

Effect of Financial products and services Cash and in-kind transfers on the nature and scale of violence or atrocities

Financial products, cash, and in-kind transfers generally have **no effect** on violence, though they may contribute to stability when designed with local contexts in mind.

Effect: No effect ($g=0.008$)

Geographic Location: Sub Saharan Africa, South Asia, East Asia & Pacific, Global, Latin America & The Caribbean

Confidence in study findings: Low (7 studies with 28 effect sizes)

Short Summary:

During conflict and post-conflict recovery, interventions such as cash transfers, upskilling workshops, and life skills training are commonly applied to support affected populations and deter armed group recruitment. Evidence indicates that unconditional cash transfers (UCTs) generally have no significant effect on violence, although some studies report potential risks, such as increased targeting by rebel forces. Conditional cash transfers (CCTs) may reduce localized violence in low-intensity conflict areas, but effects are not statistically significant at broader regional levels. Overall, financial interventions alone are not sufficient to reduce conflict-related violence.

Long Summary

The Intervention:

These interventions include microcredit, microinsurance, microsavings, and financial literacy support, alongside cash and in-kind transfers. Programs cover provision of goods, food assistance, social safety nets (conditional or unconditional), short-term cash-for-work schemes, and combined support such as skills or health training.

How the Intervention is expected to work:

Financial interventions aim to reduce economic vulnerability, increase stability, and raise the opportunity costs of engaging in violence. Complementary interventions, like cognitive-behavioral therapy and skills training, target behavioral change and self-regulation, fostering non-violent behaviors. Community-level aid improves infrastructure, public services, and trust in authorities, while conditional cash transfers can incentivize cooperation with local institutions. However, effectiveness depends heavily on local context, implementation quality, and conflict intensity, with some interventions potentially having temporary or adverse effects.

The Evidence Base:

The cell contains 10 studies: and contains 7 impact evaluations. Of the 7 impact evaluations, 6 of them utilise quasi-experimental designs (QED) and one of them utilising a RCT. It should be noted that of the 6 QEDs, 3 of them utilise an observational approach - analysing specific data sets to suggest outcome effects. Accompanied with 2 systematic reviews and 1 qualitative study (Adedokun 2019).

The evidence base includes research conducted in Mozambique (1 study), Philippines (2 studies), Afghanistan (2 studies), Colombia (1 study), and multi-country analyses (4 studies).

Evidence Findings:

Across the studies, cash transfers and financial products generally had no effect on the nature or scale of violence. While some localized reductions were observed under conditional programs, most interventions did not meaningfully reduce conflict or atrocities, and in a few cases, they temporarily exacerbated violence at community or regional levels.

The review evidence:

This study includes two systematic reviews: Zürcher (2017), What Do We (Not) Know about Development Aid and Violence? A Systematic Review, and Cramer (2016), Evidence Synthesis: What Interventions Have Been Effective in Preventing or Mitigating Armed Violence in Developing and Middle-Income Countries? However, both reviews are rated with low confidence. Cramer (2016) suffers from a fragmented evidence base and a lack of high-quality studies, with the predominance of low-quality research further weakening confidence in its conclusions. Similarly, Zürcher (2017) is rated poorly due to its overall low score against the AMSTAR framework, limiting the reliability of its findings.

The impact evaluation evidence

Blair (2021): The study examines the impact of a large-scale cash assistance program on insurgent and communal violence among refugee returnees in Afghanistan, leveraging detailed records from the International Distributed Unified Reporting Environment (INDURE). These records, cataloging significant insurgent and counterinsurgent engagements in Afghanistan between 2015 and 2017, offer high-resolution data on combat activity. Face-to-face interviews were conducted with gender-matched enumerators in Kandahar, Nangarhar, Kabul, Balkh, and Herat Provinces. In 65 districts, returnees were randomly sampled from settlements identified by the IOM Baseline Mobility Assessment. The sample was proportionate to the population size in each province and representative of returnees in the five regions studied. Households within each settlement were selected through a random walk method, and individual respondents were chosen using a Kish grid. Interview data captured details such as respondents' country of asylum, repatriation date, and registration status to identify likely program beneficiaries. The survey achieved an 84.6% contact rate, with a 74.57% response rate. The study is rated medium confidence as it is a non-experimental study.

Crost (2015): The study evaluates the impact of the Pantawid Pamilyang Pilipino Program (Pantawid Pamilya), a large conditional cash transfer (CCT) program, on the nature and scale of violence, particularly civil conflict, in the Philippines. Using an impact evaluation through a randomized controlled trial (RCT), 130 villages across 8 municipalities were assigned to treatment and control groups. Villages receiving the CCT program experienced a significant reduction in conflict incidents during the first year, though the effect diminished in the second

year. The program also decreased insurgent influence at the village level, indicating a weakening of rebel presence. However, these effects were not statistically significant at the municipal level, suggesting conflict displacement to nearby areas. Treated villages saw fewer casualties, though the small number of incidents limited statistical significance. These findings highlight the potential of CCTs to reduce localized conflict and insurgent activity, demonstrating the context-dependent effectiveness of financial interventions in addressing violence. The study is rated high confidence.

Lyall (2018): This study examines the impact of humanitarian assistance in Afghanistan, focusing on how humanitarian assistance influences insurgent activity. The analysis finds that humanitarian aid, in particular, has a violence-reducing effect. The study uses declassified data from the Combined Information Data Network Exchange (CIDNE) and iMMAP, which track insurgent attacks on ISAF forces and Afghan forces, respectively. The study shows that the frequency of Taliban attacks decreases significantly, with a 35 percent reduction in attacks for up to two years after a village receives aid. However, the study notes that ACAP aid (Afghan Civilian Assistance Program) has no effect on violence against Afghan forces for at least one year post-disbursement. The study is rated as low confidence due to non-experimental study design and no mention of power calculations

Narang (2015): This study examined the impact of humanitarian aid on the duration of civil wars, using a bargaining framework to suggest that aid could inadvertently increase uncertainty among combatants, potentially prolonging conflict. The study analyzed panel data on cross-national humanitarian aid expenditures from 1989 to 2008. The findings revealed that increased levels of humanitarian assistance were associated with longer civil wars, particularly those involving rebel groups on the periphery of a state. This suggests that while aid is intended to support post-conflict recovery, it may, in some cases, prolong the violence, highlighting the need for careful consideration in its disbursement. The study is rated as medium confidence due to non-experimental study design, partial description of intervention and no mention of power calculations.

Nunn (2014): This study investigates the impact of food aid shipments, influenced by changes in US wheat production, on the onset and duration of civil conflicts. Using a quasi-experimental design, it analyzes an annual panel of 125 non-OECD countries, incorporating country fixed effects and region-specific year fixed effects. The findings show that food aid does not significantly affect the onset of civil conflicts. However, it has a strong positive effect on the duration of these conflicts, suggesting that while food aid may not trigger conflict, it may contribute to prolonging existing civil wars. The study is rated as low confidence due to non-experimental study design, partial description of intervention and no mention of power calculations

Weintraub (2016): This study examines the impact of anti-poverty subsidies, specifically a conditional cash transfer program in Colombia, on insurgent violence. The study proposes that development assistance increases overall violence by insurgents, particularly indiscriminate violence, as it incentivizes information sharing with the government and increases territorial control by incumbents. Using a quasi-experimental design with a difference-in-differences strategy and matching tests, the study analyzes data from 122 municipalities (57 treatment, 65 control). The findings show that cash transfers had a significant effect on violence, with a 160% increase in FARC civilian killings and a 250% increase in indiscriminate violence. The

study is rated as medium confidence due to non-experimental study design, and no mention of power calculations

Wood (2015): This study investigates the potential negative externalities of humanitarian aid, specifically how it might incentivize armed actors to target civilians. The study argues that aid can encourage rebel violence by offering opportunities for looting and resentment toward challenges to rebel authority. It may also increase state violence by augmenting rebel capabilities or providing rebels with a resource base. Using spatially disaggregated data from nearly two-dozen post-Cold War African countries, the study finds that aid increases the rate of rebel attacks on civilian targets. Compared to units receiving no aid, those receiving aid experienced a 25% increase in rebel violence. The study is rated as medium confidence due to non-experimental study design, and no mention of power calculations

Confidence assessment

Overall Low: The overall confidence is low because most of the studies are rated as low confidence.

Other outcomes in this study:

Violence / social norms regarding violence

Social cohesion / Feelings of trust & Acceptance of diversity

Human security / Economic security