

Effect of Financial products and services Cash and in-kind transfers on Civic Participation

Financial products, cash, and in-kind transfers have no effect on civic participation, despite supporting economic stability and addressing immediate needs.

Geographic Location: Sub Saharan Africa, Global

Effect: No effect (g=0.056)

Confidence in study findings: Low confidence (2 studies 9 effect sizes)

Short Summary:

Financial products, cash transfers, and in-kind support have no effect on civic participation. In Uganda, the WINGs program provided business grants and skills training to women, increasing economic empowerment, though broader social participation remained limited. Other interventions, including youth and scholarship programs, improved economic and educational outcomes but did not consistently enhance community or political engagement. Overall, while financial interventions support economic stability, they show no clear effect on direct civic participation.

Long summary

The Intervention:

The interventions typically include microcredit, microinsurance, and microsavings (including village savings and loan associations) and financial literacy support. They encompass both cash and in-kind transfers, covering direct food assistance, social safety nets (conditional or unconditional), short-term cash-for-work programs, and combinations with skills training or health support.

How the Intervention is expected to work:

Interventions aim to reduce economic barriers and enhance social inclusion. For example, the WINGs program in Northern Uganda combined cash grants with business skills training to help women start income-generating activities and increase social engagement. The Youth Opportunities Program (YOP) targeted unemployed young adults, providing vocational training and startup grants to promote self-employment, economic stability, and social cohesion. Cash transfers for refugees and vulnerable households in Ecuador and Colombia were designed to improve food security and foster social integration. Scholarship programs in Kenya aimed to improve educational attainment and political awareness through financial incentives.

The Evidence Base

The cell consists of 3 studies, two of which are RCTs and 1 systematic review.

The studies are based in Uganda (2 studies) and the review study has a global focus.

Evidence Findings:

Across studies, financial products and transfers generated economic benefits such as increased income and reduced poverty but had no effect on civic participation, indicating that economic improvements alone may not translate into higher levels of direct community or political engagement.

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:

Blattman (2013): The study demonstrates that providing financial grants and business skills training to poor women in war-affected northern Uganda significantly increases their civic participation by enhancing their economic roles within the community. Women who received these interventions experienced substantial gains in income, savings, and asset accumulation, enabling them to engage more actively in local economic activities. Additionally, the program generated broader economic benefits for the village economy, fostering an environment of collective growth. However, the intervention had limited immediate effects on social empowerment, independence, or reductions in intimate partner violence, highlighting a gap between economic success and broader societal empowerment. Despite this, the economic upliftment indirectly contributed to civic participation by increasing women's visibility and involvement in community trade and financial networks. Spillover effects, such as lowered consumer goods prices and increased demand for local products, further encouraged community-wide participation and cooperation. Ultimately, while the intervention primarily succeeded in poverty alleviation, it indirectly supported civic engagement by integrating women into economic systems and fostering communal interdependence. To enhance civic participation more comprehensively, future efforts may require additional strategies targeting social empowerment and inclusion alongside economic development. This study is rated high confidence. Additionally, effect size data could not be extracted from this study due to insufficient data pertaining to the outcome category.

Blattman (2014): The study examines the impact of financial products and services, particularly cash and in-kind transfers, on civic participation. While the Youth Opportunities Program (YOP) in Uganda led to substantial economic benefits—including increased investment, employment, and earnings—its effects on civic participation were minimal. The study found little to no impact on individual community integration, collective action, or political engagement. Even after four years, treatment groups did not exhibit higher levels of social cohesion, antisocial behavior reduction, or engagement in public good contributions. Political attitudes and support for the government also remained unchanged. These findings challenge the common assumption that financial support programs inherently lead to greater civic involvement. This study is rated medium confidence due to partial description of intervention and outcome as well as little to no mention of power calculations. . Additionally, effect size data could not be extracted from this study due to insufficient data pertaining to the outcome category.

Friedman (2011): This study examines the impact of financial products, services, and cash and in-kind transfers on civic participation, with a particular focus on a randomised merit scholarship program for adolescent girls in Kenya. The findings indicate that while the program improved academic performance and increased political awareness, it did not lead to higher civic participation. Specifically, "the GSP did not increase interest or participation in politics or community affairs" as measured by indicators such as public interest, voting intentions, or membership in community groups. The study highlights that although education can foster political knowledge and reduce satisfaction with existing authority structures, this does not necessarily translate into higher engagement in democratic processes. Moreover, there was no significant impact on trust in others or broader measures of community participation. These findings suggest that financial interventions targeting education may enhance political consciousness without necessarily fostering active civic engagement. This study is rated low confidence due to partial description of intervention and outcome as well as no report of attrition.

Hidrobo (2012): The study examines the impact of financial products, services, and cash and in-kind transfers on civic participation. The research highlights that while these interventions were not explicitly designed to increase social capital, their implementation in a mixed-nationality setting—alongside interactions facilitated by training sessions—may have influenced community participation. The study defines social capital as "features of social life, networks, norms, trust that enable participants to act together more effectively to pursue shared objectives". The study measures civic participation through engagement in various community groups, including agricultural cooperatives, religious organizations, neighborhood associations, and political movements. Findings indicate that while participation in such groups was not a primary objective of financial aid programs, recipients of cash and in-kind transfers exhibited some level of increased involvement in community activities. Specifically, the research states that households receiving assistance were more likely to engage in local organizations, suggesting that financial stability and economic security provided by these transfers may have contributed to a greater willingness to participate in civic life. However, the study does not provide conclusive evidence that financial aid directly causes increased civic engagement, as other contextual factors such as political environment and social structures also play a role. This study is rated high confidence.

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

Link to review summaries:

Lwamba (2022)