2.

Cash Transfers: Past, Present and Future. Evidence and Lessons from the Transfer Project

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2.1. INTRODUCTION

As governments seek to achieve the Sustainable Development Goals (SDGs), including SDG 1 on eliminating poverty, the role of social protection has continued to gain prominence. A particular priority for governments is SDG Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and vulnerable. Cash transfers remain an integral instrument for social protection and will continue to increase in scope and coverage across sub-Saharan Africa (SSA). Cash-based programming is being used extensively to address the vulnerabilities of families and children and to protect them from various risks and shocks. These include climate shocks, conflicts, humanitarian crises, and the health and economic impacts of the COVID-19 pandemic (Gentilini et al., 2021).

Since 2009, the Transfer Project has generated rigorous evidence on the impacts of cash transfers in SSA and has supported the expansion of cash transfer programmes. The Transfer Project is a collaborative network comprising UNICEF (Office of Research – Innocenti, and regional and country offices), the Food and Agriculture Organization of the United Nations, the University of North Carolina (UNC) at Chapel Hill, national governments and researchers. It aims to provide evidence on the effectiveness of cash transfer programmes, inform the development and design of cash transfer policy and programmes, and promote learning across SSA on the design and implementation of research and evaluations on cash transfers.

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The Transfer Project engages with governments, national researchers and stakeholders to co-create evidence on cash transfers. This also makes it more likely that policymakers will use the evidence to strengthen programme design and implementation and, together with other actors (e.g., civil society organizations or parliamentarians), advocate for increased domestic financing of these programmes. Key components of the Transfer Project's approach are the creation of platforms for learning exchange, capacity building in impact evaluation, cross-country analysis and evidence synthesis, as well as the dissemination of findings through national and international workshops, traditional and social media and peer-reviewed publications.[1]

At the inception of the Transfer Project in 2009, the number of cash transfer programmes in SSA was increasing and the geographical coverage of existing programmes was expanding. Interest in programme design, implementation and evidence was also growing, but very few rigorous impact evaluations from SSA were available. Most of the available evidence was from Latin America, where cash transfer programmes were, at that time, usually conditional – a fundamentally different approach to the unconditional programmes typically seen in SSA. Myths about the appropriateness and utility (or lack thereof) of cash transfers were also prevalent.

Over the years, the Transfer Project has completed longitudinal, mixed methods impact evaluations of government-implemented unconditional cash transfer programmes in 10 SSA countries.[2] The Transfer Project's unique approach involves using mixed methods designs to generate context-specific, robust evidence that addresses the concerns identified by governments and other stakeholders. This has contributed to the increased awareness in recent years of the impacts of cash transfers in SSA. In addition, the evidence has addressed critical myths and helped to boost the profile and standing of the social protection sector and has been integral to increasing the domestic financing of government-run cash transfer programmes.

Building on previous summaries (Davis et al., 2016), this chapter summarizes the contemporary evidence and lessons to come out of the Transfer Project following more than a decade of research, and also introduces new frontiers of research.

[1] The Transfer Project has "three key pillars: 1) regional learning, information exchange, and network/community of practice; 2) technical assistance on design and implementation of IE and identification of research areas; and 3) synthesis of regional lessons on programme design" (Davis et al., 2016, p. 23).

[2] Evaluations completed in Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, South Africa, the United Republic of Tanzania, Zambia and Zimbabwe. Work is currently ongoing in two new countries (Burkina Faso and Mozambique) as well as in three countries with previously completed evaluations (Ethiopia, Ghana and the United Republic of Tanzania).

2.2. METHODS FOR GENERATING EVIDENCE ON THE IMPACTS OF CASH TRANSFERS

The choice of impact evaluation designs in Transfer Project studies is not only driven by methodological preferences but also by other factors such as ethics, political economy, and operational considerations. While randomized controlled trials (RCTs) remain the most rigorous design for internal validity, not all practical situations lend themselves to RCTs, and indeed not all questions can be answered with RCTs. The Transfer Project's approach has therefore been to deploy the most rigorous and contextually appropriate design in each case. Table 2.1 provides a summary of all programmes evaluated by the Transfer Project to date and the impact evaluation design used for each.

The minimum requirement for all Transfer Project evaluations is a baseline and a credible counterfactual (Transfer Project, 2019). Of the 15 completed evaluations, more than half (8) were RCTs, in which comparable eligible groups were randomized into treatment and control groups. This approach is usually possible, given that available financial resources are usually inadequate for coverage of all eligible groups from the start of programme implementation. In some contexts (e.g., Malawi), the areas that served as the control for the impact evaluation were eventually enrolled in the cash transfer programme when additional resources became available. One evaluation – the Livelihood Empowerment against Poverty 1000 impact evaluation in Ghana – used a regression discontinuity design, where the comparison group consisted of households that narrowly missed the eligibility criteria for the cash transfer programme. This was the most rigorous design option given that all households that fell below a chosen threshold on a proxy means score received the cash transfer and randomization was therefore not possible.

Five of the studies used propensity score matching, while another used a case-control design. In these studies, the selection of the programme beneficiaries was not based on random assignment, and the counterfactual had to be constructed from a comparable group that had not been targeted (whether for geographical or other reasons).

All of the studies had a baseline and at least one follow-up data collection, strengthening the validity of the evaluations. Having at least two rounds of data collection also allowed for the use of the difference-in-differences methodology in the estimation of impacts and to reasonably control for the effect of other, concurrent interventions or policies affecting both the treatment and comparison groups.

Table 2.1 Summary of evaluated programmes and the impact evaluation designs used

Country	Programme	Impact evaluation design	Years*
Ethiopia	Tigray Social Cash Transfer Programme Pilot	PSM	2012–2014
Ethiopia	Improved Nutrition through Integrated Basic Social Services with Social Cash Transfer	PSM	2015–2018
Ghana	Livelihood Empowerment against Poverty	PSM	2010–2012
Ghana	Livelihood Empowerment against Poverty 1000	RDD	2015–2017
Kenya	Cash Transfers for Orphans and Vulnerable Children	RCT	2007–2011
Lesotho	Child Grants Programme	RCT	2011–2013
Lesotho	Child Grants Programme plus Sustainable Poverty Reduction through Income, Nutrition and Access to Government Services	PSM	2017–2018
Madagascar	Let Us Learn Cash Transfer Supplement Programme	RCT	2016–2020
Malawi	Social Cash Transfer Programme	RCT	2013–2015
South Africa	Child Support Grant	PSM	2010–2011
United Republic of Tanzania	Productive Social Safety Net	RCT	2015–2017
United Republic of Tanzania	Productive Social Safety Net Plus for Adolescents	RCT	2017–2019
Zambia	Child Grant Programme	RCT	2010–2014
Zambia	Multiple Categorical Targeting Grant	RCT	2011–2014
Zimbabwe	Harmonized Social Cash Transfer Programme	District-matched case-control	2013–2017

Note: PSM: propensity score matching; RDD: regression discontinuity design; RCT: randomized controlled trial. *Years refer to the time frame of the basic impact evaluation. Additional rounds of data were collected in some countries, including the United Republic of Tanzania, where a fourth round of data collection was done in 2021.

2.3. WIDE-RANGING POSITIVE IMPACTS OF CASH TRANSFER PROGRAMMES

The impact evaluations profiled above report wide-ranging positive impacts on cash transfer beneficiaries across various domains. These include positive impacts on various dimensions of food security such as food expenditures, number of meals per day, consumption of nutrient-rich foods, dietary diversity and self-reported food security (Hjelm, 2016; Brugh et al., 2018). Cash transfers also increase household consumption, with corresponding reductions in poverty headcount ratios (e.g., Kenya and Zambia) and poverty gaps (e.g., Malawi and Zambia) (Peterman, 2018; American Institutes for Research, 2014).

The studies also generally show that cash transfers improve the material well-being of children and youth, as measured by ownership of clothing, shoes and blankets (UNC, 2016a; UNC, 2016b). In addition, the studies almost universally show positive impacts on secondary school-age enrolment (Handa et al., 2018a; Peterman, 2018). Finally, there are notable increases in subjective well-being measures, such as life satisfaction and hopefulness in Malawi, and self-reported happiness in Zambia, alongside qualitative findings indicating improvements in self-acceptance, sense of dignity, autonomy and purpose in life in Ghana, Kenya, Lesotho and Zimbabwe (Attah et al., 2016).

Cross-country evidence on resilience, agricultural asset ownership and livelihoods in seven countries (Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe) shows positive impacts of cash transfers, albeit with variation across countries. Positive impacts include more informal transfers and participation in community-based risk sharing networks, increased ownership of livestock assets, improved engagement in non-farm activities, increased purchase/use of fertilizer and seeds, and less casual wage labour, with no evidence of reductions in overall labour supply (Daidone et al., 2019).

Cash transfers improve household resilience, making beneficiary households more likely to adopt positive coping strategies when they experience negative shocks (including weather shocks) (Asfaw et al., 2018; Otchere and Handa, 2022). Households also invest in productive activities, which allow them to generate their own income, as cash relaxes liquidity constraints and addresses market imperfections (e.g., limited labour market opportunities) in rural areas. At the community level, local economy-wide impact evaluations show that cash transfers positively affect non-beneficiaries through multiplier effects in the local economy (Taylor and Filipski, 2014). These findings are confirmed by qualitative research, in which participants (especially women) also revealed that cash transfers improve their capability to make livelihood and labour allocation decisions owing to enhanced dignity, self-respect and well-being (Fisher et al., 2017).

The monetized value of impacts often exceeds the total value of transfers (Handa et al., 2021; Handa et al., 2018a), indicating that households generally multiply the value of the transfers through their increased engagement in economic activities. The wide-ranging positive impacts are driven by relaxed liquidity constraints and accompanying multiplier effects. Given that some of the cash transfer programmes explicitly target vulnerable and disadvantaged groups (such as orphans and vulnerable children in Kenya, pregnant and lactating women and widows in Ghana, or people with disabilities in Ethiopia), these outcomes essentially represent improvements in the well-being of these groups.

Evidence generated by the Transfer Project has also disproved various common misconceptions or myths about cash transfers (Handa et al., 2018b). There is no evidence that cash transfers:

- increase consumption of (expenditures on) alcohol and tobacco
- are only consumed and not invested
- incentivize dependency and reduce work effort
- increase fertility
- distort prices and induce inflation in local economies
- are fiscally unsustainable.

2.4. MIXED AND UNINTENDED IMPACTS

Despite the wide-ranging positive impacts of cash transfers, they are not a magic solution. Transfer Project studies find inconsistent or null impacts in some outcome areas. For example, cash transfers were found to reduce child illness in some but not all countries. In Ghana and Malawi, they increase health care-seeking during illness, but they have no impact on preventive and curative care-seeking in Kenya. Among adults, cash transfers have no impacts on morbidity or health care-seeking in Ghana, Zambia and Zimbabwe, but they reduce morbidity and increase health care-seeking in Malawi (Davis and Handa, 2019; Owsus-Addo, Renzaho and Smith, 2018; UNC, 2016a; UNC, 2016b; Angeles et al., 2018; American Institutes for Research, 2014).

Improvements in adolescent and young people's mental health are observed in some countries (e.g., Kenya and Malawi) but not in others (e.g., Zambia) (Angeles et al., 2019; Kilburn et al., 2016; PSSN Evaluation Team, 2018). In the United Republic of Tanzania, mental health was found to have improved among boys but worsened among girls (Prencipe et al., forthcoming). Cash transfers were found to reduce risky sexual behaviours among adolescents and youth in Kenya, South Africa and Zimbabwe;[3] these impacts were not, however, observed

[3] Cash transfers were found to reduce early pregnancy in Kenya; delay sexual debut in Kenya, Malawi, South Africa (females only) and Zimbabwe; and decrease the experience of forced sex in Malawi.

in the United Republic of Tanzania and Zambia (UNC, 2016b; Davis and Handa, 2019). To date, most Transfer Project studies have found no impacts on child/early marriage, with the exception of one study from Ethiopia which found that the Productive Social Safety Net programme delays outmigration of adolescent girls for marriage (Handa et al., 2015; Dake et al., 2018).

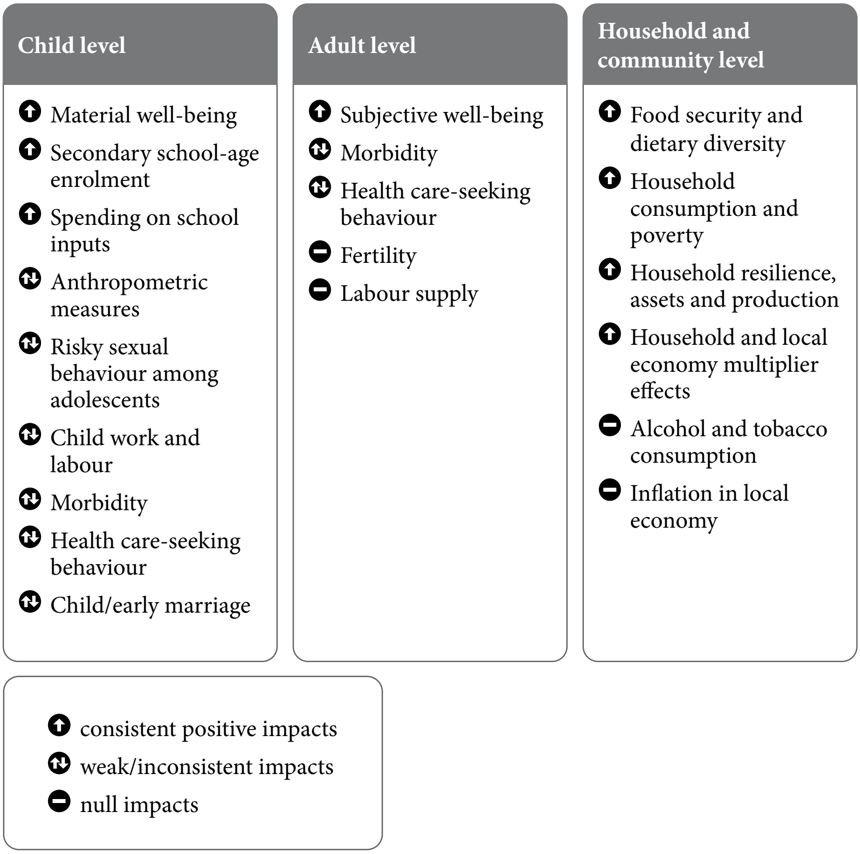
Overall, these inconsistencies may be determined by variation in drivers or social norms underpinning behaviours, operational constraints related to programme design and delivery, or limitations in pre-programme access to social and health services in study settings. To affect these outcomes consistently, cash transfers may need to be integrated with other services, or beneficiaries may need a longer period of exposure to the respective programmes.

Despite improving food security and diet, cash transfers show inconsistent impacts on child nutritional status, particularly on anthropometric measures of chronic malnutrition (stunting) (Handa et al., 2021; de Groot et al., 2017). Transfer Project studies suggest that cash transfers alone do not effectively alleviate chronic malnutrition. Instead, they recommend 'cash plus' programming (Chakrabarti et al., 2020), which creates system linkages (e.g., with food or health systems) to address the complex underlying determinants of malnutrition (i.e., food security, care for mothers and children, and a healthy environment) (de Groot et al., 2017).

Regarding the participation of children in any type of work, studies found no impact of cash transfers in Ghana, the United Republic of Tanzania and Zambia (Child Grant Programme), reduced participation in Kenya and Lesotho, and increased participation in Malawi and Zambia (Multiple Categorical Targeting Grant). In the latter cases, cash transfers were found to increase household micro-entrepreneurial activity, in turn increasing children's participation in family farm work, including some of its detrimental forms (exposure to hazards in Malawi and long working hours in Zambia) (Angeles et al., 2018; Covarrubias, Davis and Winters, 2012; de Hoop et al., 2020a; de Hoop et al., 2020b; Handa et al., 2016; Sebastian et al., 2019). In Ethiopia, child labour declined in rural areas but increased in urban areas due to girls spending more time completing household chores to compensate for adults' lower participation in chores and higher engagement in economic activities (Prifti et al., 2021).

Overall, the mixed picture on child labour justifies the need for close monitoring of cash transfer impacts on how children spend their time (economic activities and household chores, including in their hazardous forms), with data disaggregated by gender and location (i.e., rural versus urban setting). To address child labour, a holistic policy approach is recommended. Such an approach would combine cash transfers with complementary services such as child protection services, including tailored context-specific support, and awareness-raising on child labour risks and the importance of schooling. Figure 2.1 provides a summary of impacts of cash transfers in SSA from the perspective of the Transfer Project.

Figure 2.1 Summary of impacts of cash transfer programmes in sub-Saharan Africa, based on Transfer Project evaluations



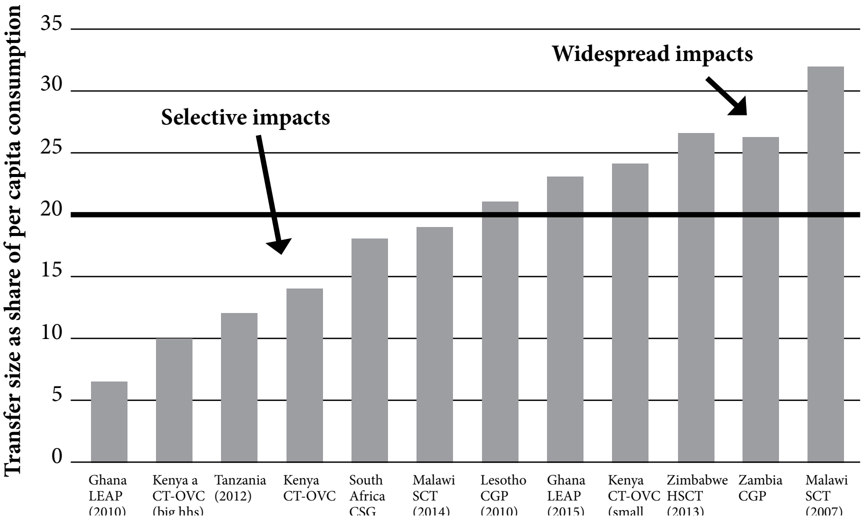
Source: Authors' compilation based on Transfer Project studies.

2.5. ROLE OF PROGRAMME DESIGN AND IMPLEMENTATION

The Transfer Project studies have also examined certain aspects of programme design and implementation that are critical to determining the scope of impacts, such as the adequacy of the transfer (transfer size), targeting and predictability. Studies show that cash transfers with a value equivalent to at least 20 per cent of a household's baseline consumption lead to more widespread impacts in comparison to cash transfers of a lower value (Davis and Handa, 2015).

Figure 2.2 summarizes transfer sizes from various programmes, revealing that the transfer size in about half of the programmes does not reach this critical threshold. It is also important to regularly adjust the size of transfers, so that their real value does not diminish over time. For example, during the two-year evaluation of the Livelihood Empowerment against Poverty programme in Ghana, the real value of the cash benefit fell because of inflation, highlighting the need to ensure that cash transfer amounts are updated regularly. This loss in value, combined with the fact that the transfer size was initially modest anyway, resulted in smaller-than-expected impacts (LEAP Evaluation Team, 2017).

Figure 2.2 Transfer size as share of a household's baseline consumption, and observed impacts



Source: Based on Davis and Handa (2015). Note: LEAP: Livelihood Empowerment against Poverty; CT-OVC: Cash Transfers for Orphans and Vulnerable Children; CSG: Child Support Grant; CGP: Child Grants Programme; HSCT: Harmonized Social Cash Transfer; MCP: Multiple Categorical Targeting Grant; SCT: Social Cash Transfer Programme; hhs: households.

Irregular transfers are also likely to result in fewer and smaller impacts than predictable and timely transfers. In the United Republic of Tanzania, findings from the third wave of data collection for the Productive Social Safety Net Plus for adolescents evaluation indicate that the programme's positive impacts may have been weakened because of cash transfer payment delays, resulting in the unanticipated loss of predictable income for households. Indeed, beneficiary households coped with the irregular payments by delaying consumption and investments, including in education. Furthermore, productive impacts were also found to vary according to the different targeting criteria used, resulting in beneficiaries having diverse demographic characteristics, with limited impacts observed in labour-constrained households in comparison to households with labour availability (Tiwari et al., 2016).

2.6. MAXIMIZING EFFECTIVENESS THROUGH CASH PLUS PROGRAMMES

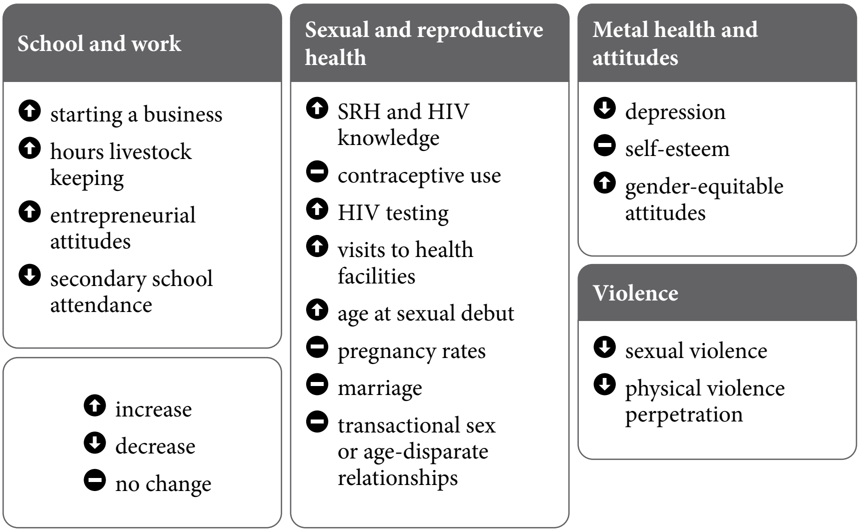
To maximize their effectiveness in addressing long-term well-being, a growing number of programmes across SSA are combining cash transfers with complementary interventions and links to services. These so-called 'cash plus' programmes help to build linkages between social protection and other systems.

There are three interesting examples of cash plus evaluations from the Transfer Project. The first example comes from the United Republic of Tanzania and combines household-level cash transfers with adolescent-targeted livelihoods and life skills training, mentoring and a productive grant, alongside linkages to existing health and other services. The evidence shows that the plus component improved adolescent reproductive health knowledge, mental health, gender equitable attitudes and HIV testing (Tanzania Adolescent Cash Plus Evaluation Team, 2020).

The plus component was also found to delay girls' age of sexual debut and decrease experiences of sexual violence, while increasing participation in economic activities. No protective effects on transactional sex, contraceptive use, pregnancy rate or child/early marriage were found, however. Gendered impacts were noteworthy, with increases in use of health services and in gender equitable attitudes observed among males, and effects on business ownership and economic activities stronger for females.

Recent evidence also shows a slight increase in school dropout among girls, which is likely driven by the anticipation of business grants (a complementary component) and the lack of job opportunities for educated youth (Tanzania Adolescent Cash Plus Evaluation Team, 2020). This impact suggests that complementary components should be carefully designed to minimize unintended consequences (e.g., by establishing stronger linkages to education and opportunities for vocational training and apprenticeships). Figure 2.3 summarizes the findings from the Tanzania Productive Social Safety Net Plus for adolescents Evaluation.

Figure 2.3 Main findings from a cash plus intervention targeting adolescents in the United Republic of Tanzania



Note: SRH stands for sexual and reproductive health; hours livestock keeping means total hours spent on livestock keeping.

Source: Authors' elaboration based on: Tanzania Adolescent Cash Plus Evaluation Team (2020). *A cash plus model for safe transitions to a healthy and productive adulthood: Round 3 report*. UNICEF Office of Research – Innocenti.

The second interesting cash plus example is a component of the Livelihood Empowerment against Poverty programme in Ghana, which combines cash transfers with a fee waiver for enrolment in the National Health Insurance Scheme for extremely poor households with a pregnant woman or a child under 12 months of age. The programme was found to lead to increased enrolment in the National Health Insurance Scheme, although coverage gaps remained owing to information gaps and operational challenges (Palermo et al., 2019). The programme was also found to decrease intimate partner violence, chiefly in monogamous households, through three pathways: improved economic security and emotional well-being, reduced intra-household conflict, and women's empowerment (Peterman, Valli and Palermo, 2022).

The third example is from Lesotho, where an unconditional cash transfer programme (Child Grants Programme) was combined with an agricultural intervention that provided vegetable seeds and training on home gardening and food preservation. The pilot programme generated positive impacts on productive agricultural activities (Daidone et al., 2017). In response to these findings, a subsequent livelihoods programme was designed, providing complementary support through access to community-based savings and lending groups, financial training, nutrition training and training on market access, among other things (Pace et al., 2021). Although the programme had no impact on poverty rates, it generated positive impacts on consumption, dietary diversity, vegetable and fruit revenues, financial inclusion and gardening activities. Moreover, it was found to help reduce child undernutrition (wasting).

The UNICEF Office of Research – Innocenti has evaluated several cash plus programmes. These include a cash plus programme in Ethiopia that aims to facilitate linkages between Productive Social Safety Net beneficiaries and other social services, including enrolment in community-based health insurance (UNICEF Office of Research – Innocenti, 2020); a cash transfer plus water, sanitation and hygiene, and nutrition programme in Burkina Faso; and a cash transfer plus case management programme for child protection and violence prevention in Mozambique.

2.7. EVIDENCE UPTAKE AND IMPACT

A key purpose of Transfer Project evaluations is to give governments the evidence they need to inform decisions regarding policies and programmes. Close engagement with governments, policymakers, national researchers and civil society organizations has led to notable uses of the evidence generated by Transfer Project studies, with the research informing and influencing decisions to increase cash benefit values, scale up cash transfer programmes and enhance the domestic financing of government-run cash transfer programmes. Table 2.2 shows examples of research uptake and impact by country.

For instance, the Government of Kenya increased the transfer size and moved away from flat-rate benefits; Lesotho scaled up its programme after the pilot programme generated large impacts; and in Zambia, domestic financing of cash transfers increased from USD4 million to USD35 million per year. In Malawi, having learned the importance of predictability from other programmes, efforts were made to end missed payments, while funding and coverage were both increased (Transfer Project, 2019; Jha Kingra and Leach, 2019).

Table 2.2 Uptake and impact of Transfer Project research findings, by country

Country	Uptake and impact of evidence
Ghana	The government tripled cash transfer size after evidence highlighted low impacts in other countries with comparable transfer levels. The transfer size was increased further after impact evaluation.
Kenya	Transfer size was increased, changing from fixed to inflation-indexed payments.
Lesotho	The programme evolved from a donor-driven pilot to a large-scale national programme with strong government ownership in a short space of time. Facilitating factors included timely evidence generation at key stages of implementation.
Malawi	Following lessons learned by Ghana and Zambia on the importance of predictable transfers, payments in Malawi were made regularly. Evidence generation also contributed to increased domestic and international funding and programme coverage.
United Republic of Tanzania	Retention of the cash component in Phase 2 of the flagship social protection programme (Productive Social Safety Net).
Zambia	Domestic financing increased from USD4 million to USD35 million per year, and the duration of eligibility for the Child Grant Programme was extended.
Zimbabwe	Beneficiary selection criteria were changed after comparison with more mature programmes in the region.

Source: Davis et al. (2016).

2.8. FUTURE RESEARCH PRIORITIES: ADDRESSING KNOWLEDGE GAPS

In its next phase of research, the Transfer Project seeks to address knowledge gaps and deepen the evidence in emerging and established areas, as follows:

- **Expansion of evidence on the impacts of cash plus programmes:** More research is needed to deepen the understanding of the impacts of cash plus programmes and the implications for cross-sectoral integration and system building.
- **Role of design, implementation features and contextual factors:** Past research has identified the moderating role of cash benefit levels, targeting and payment delays. Evidence remains limited, however, on the role or influence of other design elements of the cash transfer programme cycle, such as targeting, benefit shock-responsiveness, and aspects of implementation including

payment mechanisms, administration and governance mechanisms, and implementation in urban settings. Future research will also seek to deepen the understanding of the role of contextual factors in mediating/moderating cash transfer impacts in both rural and urban settings. Contextual factors that will be explored include quality of social services, access to land, commodified markets, gender and social norms, household structure, deprivation profiles, community cohesion/social support and labour market participation.

- **Long-term impacts and impact sustainability:** There is little evidence on either the impacts of longer-term implementation or on post-intervention effects. Evidence is needed to determine whether cash transfers provide a sustainable path out of poverty for the ultra-poor. Unpacking heterogenous, long-term impacts will be an important effort towards identifying potential predictors of a sustainable exit from poverty, and this will require long-term research (spanning 10 years or more). Few cash transfer programmes in SSA have been active for this long, and new studies can help to address this evidence gap.
- **Evidence syntheses on priority sectors to influence social protection policy dialogues:** To increase the communication of findings and regional learning, new cross-country/regional syntheses will focus on topics that are highly relevant for the region, including gender equality, education, health, protection, agriculture, climate change adaptation and economic inclusion, as well as their linkages with social protection.
- **Shock-responsiveness and inclusiveness of cash transfers:** Evidence on the impacts of shock-responsive interventions (including COVID-19 responses) is limited and/or emerging. The Transfer Project aims to learn from cash-based responses to COVID-19 and climate shocks, including recent vertical and horizontal expansions, to draw out lessons on programme delivery and swift upscaling. In addition, research will explore mechanisms for ensuring more inclusive cash transfers that are gender-responsive and cover certain vulnerable groups such as children, migrants, people with disabilities, orphans and displaced people, as well as those populations most vulnerable to climate change impacts.

To address these gaps and deepen understanding, the Transfer Project aims to complement mixed methods impact evaluations with operational/implementation research.

2.9. THE ECONOMIC CASE FOR INVESTING IN CASH TRANSFERS AND SOCIAL PROTECTION PROGRAMMES

Although extensive evidence demonstrates the need for and effectiveness of social protection programmes, including cash transfer programmes, governments usually cite fiscal space constraints as a reason for not investing in cash transfer programmes, for not scaling up successful pilots or for restricting social protection coverage. Identifying fiscal space for social protection investments, including cash transfers, would therefore be a key move towards building sustainable social protection systems in SSA. An important step towards creating the necessary political will for such a move is to make the economic case for implementing social protection as an investment with socio-economic returns, which goes beyond the moral and social imperative to protect the poor and vulnerable.

Future research will aim to provide evidence on financing options and sources; affordability; the potential returns from investing in cash transfers and social protection programmes and strengthening social protection systems; and the political economy of decision-making around social protection investments. This research will also include discussions around impacts on the local economy, inclusive rural transformation and climate change adaptation. Various methodologies will be used, including cost of inaction, cost-effectiveness analysis, cost-efficiency, and microsimulation models, such as the local economy-wide impact evaluations model.

Overall, this research agenda will help to generate rigorous evidence on the impacts of government-run cash transfer programmes in sub-Saharan Africa, on the role of programme design and implementation, and on the systemic integration of programmes. This evidence will help to build an investment case for cash transfer programmes in SSA and ultimately help governments to establish integrated, effective, inclusive and domestically financed statutory social protection systems.

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