

## Effect of Financial products and services Cash and in-kind transfers on Physical Security

Financial aid (cash grants) has harmful effects on physical security by improving citizens' perceptions of government effectiveness and legitimacy.

Geographic Area: South Asia, Sub Saharan Africa and Global

Effect: Harmful effect ( $g = -0.027$ )

Confidence in study findings: Low confidence (2 studies with 5 effect sizes)

### Short Summary:

Studies on cash and in-kind transfers indicate a harmful effect on physical security. Ghorpade (2019) finds that the Benazir Income Support Programme (BISP) in Pakistan had no significant impact on household financial security, coping strategies, or perceptions of government effectiveness, suggesting limited benefits for physical security. Muller (2019) shows that one-time cash transfers in conflict-affected Afghanistan temporarily reduced youth support for armed opposition groups (AOGs), but the effect dissipated within months. When combined with vocational training, cash transfers led to a 17% reduction in pro-AOG sentiment, highlighting the importance of multi-dimensional approaches. Overall, cash-only interventions may not improve physical security and can have harmful effects.

### Long Summary:

#### *The Intervention:*

These interventions typically include microcredit, microinsurance, and microsavings programs, along with financial literacy support. They cover both cash and in-kind transfers, including direct provision of goods and social safety nets, which may be conditional or unconditional. Short-term cash-for-work programs and integrated interventions that combine cash transfers with skills training or health support are also included.

#### *How the intervention is expected to work:*

The BISP in Pakistan aimed to improve resilience and household well-being through direct cash transfers, fair targeting using proxy-means testing, and strengthening political attitudes by increasing beneficiaries' trust in government. The Youth Startup Business Grant Program in South Sudan targeted young people in conflict-affected areas, particularly women, by combining \$1,000 unconditional grants with one-week business and life skills training. The program was designed to promote income, savings, and economic stability, thereby reducing vulnerability to violence. In both cases, cash transfers alone were expected to support security by improving economic stability, while integrated programs added governance or skills components to reinforce long-term outcomes.

#### *The Evidence Base:*

This cell features 3 studies, 2 impact evaluations, (1 RCT and 1 non-experimental study) and finally, one systematic review.

The studies are based in South Sudan, Pakistan and the review has a Global focus.

#### *Evidence findings:*

Overall, the evidence indicates that cash transfers alone may have limited or short-term effects on physical security and can even have harmful outcomes. Integrated programs that combine cash transfers with vocational training or governance support demonstrate more sustained reductions in vulnerability to violence.

#### *The review evidence:*

The systematic review of Lwamba et al. is entitled 'Strengthening women's empowerment and gender equality in fragile contexts towards peaceful and inclusive societies: A systematic review and meta-analysis'. The review is rated as high confidence in review findings.

#### *The impact evaluation evidence:*

**Ghorpade (2019):** The study assesses the effects of a large cash transfer programme implemented in Pakistan—the Benazir Income Support Programme (BISP)—on citizens' attitudes towards the government. The study was designed as a quasi-experimental study. The total sample size is 3907 including 572 program recipients and 3335 as non-recipients. The study shows that the BISP had no effect on households' exposure to shocks, their resorting to harmful coping strategies in the 12 months preceding the survey, self-reported improvements in the households' financial condition over the past two years, or positive prospects for an improved economic situation. Also, there is no causal effect of the BISP on political attitudes through pathways related to the improved financial conditions and expectations, or more effective social protection. The study is rated as low confidence due to non-experimental study design and no mention of power calculations.

**Muller (2019):** explores the impact of financial products, services, and cash and in-kind transfers on physical security, particularly in conflict-affected regions such as Afghanistan. The research evaluates two interventions: a technical and vocational education and training (TVET) program and an unconditional cash transfer (UCT) initiative, both aimed at improving economic conditions and potentially reducing support for political violence. Findings indicate that while the one-time cash transfer of \$75 initially reduced youth support for armed opposition groups (AOGs), this effect dissipated within six to nine months, with some recipients even registering increased support for violent groups. Conversely, the combination of vocational training and cash transfers resulted in a significant 17% decrease in willingness to engage in pro-AOG actions after six to nine months. The study suggests that economic stability alone does not explain these outcomes; rather, improvements in perceptions of government responsiveness played a critical role in reducing political violence. This underscores the need for multidimensional interventions that address economic, governance, and psychosocial factors to enhance physical security. This study is rated medium confidence due to partial descriptions of evaluation questions and no mention of power calculations.

*Confidence assessment:*

Overall Low: The cell is rated low confidence due to a limited number of studies.

**Other outcomes in this study:**

Violence / social norms regarding violence

Social cohesion / Feelings of trust & Acceptance of diversity

*Link to review summaries:*

Lwamba (2022)