

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

Financial products, cash, and in-kind transfers have moderate effect on economic security by providing immediate financial relief, reducing poverty, and supporting long-term stability.

Effect: Moderate effect ($g=0.103$)

Geographic Location: Sub Saharan Africa, South Asia, Global and Middle East & North Africa

Confidence in study findings: Low (6 studies with 162 effect sizes)

Short Summary:

Interventions across the studies examined economic security outcomes at both individual and household levels, primarily focusing on unconditional cash transfers (UCTs), life and business skills training, and entrepreneurship promotion. Evidence indicates a **moderate positive effect** overall. Cash transfers commonly improved short-term financial security, though results varied across contexts. For example, Baseler (2021) found that combining cash with mentorship and information-sharing produced stronger impacts than cash alone, while Lehmann's (2014) home heating subsidies had little effect. RCTs in Liberia combining UCTs with cognitive behavioral therapy (CBT) improved short-term income, though longer-term gains were limited. Conditional cash transfers requiring bank accounts and life skills training improved savings but not employment. Skill-based programs tended to show more durable effects than cash-only interventions. Overall, these interventions demonstrated a **moderate effect on economic security**, particularly when paired with training or mentoring components.

Long summary

The Intervention:

The interventions assessed in this cell include microcredit, microinsurance, microsavings, and financial literacy initiatives, alongside both cash and in-kind transfer programs. These interventions provide goods and financial assistance, including food aid, social safety nets, and conditional or unconditional cash transfers. Short-term cash-for-work programs, which offer payments in exchange for labor, also fall under this category. Many interventions combined financial transfers with additional support, such as vocational or life skills training,

behavioral therapy, or entrepreneurship mentoring, to promote self-reliance and resilience beyond immediate financial relief.

How the Intervention is expected to work:

Cash and in-kind transfers are designed to alleviate short-term financial stress while promoting economic stability and reducing poverty. By directly increasing household income, these interventions help smooth consumption and offset essential living costs. Participants often reinvest part of their transfers into small enterprises, stimulating local economic activity. When paired with skills training or financial literacy programs, these interventions aim to improve employability, entrepreneurship, and long-term self-sufficiency. Financial products such as savings, insurance, and microcredit extend these benefits by providing ongoing mechanisms for risk management and investment. The sustained effectiveness of these interventions depends largely on implementation quality, market accessibility, and local economic conditions.

The evidence base:

The cell contains 11 records: 1 systematic review, 8 quantitative impact evaluations, one qualitative study and one protocol for an RCT which is by Keleher (2019) .

The primary studies are from Uganda (2 study), Mozambique (1 qualitative study Adedokun 2019), Afghanistan (2 study), Pakistan (1 study), Liberia (2 study), Syrian refugees in Lebanon (1 study), and South Sudan (1 study). The review study has a global focus.

Evidence Findings:

Findings indicate a moderate effect of financial products and services combined with cash and in-kind transfers on economic security. These interventions improved short-term financial resilience, reduced poverty, and enhanced household stability. Interventions that included skills training, mentorship, or behavioral support generally produced more durable improvements than cash alone. Some programs showed limited long-term impact once direct financial support ended, but overall, the evidence supports a moderate positive effect on economic security.

The review evidence:

The systematic review by Lwamba et al., rated as high confidence, finds that financial and social interventions in fragile contexts moderately improve economic security and

empowerment. It highlights that combining cash transfers with skills training or other support is more effective than cash alone in fostering lasting economic stability.

The impact evaluation evidence

Baseler (2021): The study on the Sustainable Transformation of Youth in Liberia (STYL) program examined the impact of cognitive behavioral therapy (CBT) and cash transfers on reducing crime and violence among high-risk men aged 18–35 in Monrovia, Liberia. Using a randomized controlled trial with 999 participants, it tested four groups: therapy only, cash only, both therapy and cash, or neither. Results showed that therapy alone reduced antisocial behaviors by 24%, but effects faded over time unless combined with cash, which led to a 33% reduction in aggression. The therapy-plus-cash group also showed a 25% improvement in self-control, though economic gains were temporary. The study suggests that pairing CBT with financial support enhances long-term behavioral change in vulnerable populations. This study is rated as medium confidence.

Blattman (2013): The findings from the Women’s Income Generating Support (WINGS) program demonstrate significant improvements in economic well-being among the poorest women, who were given cash grants and business training. Participants experienced a substantial increase in income, with monthly cash earnings doubling on average, and household spending and savings also rising significantly. These financial interventions enabled recipients to transition from casual labor and subsistence farming to small-scale trading and entrepreneurship, fostering greater financial independence. The program particularly benefited those with limited initial capital and access to credit, validating economic theories suggesting that poverty is often perpetuated by capital constraints. This study is rated high confidence. Though this cell has a high confidence rating, effect size variables could not be extracted from this study due to insufficient data.

Blattman (2017): The study on the Sustainable Transformation of Youth in Liberia (STYL) program evaluated the impact of cognitive behavioral therapy (CBT) and cash transfers on reducing crime and violence among high-risk men in Monrovia, Liberia. Using a randomized controlled trial with 999 participants, the study assigned individuals to four groups: therapy only, cash only, both, or neither. A \$200 cash grant, equivalent to three months' wages, was provided to assess its effect on economic decisions. Results showed therapy alone reduced antisocial behaviors by 24%, but effects faded over time. However, when therapy was combined with cash, aggressive behaviors dropped by 33% and self-control improved by 25%

after a year. Economic gains were temporary, with no long-term improvements in income or assets. The findings suggest that pairing behavioral therapy with financial support enhances long-term behavioral change, highlighting the role of cash transfers in reinforcing psychological interventions for crime reduction. The study is rated high confidence.

Ghorpade (2019): The study on the Benazir Income Support Programme (BISP) in Pakistan examined the impact of cash transfers on citizens' political attitudes. Using a quasi-experimental design with 3,907 participants (572 recipients, 3,335 non-recipients), the study found no significant effect of BISP on households' financial stability, coping strategies, or economic outlook. Additionally, there was no evidence that improved financial conditions or social protection influenced political attitudes. Due to its non-experimental design and lack of power calculations, the study is rated as low confidence.

Kurtz (2018): The study examined the impact of vocational training and cash transfers on youth attitudes toward political violence in Kandahar, Afghanistan. Using a randomized controlled trial with 1,590 participants, the study tested whether economic interventions, particularly a youth employability program (TVET) and unconditional cash transfers, could reduce support for armed opposition groups (AOGs). Findings showed that vocational training alone had limited impact, but when paired with cash transfers, it significantly reduced support for AOGs six to nine months later. The effects were not solely economic but also linked to improved perceptions of the government. This suggests that targeted economic interventions can help address the root causes of political violence in conflict-affected areas. This study is rated as low confidence due to no mention of power calculations.

Lehmann (2014): The study evaluated the 2013-2014 UNHCR Winter Cash Assistance Program for Syrian refugees in Lebanon, which provided \$575 via ATM cards to 87,700 households to help them stay warm during winter. Using a quasi-experimental design, the study analyzed 1,789 households across treatment and control groups. Findings revealed that cash assistance was insufficient to fully meet winter needs, as beneficiaries only partially used it for warmth. However, the program had positive secondary effects, including increased school attendance and reduced child labor, highlighting the broader social benefits of cash transfers beyond their immediate intended purpose. The study is rated as medium confidence due to non-experimental study design, partial description of intervention and outcomes and mention of power calculations.

Lyall (2019): The study examines the impact of financial products, services, and cash and in-kind transfers on economic security, particularly in conflict-affected regions like Afghanistan. It evaluates the effects of economic interventions, specifically vocational

training and unconditional cash transfers, on individuals' economic stability and support for the government. The findings suggest that vocational training only modestly improved economic well-being, while cash transfers led to a temporary spike in economic activity but failed to create lasting financial stability. Instead, cash transfers resulted in a "boom-and-bust" cycle, initially boosting pro-government sentiment before reversing and increasing support for insurgents like the Taliban. The study highlights that while financial interventions can provide short-term relief, they do not necessarily lead to sustained economic security in conflict zones. This study is rated low confidence due to no mention of power calculations; effect size variables could not be extracted from this study due to insufficient data.

Muller et al. (2019): The study evaluated the unintended closure of South Sudan's Youth Business Start-Up Grant Programme (2016), which provided unconditional \$1,000 cash grants and one-week business/life skills training. Due to escalating violence, some participants received training but no grant, allowing for a natural experiment. Findings showed that cash plus training increased savings (mostly by reducing consumption) but had no effect on employment or business skills. Behavioral impacts were limited, with a small reduction in crime but increased cattle raiding. Trust remained unchanged, except among women who expected cash but didn't receive it, leading to declining trust. Attrition due to migration posed challenges to data collection. The study is rated medium confidence because of moderate levels of attrition and incomplete description of the intervention.

Confidence assessment:

Overall Low: Confidence is low because most studies are rated low, even though findings are generally consistent across the 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)