

## **Effect of financial products and services cash and in-kind transfers on presence and quality of social safety nets**

Self-help groups (SHGs) and village savings and loans associations (VSLA) have a moderate effect on safety nets. Institutional microfinance may have a positive effect, but this finding is based on one study.

Cash transfers have no effect on the presence and quality of social safety nets within communities.

Geographic Location: Sub-Saharan Africa and South Asia

Effect: Cash transfers - very small effect ( $g=0.01$ ). SHGs and VSLAs – moderate effect ( $g=0.18$ ). Institutional microfinance – large effect ( $g=0.53$ )

Confidence in study findings: Moderate: one review with three included studies for cash transfers, one study for institutional microfinance and seven for group finance.

### **Short Summary**

Evidence from seven studies of group finance – self help groups (SHGs) and village savings and loans associations (VSLA) – reports a moderate effect on safety nets ( $g=0.18$ ). Institutional microfinance has a large effect ( $g=0.58$ ), but this is based on just one study.

Evidence from three studies finds that cash transfers – all of which were combined with training programmes – have no effect on social safety nets.

### **Long summary**

#### *The Intervention*

The interventions are:

- Group-based finance to self-help groups and village savings and loans associations. These are mostly women's groups will act as savings groups from which members can also borrow. The groups may also receive external finance.
- Institutional finance, being loans from financial institutions such as banks or post offices.
- Cash transfers which are paid to poor households or individuals. They may be either conditional or unconditional.

#### *How the Intervention is expected to work*

Since group finance is provided to groups they may be expected to strengthen the network of group members and so provide a safety net.

Institutional microfinance is provided either to individuals or to groups. Group finance may be expected to have a positive effect on safety nets through informal social networks.

Cash transfers are usually made to individuals and so may not be expected to have an effect on social safety nets. However, cash transfers may be part of a multi-component intervention

with a training component. Training may provide formal or informal associations which support safety nets.

### *The evidence base*

This summary cell consists of one systematic review which consisted of 104 studies conducted in 29 fragile and conflict-affected countries. Most of the studies were randomized controlled trials; others used quasi-experimental designs. Seven studies report evidence from SHGs and VSLAs, one on institutional microfinance and three of the studies on cash transfers.

### *Evidence findings*

The included review for this cell reports an outcome women's freedom of movement and association which can be taken as a measure of social safety nets for women.

Seven studies report an effect for SHGs and VSLAs,  $g$  ranging from  $-0.05$  to  $0.46$  with an average of  $0.18$ . Just one study reports an effect for institutional microfinance, which is a large effect of  $g=0.53$ .

Three studies of cash transfers, which have a very small and statistically insignificant, very small effect of  $0.01$ . None of the three studies is a cash transfer alone. All three include a training component: one is a business start-up grant with skills training, one included microfinance training and health insurance, and the other undefined group training. All three studies reported small effect sizes ( $g < 0.1$ ).

### **Other outcomes in the included review**

Violence / social norms regarding violence

Human security / Environmental security

Human security / Economic security

Community and state governance / Government performance

*Confidence assessment:* The review is high confidence, but the cell summary is rated moderate confidence because of the small number of included studies.

Source: Lwamba (2022)

Lwamba E, Shisler S, Riddlehoover W, Kupfer M, Tshabalala N, Nduku P, Langer L, Grant S, Sonnenfeld A, Anda D, Eyers J, Snilstveit B. Strengthening women's empowerment and gender equality in fragile contexts towards peaceful and inclusive societies: A systematic review and meta-analysis. *Campbell Syst Rev.* 2022 Mar 8;18(1):e1214. doi: 10.1002/cl2.1214. PMID: 36913184; PMCID: PMC8904729.