Philippines shows that cash transfers (paid every second month and equal to roughly 25% of per capita consumption expenditure) in rural areas increased prices of only perishable, high-protein, locally produced foods (eggs and meat) but not non-perishable or more easily tradable foods (Filmer, Friedman, Kandpal, & Onishi, 2018).

It is even less likely that inflation will occur as a result of cash transfers in the current economic climate. Lockdowns and the recession have been big negative demand and supply shocks. While the supply shock will likely be less severe with fewer restrictions on movement, the demand shock may persist for some time.

3. Design features

This section of the note discusses four design choices around cash transfers: (I) should transfers be conditional on specific behaviour, (II) should transfers be labelled to encourage recipients to spend them in a particular way, (III) should transfers that aim to improve nutrition and food security be delivered in cash, food vouchers, or parcels, and (IV) how to build a system to facilitate response to future crises. We do not discuss targeting or eligibility.

I. Conditional or unconditional transfers

Cash transfers can be conditional or unconditional. Conditional cash transfers require recipients to take some specific action to be eligible. Many conditional cash transfers, especially in Latin America, have required that recipients enrol their children in school, vaccinate their children, or use other health services. Most transfer programmes in Africa do not have conditions.

We do not recommend trying to institute conditions on use of grants for emergencies. The benefits of applying conditions for achieving targeted outcomes are likely to be small. Two meta-studies find that conditional cash transfers have slightly larger effects on targeted outcomes than unconditional cash transfers (Bastagli, et al., 2016). The outcomes in these studies include nutrition, use of health services (e.g., vaccination), and school enrolment. However, there is substantial variation across studies and some randomised controlled trials that compare conditional and unconditional cash transfers find no differences in their effects.

It is particularly likely to be difficult to implement grants with conditions quickly. Adding conditions to grants has been found to have little benefit when conditions are difficult to monitor or enforce. Several studies find that conditional cash transfers have smaller effects on targeted behaviour when recipients do not know there are conditions or learn that conditions will not be enforced (Bastagli, et al., 2016). Implementation of conditions also has costs.

Conditions may have unexpected, undesirable consequences. One Colombian study showed how conditions can be deliberately undermined by government staff responsible for enforcing them. Teachers responsible for reporting attendance data inflated attendance so poorer children would not lose access to conditional cash transfers (Linden & Shastry, 2012).

Imposing conditions around job search, self-employment, or volunteering in community projects will be difficult to devise in the short-term. This has not been widely done so there is little evidence base. This may be possible in future cash grant programs. But setting up a monitoring and enforcement infrastructure in a few weeks or months would be very difficult.

II. Labelled or unconditional transfers

“Labelled” cash grants are unconditional, but delivered in a way that strongly encourages recipients to spend the grant in specific ways. Labelling unconditional cash transfers may close some of the gap between conditional and unconditional cash transfers, but very few studies exist on this question. The only existing randomised controlled trial compared two cash transfers in rural Moroccan communities: a conditional cash transfer explicitly requiring school attendance, and a “labelled” cash transfer to encourage school attendance. In the “labelled” programme, there were no strict conditions, but it was

made very clear to households that the transfer was coming from the Ministry of Education and intended to reduce school drop-out. Just “labelling” the programme had large effects on school participation compared to a group who did not receive the programme. There was no difference between the labelled programme and the programme with actual conditions (Benhassine, Devoto, Duflo, Dupas, & Pouliquen, 2015).

Some related studies show that the share of income spent on the stated goals of unconditional transfer programs is larger for the transfer than for income from other sources. In Lesotho, for example, households spend a larger share of the Child Grant on children’s education and clothing than the share of wage income they spend on these goods (Pace, Daidone, Davis, & Pellerano, 2019). This provides some additional evidence for labelling shifting spending. But the evidence is very indirect, so we view this research as suggestive rather than conclusive.

III. Cash versus in-kind transfers and subsidies for food

Transfers aimed at improving nutrition and avoiding hunger can be delivered through cash, vouchers reserved for food purchases, food parcels, or through food price subsidies that function as indirect transfers. The existing research suggests cash transfers are a slightly better policy option than vouchers and far better options than food parcels and food price subsidies. Appendix 0 reviews individual studies in detail.

A. Cash transfers versus food parcels

A review of 10 studies in developing countries found that both cash and food parcels generally have positive effects on nutrition, but cash transfers achieve the same nutrition gains as food parcels at lower cost (Gentilini U. , 2016). The same review showed that food parcels in some studies cost up to four times more than cash transfers to achieve the same nutrition gain. Food parcels also have more limited benefits for recipients’ dietary diversity: five of the six studies in the review that directly compared cash transfers to food parcels found that cash transfers had larger effects on diversity of foods consumed than food transfers. One study found that cash increased the quality of food purchased relative to in-kind transfers (Verme, et al., 2015).

B. Cash transfers versus food vouchers

The same review of 10 studies in developing countries also found that both cash and food vouchers generally have positive effects on nutrition, but that food vouchers are less cost-effective than cash transfers and more cost-effective than food parcels (Gentilini U. , 2016). The cost data in the review considers the costs to government per calorie delivered.

There is anecdotal evidence that food vouchers are more costly per calorie for beneficiaries than cash transfers. For example, a study in Jordan and Lebanon documents that cash recipients, relative to voucher recipients, were able to hunt for bargains and travel shorter distances when shopping, while voucher recipients had to pay unnecessarily high prices for some items and incur costs to transport the voucher bundle home (Verme, et al., 2015). A study in the DRC found that some voucher beneficiaries sold voucher-sponsored items to obtain cash, which they used to diversify their diets (Aker, 2017). Consumers do not use the additional choice from cash transfers “irresponsibly:” a

Mexican study found that cash and in-kind transfers had equally small effects on consumption of sweets, tobacco, and alcohol (Cunha J. , Testing paternalism: Cash versus in-kind transfers, 2014).

C. Cash transfers versus food price subsidies

Food price subsidies can improve nutrition, but they are difficult to target and disproportionately benefit richer consumers. Food price subsidies are used in some countries to reduce food prices facing consumers. Food price subsidies reduce prices for all consumers, whereas food vouchers change prices only for consumers who are eligible to receive vouchers. Food price subsidies can be indirectly targeted at poorer consumers by offering the subsidies only for staple foods disproportionately consumed by the poor. Research on India's targeted food price subsidy system, one of the largest in the world, shows small effects on nutrition, partly due to implementation challenges (for details, see the literature review in Shrinivas et al., 2018).

IV. Systematising emergency targeting system for a crisis response

To create social assistance systems flexible enough to respond to crises, governments can learn from the experience of COVID-19. Systems which responded most promptly were characterised by a central database of recipients based on existing government records, enriched by new information from multiple tools, such as household self-registration (online, WhatsApp) and machine learning analysis of 'big data'. Unlike in other sections, these learnings are based on case studies of existing cash transfer programmes and how these were adapted in response to COVID-19.⁹ Table 4.1. Case studies on social assistance programme adaptations in response to COVID-19 covers these systems.

- **Learning 1: setting aside resources for database maintenance.** Some countries achieve this through a regular census or census particularly targeting poor areas (Colombia, Ecuador, Pakistan), while others provide households with opportunities to self-register (Brazil, Argentina, Indonesia, Jordan). These are further discussed in the section
- **Learning 2: keeping data regularly updated is key.** During COVID-19, the countries which responded fastest in adapting and quickly rolling out their programmes for the crisis had existing databases with a high coverage of the total population (Colombia and Peru covered some 80% of households) and those which integrated several sources to update (often outdated) census data.
- **Learning 3: new technologies used for applications enabled large numbers of households to receive support** much more quickly and at a much lower cost than running a round of the census. This technology includes demand-driven methods, such as self-registration via SMS, WhatsApp or dedicated websites, and machine learning analysis of 'big data' sources including mobile phone data and satellite imagery (Aiken et al, 2021).
- **Learning 4: the value for money of the system would be raised further** if it could be used across government and for non-government sources of support, e.g., NGOs, a National Health Insurance scheme.
- **Learning 5: set-up a system that ensures all citizens have a way to receive transfers ahead of crisis.** Evidence from before (Gronbach, 2020) and after (Gelb & Mukherjee, 2020) pandemic hit demonstrates that digital (e.g., transfers) and mobile payments are now the dominant modes of delivery for cash transfers. Throughout the case studies presented in Table 4.1. Case studies on social assistance programme adaptations in response to COVID-19, a mixed-methods approach is

⁹ See World Bank policy briefs for: [Brazil](#), [Colombia](#), [Ecuador](#), [Jordan](#), [Pakistan](#), and [Peru](#).

common for ensuring that all intended recipients are reached. Digital payments to existing bank accounts (all case studies); opening new bank accounts remotely (Brazil, Colombia); mobile payments to existing mobile money accounts (Colombia, Jordan); new basic mobile accounts (Jordan, Pakistan); over the counter payments for the unbanked (Colombia, Ecuador, Peru). Governments could take several steps a priori to ensure transfers can reach people, such as increasing participation among the unbanked by setting up bank accounts or other means of payment. In India, the existence of a programme which provided the unbanked with free bank accounts was used to send US \$6.50 per month to account holders. This enabled the government to reach 200 million recipients, who would otherwise be difficult to reach with digital finance (Gentilini, Almenfi, Orton, & Dale,). The accounts are linked to the national ID number (Aadhaar), which prevents financial fraud and increases inclusion rates (Gerard, Imbert, & Orkin, 2020)

4. Conclusion

During the COVID-19 pandemic, cash transfers have been used by governments around the world to provide support, buffer income shocks, protect economic livelihoods and ensure food security. However, there are many challenges facing policy makers looking to implement such a programme.

The intention of this paper was to provide policy makers with a rigorous overview of the current research landscape surrounding the implementation of social protection schemes. Specifically, we focused on cash-transfer programmes in LMICs and implementation during a crisis. In so doing, we aim to support policymakers currently making decisions regarding social protection programmes and offer them evidence-based guidance upon which to act.

This paper included two evidence review sections: on the likely effects of implementing cash transfers in a crisis, and on the design choices involved. Each section provided an overview of the literature as well as a series of key learnings. At the beginning of the paper, we also presented three policy highlights recommendations. These are repeated below for reference.

- 1. In times of crisis, cash transfers have wide reaching benefits for children, adults and the wider economy.**
- 2. Unconditional cash transfers are particularly well suited to crisis response.**
- 3. During a crisis, cash grants are high value-for-money and more flexible than most other social welfare programmes.**

We hope that this paper was of use. If you have any questions or would like to discuss this topic, or any of the research referenced further, please contact mbrg@bsg.ox.ac.uk. We also welcome feedback on this paper and how we may continue to improve the way we support policy makers.

References

- Abay, K. A., Berhane, B., Hoddinott, J., & Tafere, K. (2021). COVID-19 and Food Security in Ethiopia: Do Social Protection Programs Protect? . *Economic Development and Cultural Change, forthcoming*, 1-39.
- Abebe, G., Caria, S., Fafchamps, M., Falco, R., Franklin, S., & Quinn, S. (2020). Anonymity or Distance? Job Search and Labour Market Exclusion in a Growing African City. *Review of Economic Studies, forthcoming*.
- Abel, M. (2019). Unintended Labour Supply Effects of Cash Transfer Programs: New Evidence from South Africa's Pension. *Journal of African Economies*, 28(5), 558–581.
- Aiken, E. L., Bedoya, G., Blumenstock, J. E., & Coville, A. (2021). Program Targeting with Machine Learning and Mobile Phone Data: Evidence from an Anti-Poverty Intervention in Afghanistan. *Working Paper*, 1-36.
- Aker, J. (2017). Comparing cash and voucher transfers in a humanitarian context: Evidence from the Democratic Republic of Congo. *The World Bank Economic Review*, 31(1), 44-70.
- Almenfi, M., Breton, M., Dale, P., Gentilini, U., Pick, A., & Richardson, D. (2020). Where is the Money Coming From? Ten Stylized Facts on Financing Social Protection Responses to COVID-19. *Social Protection and Jobs Policy and Technical Note, No. 23*.
- Angelucci, M., & De Giorgi, G. (2009). Indirect Effects of an Aid Program: How Do Cash Transfers Affect Ineligibles' Consumption? *American Economic Review*, 99(1), 486–508.
- Ardington, C., Case, A., & Hosegood, V. (2009). Labour Supply Responses to Large Social Transfers: Longitudinal Evidence from South Africa. *American Economic Journal: Applied Economics*, 22-24.
- Arndt, C., Davies, R., Gabriel, S., Harris, L., Makrelove, K., Robinson, S., . . . Anderson, L. (2020). Covid-19 lockdowns, income distribution, and food security: An analysis for South Africa. *Global Food Security*, 100410, 1-5.
- Baird, S., Ferreira, F. H., Özler, B., & Woolcock, M. (2013). Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries: a Systematic Review. *Campbell Systematic Reviews*, 9(1), 1-124.
- Baird, S., McIntosh, C., & Özler, B. (2011). Cash or condition? Evidence from a cash transfer experiment. *The Quarterly Journal of Economics*, 126(4), 1709-1753.
- Banerjee, A. V., & Sequeira, S. (2020). Spatial Mismatches and Imperfect Information in the Job Search. . *Working paper, Massachusetts Institute of Technology*.
- Banerjee, A., Faye, M., Krueger, A., Niehaus, P., & Suri, T. (2020). Effects of a Universal Basic Income During the Pandemic. *Working Paper*, 1-41.
- Banerjee, A., Hanna, R., Kreindler, G., & Olken, B. (2017). Debunking the Stereotype of the Lazy Welfare Recipient: Evidence from Cash Transfer Programs. *World Bank Research Observer*, 32, 155–84.
- Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T., & Pellerano, L. (2016). *Cash Transfers: What Does the Evidence Say? A Rigorous Review of Programme Impact and the Role of Design and Implementation Features*. London: Overseas Development Institute.

- Benhassine, N., Devoto, F., Duflo, E., Dupas, P., & Pouliquen, V. (2015). Turning a Shove into a Nudge? A 'Labeled Cash Transfer' for Education. *American Economic Journal: Economic Policy*, 7(3), 86–125.
- Berge, L. I., K., B., & Tungodden, B. (2015). Human and financial capital for microenterprise development: evidence from a field and lab experiment. *Management Science*, 61, 707–22.
- Blattman, C., Fiala, N., & Martinez, S. (2014). Generating skilled self-employment in developing countries: experimental evidence from Uganda. *Quarterly Journal of Economics*, 129, 697–752.
- Blattman, C., Fiala, N., & Martinez, S. (2018). The long term impacts of grants on poverty: 9-year evidence from Uganda's Youth Opportunities Program. . *NBER Working Paper no. 24999*.
- Bobonis, G., & Finan, F. (2009). Neighborhood Peer Effects in Secondary School Enrollment Decisions. *Review of Economics and Statistics*, 91(4), 695–716.
- Bottan, N., Hoffmann, B., & Vera-Cossio, D. A. (2021). Stepping up during a crisis: The unintended effects of a noncontributory pension program during the Covid-19 pandemic. *Journal of Development Economics*, 102635, 1-14.
- Buser, T., Oosterbeek, H., Plug, E., Ponce, J., & Rosero, J. (2017). The Impact of Positive and Negative Income Changes on the Height and Weight of Young Children. *The World Bank Economic Review*, 31(3), 786-808.
- Carranza, E., Garlick, R., Orkin, K., & Rankin, N. (2020). Job Search and Hiring with Two-Sided Limited Information about Workseekers' Skills. *World Bank Policy Research Working Paper 9345*.
- Cunha, J. (2014). Testing paternalism: Cash versus in-kind transfers. *American Economic Journal: Applied Economics*, 6(2), 195-230.
- Cunha, J. (2014). Testing paternalism: Cash versus in-kind transfers. *American Economic Journal: Applied Economics*, 6(2), 195-230.
- Cunha, J., De Giorgi, G., & Jayachandran, S. (2018). The Price Effects of Cash Versus In-Kind Transfers. *The Review of Economic Studies*, 8(1 (April)), 240–281.
- Daidone, S., Davis, B., Handa, S., & Winters, P. (2019). The Household and Individual-Level Productive Impacts of Cash Transfer Programs in Sub-Saharan Africa. *American Journal of Agricultural Economics*, 101(5), 1401-1431.
- Daidone, S., Davis, B., Handa, S., & Winters, P. (2019). The Household and Individual-Level Productive Impacts of Cash Transfer Programs in Sub-Saharan Africa. *American Journal of Agricultural Economics*, 101(5), 1401-1431.
- de Groot, R., Palermo, T., Handa, S., Peter Ragno, L., & Peterman, A. (2017). Cash Transfers and Child Nutrition: Pathways and Impacts. *Development Policy Review*, 35(5), 621-643.
- de Mel, S., McKenzie, D., & Woodruff, C. (2008). Returns to capital in microenterprises: evidence from a field experiment. *Quarterly Journal of Economics*, 123, 1329–72.
- Del Carpio, X. V., & Macours, K. (2010). Leveling the intra-household playing field: compensation and specialization in child labor allocation. In R. K. Akee, E. V. Edmonds, & K. Tatsiramos, *Child Labor and the Transition between School and Work (Research in Labor Economics, Vol. 31)* (pp. 259-295). Bingley: Emerald Group Publishing Limited.
- Doocy, S., & Tappis, H. (2017). Cash-based approaches in humanitarian emergencies: a systematic review. *Campbell Systematic Reviews*, 13(1), 1-200.

- Doocy, S., Busingye, M., Lyles, E., Colantouni, E., Aidam, B., Ebulu, G., & Savage, K. (2020). Cash and voucher assistance and children's nutrition status in Somalia. *Maternal & Child Nutrition*, p.e12966.
- Egger, D., Haushofer, J., Miguel, E., Niehaus, P., & Walker, M. W. (2019). General equilibrium effects of cash transfers: experimental evidence from Kenya . *National Bureau of Economic Research Working Paper no. w26600*.
- Evans, D. K., & Popova, A. (2014). Cash Transfers and Temptation Goods: a Review of Global Evidence. *World Bank Policy Research Working Paper, 6886*, 1-34.
- Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014). Microenterprise growth and the flypaper effect: evidence from a randomized experiment in Ghana. *Journal of Development Economics, 106*, 211–26.
- Feldman, B. S., Zaslavsky, A. M., Ezzati, M., Peterson, K. E., & Mitchell, M. (2009). Contraceptive Use, Birth Spacing, and Autonomy: an Analysis of the Oportunidades Program in Rural Mexico. *Studies in Family Planning, 40*(1), 51-62.
- Fernald, L. C., Gertler, P. J., & Neufeld, L. M. (2008). Role of Cash in Conditional Cash Transfer Programmes for Child Health, Growth, and Development: an Analysis of Mexico's Oportunidades. *The Lancet, 371*(9615), 828-837.
- Fernald, L. C., Gertler, P. J., & Neufeld, L. M. (2009). 10-Year Effect of Oportunidades, Mexico's Conditional Cash Transfer Programme, on Child Growth, Cognition, Language, and Behaviour: a Longitudinal Follow-Up Study. *The Lancet, 374*(9706), 1997-2005.
- Filmer, D., Friedman, J., Kandpal, E., & Onishi, J. (2018). Cash Transfers, Food Prices, and Nutrition Impacts on Nonbeneficiary Children. *World Bank Policy Research Working Paper 8377*.
- Franklin, S. (2018). Location, Search Costs and Youth Unemployment. Experimental Evidence from Transport Subsidies. *Economic Journal, 128*(614), 2353-2379.
- Gelb, A., & Mukherjee, A. (2020). Digital Technology in Social Assistance Transfers for COVID-19 Relief: Lessons from Selected Cases. *Center for Global Development Policy Paper, 181*, 1-18.
- Gentilini, U. (2014). Our Daily Bread : What is the Evidence on Comparing Cash versus Food Transfers? *Social Protection and Labor Discussion Paper, No. 1420*, 1-50.
- Gentilini, U. (2016). The Revival of the "Cash versus Food" Debate: New Evidence for an Old Quandary? *The World Bank*.
- Gentilini, U., Almenfi, M., Orton, I., & Dale, P. (2020). *Social Protection and Jobs Responses to COVID-19*. Washington, DC: World Bank. Retrieved from <https://openknowledge.worldbank.org/handle/10986/33635>
- Gerard, F., Imbert, C., & Orkin, K. (2020). Social protection response to the COVID19 crisis: options for developing countries. *Oxford Review of Economic Policy, 36*(S1), S281–S296.
- Gertler, P. J., Martinez, S. W., & Rubio-Codina, M. (2012). Investing Cash Transfers to Raise Long-Term Living Standards. *American Economic Journal: Applied Economics, 4*(1), 164-92.
- Gilligan, D., & Roy, S. (2013). Resources, stimulation, and cognition: How transfer programs and preschool shape cognitive development in Uganda.
- Gronbach, L. (2020). Social cash transfer payment systems in sub-Saharan Africa. *CSSR Working Paper, No. 452*, 1-81.
- Hamoudi, A., & Thomas, D. (2014). Endogenous Co-residence and Program Incidence: South Africa's Old Age Pension. *Journal of Development Economics, 109*, 30-37.

- Handa, S., & de Milliano, M. (2015). *The Impact of Social Cash Transfers on Schooling in Africa: an Update from the Transfer Project*. Carolina Population Center. Chapel Hill, NC: University of North Carolina.
- Handa, S., Natali, L., Seidenfeld, D., Tembo, G., & Davis, B. (2018). Can Unconditional Cash Transfers Raise Long-Term Living Standards? Evidence from Zambia. *Journal of Development Economics*, 133, 42-65.
- Handa, S., Peterman, A., Huang, C., Halpern, C., Pettifor, A., & Thirumurthy, H. (2015). Impact of the Kenya Cash Transfer for Orphans and Vulnerable Children on early pregnancy and marriage of adolescent girls. *Social Science & Medicine*, 141, 36-45.
- Hanna, R., & Olken, B. A. (2018). Universal Basic Incomes versus Targeted Transfers: Anti-Poverty Programs in Developing Countries. *Journal of Economic Perspectives*, 32(4), 201-226.
- Hidrobo, M., Hoddinott, J., Peterman, A., Margolies, A., & Moreira, V. (2014). Cash, food, or vouchers? Evidence from a randomized experiment in northern Ecuador. *Journal of development Economics*, 107, 144-156.
- Hill, R. V., Campero Peredo, A., & Tarazona, M. (2021). The impact of disaster risk financing: Evidence gap assessment. *Unpublished*.
- Ivaschenko, O., Doyle, J., Kim, J., Sibley, J., & Majoka, Z. (2020). Does 'Manna from Heaven' help? The role of cash transfers in disaster recovery - lessons from Fiji after Tropical Cyclone Winston. *Disasters*, 44(3), 455-476.
- Jones, D., & Marinescu, I. (2019). The Labor Market Impacts of Universal and Permanent Cash Transfers: Evidence from the Alaska Permanent Fund . *Working Paper, University of Chicago*.
- Karlan, D., Knight, R., & Udry, C. (2015). Consulting and capital experiments with microenterprise tailors in Ghana. *Journal of Economic Behavior and Organization*, 118, 281–302.
- Karlan, D., Osei, R., Osei-Akoto, I., & Udry, C. (2014). Agricultural decisions after relaxing credit and risk constraints. *Quarterly Journal of Economics*, 129, 597–652.
- Leroy, J. L., Ruel, M., & Verhofstadt, E. (2009). The Impact of Conditional Cash Transfer Programmes on Child Nutrition: a Review of Evidence Using a Programme Theory Framework. *Journal of Development Effectiveness*, 1(2), 103-129.
- Linden, L., & Shastry, G. K. (2012). Grain inflation: Identifying agent discretion in response to a conditional school nutrition program. *Journal of Development Economics*, 99(1), 128-138.
- Macours, K., Premand, P., & Vakis, R. (2016). Transfers, Diversification and Household Risk Strategies: Experimental Evidence with Lessons for Climate Change Adaptation. *World Bank Policy Research Working Paper, No 6053*, 1-38.
- Mansur, A., Doyle, J., & Ivaschenko, O. (2017). Social Protection and Humanitarian Assistance Nexus for Disaster Response : Lessons Learnt from Fiji's Tropical Cyclone Winston. *Social Protection & Labor Discussion Paper*, 1701.
- McIntosh, C., & Zeitlin, A. (2018). Benchmarking a child nutrition program against cash: experimental evidence from Rwanda. . *Cornell University Working Paper*.
- McKenzie, D., & Woodruff, C. (2008). Experimental evidence on returns to capital and access to finance in Mexico. *World Bank Economic Review*, 22, 457–82.
- Mikulak, M. (2018). *Cost-effectiveness in humanitarian work: cash-based programming*. Brighton, UK: Institute of Development Studies.

- Pace, N., Daidone, S., Davis, B., & Pellerano, L. (2019). Shaping Cash Transfer Impacts Through 'Soft-Conditions': Evidence from Lesotho. *Journal of African Economies*, 28(1), 39-69.
- Palermo, T., Handa, S., Peterman, A., Prencipe, L., & Seidenfeld, D. (2016). Unconditional Government Social Cash Transfer in Africa Does Not Increase Fertility. *Journal of Population Economics*, 1083-1111.
- Pople, A., Hill, R. V., Dercon, S., & Brunckhorst, B. (2021). Anticipatory Cash Transfers in Climate Disaster Response. *Unpublished*.
- Rosenberg, M., Pettifor, A., Nguyen, N., Westreich, D., Bor, J., Bärnighausen, T., . . . Kahn, K. (2015). Relationship between receipt of a social protection grant for a child and second pregnancy rates among South African women: A cohort study. *PloS One*, 10(9).
- Sadoulet, E., de Janvry, A., & Davis, B. (2001). Cash Transfer Programs with Income Multipliers: PROCAMPO in Mexico. *World Development*, 6, 1043–1056.
- Schwab, B. (2019). Comparing the Productive Effects of Cash and Food Transfers in a Crisis Setting: Evidence from a Randomised Experiment in Yemen. *The Journal of Development Studies*, 55(sup1), 29-54.
- Shrinivas, A., Baylis, K., Crost, B., & Pingali, P. (2018.). Do staple food subsidies improve nutrition? *Working Paper, University of Illinois*.
- Stecklov, G., Winters, P., Todd, J., & Regalia, F. (2007). Unintended effects of poverty programmes on childbearing in less developed countries: experimental evidence from Latin America. *Population Studies*, 61(2), 125-140.
- Thome, K., Filipowski, M., Kagin, J., Taylor, J. E., & Davis, B. (2013). Agricultural spillover effects of cash transfers: What does LEWIE have to say? *American Journal of Agricultural Economics*, 95(5), 1338–1344.
- Todd, J. E., Winters, P., & Stecklov, G. (2012). Evaluating the impact of conditional cash transfer programs on fertility: the case of the Red de Protección Social in Nicaragua. *Journal of Population Economics*, 25(1), 267-290.
- Verme, P., Gigliarano, C., Wieser, C., Hedlund, K., Petzoldt, M., & Santacroce, M. (2015). The welfare of Syrian refugees: evidence from Jordan and Lebanon. *The World Bank*.

Appendix

COVID-19 social protection response: international comparisons

Table 1.1: Examples of cash transfer programmes adapted in response to COVID-19

| Country ¹⁰ | Pre-pandemic programmes | Emergency programmes | Emergency programme target group | First payment dates | Total cash per new beneficiary (USD) ¹¹ | Application process for existing beneficiaries | Application process for new households | Delivery | Monthly or one time, amount |
|-----------------------|---|--|--------------------------------------|--|--|--|---|---|--|
| Brazil | Bolsa Familia: conditional cash. 13 million households | A cash transfer paid over 3 months and expanding existing cash transfers. | 30 million newly targeted households | April - June | \$115 per individual, up to two individuals per household. | Automatic top-up | Households could apply online through the state bank's website. | Cash deposited in any bank account. | Monthly, half of original transfer ¹² |
| Colombia | Three different conditional cash transfers. 4.5 million households. | A new, recurring monthly payment to poor households, from March to December. Increasing transfer size of existing programs. VAT refund program. | 3 million newly targeted households | April - June | \$80 per household | Automatic top-up | Households didn't need to apply | Transferred to existing bank accounts. New beneficiaries created e-wallets. | Monthly, same as initial transfer |
| Peru | Juntos: conditional cash. 724,000 households | Two one-time cash transfers. The first was in April, the second in September. Exceptional withdrawal of pensions. Expanded unemployment insurance. | 3 million newly targeted households | April - May, ¹³ June - August | \$108 per household | Automatic top-up | Households didn't need to apply | Direct transfer or withdrawal from bank branches. | One-time, same as initial transfer |

¹⁰ World Bank. 2020. G2PX: Digitizing Government-To-Person Payments. <https://www.worldbank.org/en/programs/g2px/knowledge>

¹¹ These amounts are the total payments for the stipulated duration of the program, and are only for new beneficiaries. Based on 2019 PPP exchange rates from the World Bank. Purchasing power parity (PPP) exchange rates adjust market exchange rate to account for differences in prices across countries. At PPP exchange rates, the same basket of goods should have the same price across the world.

¹² Sovereign Wealth Fund Institute. 09/09/2020. "[Bolsonaro Extends Brazilian Emergency Aid Program Until End of 2020, Boosting His Already Rising Popularity](#)".

¹³ La Republica. Accessed on 23/09/2020. "[Segundo Bono: consulta \[AQUÍ\] con tu DNI si recibirá el subsidio monetario de 380 soles.](#)"

| Country ¹⁰ | Pre-pandemic programmes | Emergency programmes | Emergency programme target group | First payment dates | Total cash per new beneficiary (USD) ¹¹ | Application process for existing beneficiaries | Application process for new households | Delivery | Monthly or one time, amount |
|-------------------------|---|--|---|---------------------|---|--|--|---|------------------------------------|
| Argentina ¹⁴ | Cash for pregnant mothers and child allowance. | Increase existing cash transfer programs. New emergency cash transfer program. | 9 million new households | April | \$155 per household. | Automatic top-up | Households applied through social security website. | Direct transfer or withdrawal from bank branches. | One-time, same as initial transfer |
| Ecuador | 7 Cash transfer programs. 1 million households. | A one-time cash transfer for new beneficiaries, paid over two months | 550,000 newly targeted households. | | \$120 per household | Did not expand for existing beneficiaries | Households didn't need to apply, could verify eligibility calling or through the government website. | Over the counter payments through local agents. | Two, one-time payments |
| Pakistan | Unconditional cash. 4.5 million households | A one-time cash transfer for new beneficiaries, increased payments for existing beneficiaries. | 7.5 million new households, 4.5 existing beneficiaries | | \$71 per family (family defined as an ever-married woman) | Automatic top-up | Households didn't need to apply, could verify eligibility through SMS. | Over the counter payment points. | One-time transfer |
| Indonesia ¹⁵ | Program Keluarga Harapan (PKH): conditional cash. 9.2 million households. | Expand coverage for existing grants. Created new unconditional transfer for those not already covered. | Expand existing coverage to 10 million households. 20 million new households. | | \$20-40 per household | Automatic top-up | Beneficiaries had to apply to receive funds. Rural funds distributed through local officials. | Direct transfer or withdrawal from bank branches. | Monthly |

¹⁴ (Gentilini, Almenfi, Orton, & Dale, 2021)

¹⁵ (Gentilini, Almenfi, Orton, & Dale, 2021)

| Country ¹⁰ | Pre-pandemic programmes | Emergency programmes | Emergency programme target group | First payment dates | Total cash per new beneficiary (USD) ¹¹ | Application process for existing beneficiaries | Application process for new households | Delivery | Monthly or one time, amount |
|-----------------------|--|--------------------------|--|---------------------|---|--|---|---|-----------------------------|
| | | Expanded food vouchers | | | | | | | |
| Jordan | Cash transfer programme ran by the National Aid Fund (NAF). 185,000 households (population of 10 million). | Emergency cash transfers | Informal workers, ~200,000 households. | | \$99 to \$192 per household per month (depending on household size) | Did not expand for existing beneficiaries | Online registration but using an existing system implemented for regular recipients | E-money accounts and e-wallets, which could be set up remotely. | Monthly |

Effect of lump sum cash grants on small businesses

Table 2.1: Effect of **lump sum grants** on economic activity

| | | | | | Key effects of cash intervention | | |
|--------------------|-----------|--|---|----------------------------|----------------------------------|---|--|
| Transfer year | Country | Study population | Intervention details | Amount (% GDP per capita) | Revenue (USD, monthly) | Profit (USD, monthly) | Business assets (USD, stock) |
| 2009 ¹⁶ | Tanzania | 644 clients of a microfinance institution | Business grant | \$75 (11%) | No effect | No effect | Not measured |
| 2008 ¹⁷ | Uganda | 535 eligible applicant groups, containing 12,000 members of 16-35 year old rural farmers | Government programme. Groups of young adults submit proposals for a business grant. Grant randomly allocated at group level | \$382 per member (82%) | Not measured | Not measured | After 2 years: Cash grant increased by 223 [Control group = 172] After 4 years: Cash grant increased by 132 [Control group = 232] |
| 2005 ¹⁸ | Sri Lanka | 618 microenterprises with < \$1000 in capital | \$100 in cash or \$200 in cash | \$100 or \$200 (8% or 16%) | Not measured | \$100 grant increased by 14 \$200 grant increased by 7 [Control group = 37] | \$100 grant increased by 104 \$200 grant increased by 225 [Control group = 1,403] |

¹⁶ (Berge, K., & Tungodden, 2015)

¹⁷ (Blattman, Fiala, & Martinez, 2014; Blattman, Fiala, & Martinez, 2018)

¹⁸ (de Mel, McKenzie, & Woodruff, 2008)

| | | | | | Key effects of cash intervention | | |
|--------------------|---------|---|---|---|----------------------------------|--|---|
| Transfer year | Country | Study population | Intervention details | Amount (% GDP per capita) | Revenue (USD, monthly) | Profit (USD, monthly) | Business assets (USD, stock) |
| 2009 ¹⁹ | Ghana | 793 microenterprises in Accra. | Cash grant | \$120 (11%) | Not measured | Cash grant increased by 11 [Control group =100] | Cash grant increased by Women: 65 Men: 25 [Control group =367.38] |
| 2008 ²⁰ | Ghana | 502 households in a maize farming, rural region | Cash grant | Cash grant average = \$420 (35%) | No effect | Not measured | Not measured |
| 2008 ²¹ | Ghana | 160 microenterprise urban tailors in Accra. | Cash grant | \$133 (11%) | No effect | Not measured | Not measured |
| 2017 ²² | Rwanda | 1,848 underemployed youth | 5 arms: control group; 1) business skills training group; 2) a cash grant group; 3) combined cash grant and business skills training; 4) a larger cash grant. In value, the cost of 1 and 2 is the same, and the cost of 3 and 4 is the same. | Group 2 and 3: USD 410 (54%) Group 4: USD750 (98%) | Not measured | Not measured | Smaller cash grant increased by 196 Larger cash grant increased by 20 [Control group = 50] |
| 2005 ²³ | Mexico | 207 urban microenterprises with < \$1000 in capital | 3 arms: control group; 1 treatment group receiving a grant; 1 treatment group receiving the grant equivalent in-kind | \$140 (1.7%) | Not measured | Cash grant increased by 43 [Control group = | Not measured |

¹⁹ (Fafchamps, McKenzie, Quinn, & Woodruff, 2014)

²⁰ (Karlán, Knight, & Udry, Consulting and capital experiments with microenterprise tailors in Ghana, 2015)

²¹ (Karlán, Osei, Osei-Akoto, & Udry, 2014)

²² (McIntosh & Zeitlin, 2018)

²³ (McKenzie & Woodruff, 2008)

| | | | | | Key effects of cash intervention | | |
|---------------|---------|------------------|----------------------|---------------------------|----------------------------------|-----------------------|------------------------------|
| Transfer year | Country | Study population | Intervention details | Amount (% GDP per capita) | Revenue (USD, monthly) | Profit (USD, monthly) | Business assets (USD, stock) |
| | | | | | | 305] | |

Effect of cash grant modality on nutrition

Table 3.1: International evidence on the impact of transfer modality on nutrition outcomes and cost effectiveness of transfer

| Transfer year | Country | Study population | Intervention details | Amount | Key effects |
|---------------|----------------------------------|------------------|--|--|--|
| 2015-2016 | Jordan and Lebanon ²⁴ | Syrian refugees | Two arms: cash and a food restricted voucher | 14-28 USD per month (around half the average total monthly expenditure on food for recipients) | <p>Cash improved food security more than vouchers did when food security was low on average. When food security improved, cash and vouchers were equally effective, and beneficiaries used their cash advantage to buy better quality food. Unrestricted cash did not reduce total food expenditure. Both groups spent the total value of the assistance on food.</p> <p>Cash recipients spent 80% of their transfers at non-voucher stores and used their ability to choose where they spent their transfer to shop in convenient locations and reduce costs.</p> |

²⁴ (Verme, et al., 2015)

| Transfer year | Country | Study population | Intervention details | Amount | Key effects |
|---------------|--|--|--|----------------------|---|
| 2011 | Ecuador ²⁵ | Colombian refugees | Three arms: cash, a food parcel consisting of rice (24 kilograms), vegetable oil (4 liters), lentils (8 kilograms), and canned sardines (8 cans of 0.425 kilograms) and vouchers restricted to a basket of foods found in central urban supermarkets | 40 USD per month | <p>All three modalities significantly improve the quantity and quality of food consumed. Food transfers leading to significantly larger increases in calories consumed than the other two modalities and vouchers leading to significantly larger increases in dietary diversity than the other two modalities.</p> <p>Analysis of cost-effectiveness found that both vouchers and cash are substantially more cost-effective food. Cash and vouchers were equally cost effective for promoting increased caloric intake.</p> |
| 2011 | Democratic Republic of Congo ²⁶ | Internally displaced families living in informal camps | Two arms: cash and food-restricted vouchers | 130 USD | <p>The voucher program distorted households' purchases, increasing the likelihood that households purchased durable food items such as salt, it seems because these food items were easier to resell.</p> <p>Cash transfers were the more cost-effective modality for both the implementing agency and program recipients in this context.</p> |
| 2017-2018 | Somalia ²⁷ | Malnutrition-vulnerable families | Two arms: food-restricted vouchers and mixed transfers of food, vouchers and cash. This study had no pure control | 96–130 USD per month | The modalities were equally effective at reducing severe malnutrition. |

²⁵ (Hidrobo, Hoddinott, Peterman, Margolies, & Moreira, 2014)

²⁶ (Aker, 2017)

²⁷ (Doocy, et al., 2020)

| Transfer year | Country | Study population | Intervention details | Amount | Key effects |
|---------------|----------------------|---|--|-------------------------|---|
| | | | group. | | |
| 2011 | Uganda ²⁸ | Families with a child age 3-5 years enrolled in an ECD centre in rural Uganda | Two arms: cash and a food transfer consisting of a 1200-calorie portion of 200g multiple-micronutrient-fortified corn soy blend (CSB+), 20g vitamin-A fortified oil, and 15g sugar | 10 USD every six weeks | The cash component increased children's intake of starches, meat, eggs and dairy products, while the food transfer had no significant impact on dietary intake. The cash transfer was more cost effective than the food transfer. |
| 2011-2012 | Yemen ²⁹ | Severely-food-insecure individuals | Two arms: cash and a food transfer consisting of 50 kg of wheat flour and 5.0 litres of vegetable oil | 49 USD every two months | Both cash and food transfers increase food consumption. Food transfers increased consumption of oil and starch relative to cash, cash significantly increased consumption of meat relative to food parcels. Cash transfers were cheaper to implement and were more cost-effective at promoting food security. |
| 2003 | Mexico ³⁰ | Means-tested households in rural Mexico | Two arms: a cash transfer and a food parcel consisting of corn flour, beans, rice, oil, and powdered milk. | | Cash and food are equally effective at improving health outcomes. Food transfers of some items exceed the quantity of food produced, implying wastage. Food parcels were 18% more expensive to deliver to beneficiaries than cash. |

²⁸ (Gilligan & Roy, 2013)

²⁹ (Schwab, 2019)

³⁰ (Cunha J. , 2014)

Building flexible social assistance for responding to crises

Table 4.1. Case studies on social assistance programme adaptations in response to COVID-19

| Country ³¹ | Pre-pandemic programmes | Emergency programmes | Emergency programme target group | Total cash per new beneficiary (USD) | Application process for existing beneficiaries | Application process for new households | Delivery |
|-----------------------|---|---|---------------------------------------|--|--|---|---|
| Brazil | Bolsa Familia: conditional cash. 13 million households | A cash transfer paid over 3 months and expanding existing cash transfers. | 30 million newly targeted households. | 115 per individual per month, up to two individuals per household. | Automatic top-up | Households could apply online through the state bank's website. | Cash deposited in any bank account. |
| Colombia | Three different conditional cash transfers. 4.5 million households. | A new, recurring monthly payment to poor households, from March to December. Increasing transfer size of existing programs. VAT refund program. | 3 million newly targeted households. | Jovenes en Acción – 91 per recipient. Familias en Acción – 37 per family. Colombia Mayor – 20 per recipient. Ingreso Solidario – 80 per family. | Automatic top-up | Households didn't need to apply | Transferred to existing bank accounts. New beneficiaries created e-wallets. |
| Peru | Juntos: conditional cash. 724,000 households | Two one-time cash transfers. The first was in April, the second in September. Exceptional withdrawal of pensions and expanded unemployment insurance. | 3 million newly targeted households. | 108 per household per transfer. | Automatic top-up | Households didn't need to apply | Direct transfer or withdrawal from bank branches. |

³¹ World Bank. 2020. G2PX: Digitizing Government-To-Person Payments. <https://www.worldbank.org/en/programs/g2px/knowledge>

| Country ³¹ | Pre-pandemic programmes | Emergency programmes | Emergency programme target group | Total cash per new beneficiary (USD) | Application process for existing beneficiaries | Application process for new households | Delivery |
|-------------------------|--|---|--|---|--|--|---|
| Argentina | Cash for pregnant mothers and child allowance. | Increase existing cash transfer programs. New emergency cash transfer program. | 9 million new households. | 137 per household. | Automatic top-up | Households applied through social security website. | Direct transfer or withdrawal from bank branches. |
| Ecuador | 7 Cash transfer programs. 1 million households. | A one-time cash transfer for new beneficiaries, paid over two months | 550,000 newly targeted households. | 120 per household | Did not expand for existing beneficiaries | Households didn't need to apply, could verify eligibility calling or through the government website. | Over the counter payments through local agents. |
| Pakistan | Unconditional cash. 4.5 million households | A one-time cash transfer for new beneficiaries, increased payments for existing beneficiaries. | 7.5 million new households, 4.5 existing beneficiaries | 71 per family (family defined as an ever-married woman) | Automatic top-up | Households didn't need to apply, could verify eligibility through SMS. | Over the counter payment points. |
| Indonesia ³² | Program Keluarga Harapan (PKH): conditional cash. 9.2 million households. | Expand coverage for existing grants. Created new unconditional transfer for those not already covered. Expanded food vouchers | Expand existing coverage to 10 million households. | 41 a month per recipient | Automatic top-up | Beneficiaries had to apply to receive funds. Rural funds distributed through local officials. | Direct transfer or withdrawal from bank branches. |
| Jordan | Cash transfer programme ran by the National Aid Fund (NAF). 185,000 households (population of 10 million). | Emergency cash transfers | Informal workers, ~200,000 households. | 99 to 192 per household per month (depending on household size) | Did not expand for existing beneficiaries | Online registration but using an existing system implemented for regular recipients | E-money accounts and e-wallets, which could be set up remotely. |

³² (Gentilini, Almenfi, Orton, & Dale, 2021)