

④ Policy objectives and evidence of impacts

Social protection can have a wide range of objectives and impacts, from food security, access to services, gender equality, state-building, to social transformation. The emphasis for social protection programmes in developing countries has been on poverty and vulnerability reduction, and human development, for which there is good evidence. There is less evidence on longer-term developmental impacts such as sustainable exit or graduation from poverty, or better job prospects. The choice of objective depends on a range of factors.

Below are a selection of the objectives and impacts of social protection programmes.

4.1 Poverty, inequality and vulnerability

The primary aim for most social protection programmes is to reduce poverty and vulnerability. As detailed in [Section 1.3: Analytical concepts](#), different stakeholders have different conceptual approaches for how different social protection interventions achieve this.

There is strong evidence of the positive effects of social transfers (in particular, cash transfers) on poverty, and evidence of positive effects on inequality and vulnerability.

Poverty

In their 2016 evidence review, [Bastagli et al.](#) find a comparatively large evidence base linking cash transfers to reductions in monetary poverty. They looked at impacts on total expenditure, food expenditure and poverty measures. Most of the studies are from Latin America, followed by sub-Saharan Africa, then other regions. Of the 35 studies of cash transfer programmes reporting on the impact on household **total expenditure**, 26 demonstrate at least one significant impact and 25 an increase in total expenditure, ranging from a 2.8 to 33 percentage point change ([ibid.](#): 7, 87). Studies with insignificant findings point towards design and implementation features as explanations; for example, low level of transfer and delays in disbursement, as well as changes in household behaviour ([ibid.](#): 88). Of the 31 studies reporting impacts on **food expenditure**, they largely find an increase (23 studies reported a statistically significant increase in food expenditure). Two studies report a decrease in food expenditure 'due to a decrease in labour supply and possible prioritisation of savings over consumption' ([ibid.](#): 87). Nine studies

report on Foster–Greer–Thorbecke (FGT) **poverty indicators** (poverty headcount, poverty gap, squared poverty gap): only two-thirds found a statistically significant impact, but of those, all except one showed a reduction in poverty ([ibid.](#)). [Bastagli et al.](#) conclude that 'While cash transfers are shown to mostly increase total and food expenditure, it appears that in many cases this impact is not big enough to have a subsequent effect on aggregate poverty levels. However, with one exception, the studies consistently show decreases in poverty' ([ibid.](#): 7). Poverty headcount reductions range from four to nine percentage points, and from four (Mexico's PROGRESA) to eight (Zambia's Child Grant) percentage points for reductions in the poverty gap ([ibid.](#): 87).

A meta-analysis of safety net programmes (another term for social assistance interventions – see [Section 2: Types of social protection](#)) across Africa also finds significant increase in consumption among beneficiaries, with strong evidence that well-targeted programmes can be effective at reducing inequity and alleviating extreme poverty ([Ralston et al., 2017](#): 3). However, they also highlight that 'there is substantial heterogeneity in the impacts of different programs, suggesting that implementation and design factors, as well as local contexts, play important roles in determining the outcomes of programs' ([ibid.](#): 2).

Evidence from pilots of the BRAC graduation approach show improvements in household-level outcomes such as consumption, asset holdings and food security. Many of these impacts were sustained one year after the programme had come to an end ([Banerjee et al., 2015](#)).

Inequality

Social protection, and social transfers in particular, is viewed as 'a tool in the fight against inequality, from both a material (income and consumption) and a non-material (such as access to services, social exclusion) perspective' ([Roelen et al., 2016](#): 231). Social protection investments can 'affect growth and inequality through a multiplicity of effects at micro, meso and macro level' ([ibid.](#): 10). Pathways include social protection programmes' impact on fiscal redistribution, promoting inclusive growth, building human capital, and reducing social exclusion ([ESCAP, 2015](#): 14). For more on economic growth see [Section 4.7](#), and for more on human capital and social exclusion see

[Section 4.2: Education](#); [Section 4.3: Health](#); [Section 4.4: Nutrition](#); [Section 4.5: Empowerment](#); and [Section 4.6: Social exclusion](#).

Evidence of the impact of social protection on **material inequality** in low- and middle-income countries is limited but growing ([Roelen et al., 2016](#): 231). [OECD \(2019](#): 11) reports evidence of a ‘strong pro-poor growth effect’ of social assistance programmes, mostly due to better outcomes for children and youths in low-income households. Significant impacts on income inequality are reported from South Africa (through the combination of old-age pension, child support grant and disability grant) ([Roelen et al., 2016](#)); Asia ([ESCAP, 2015](#)), and Latin America ([Ocampo & Gómez-Arteaga, 2016](#)). For example, in Latin America, poverty and income inequality reduced in most countries in the region from 2003 to 2013 (against the trend of rising inequality globally), with innovative social protection programmes (including universal or broad-based pensions, health and child benefits, cash transfer programmes, and expanding contributory social security) a contributory factor ([ibid.](#): 8). [UNDP \(2016](#): 19) reports that: ‘a universal child allowance (*Asignación universal por hijo*) introduced in Argentina in 2009 is estimated to have reduced inequality by approximately 5 per cent’ while the ‘Brazilian Bolsa Familia Programme is estimate[d] to be responsible for 16 per cent of income inequality reduction in the country between 1999 and 2009’.

However, coverage and levels of spending on social protection interventions affect their impact on inequality. With typical direct transfers in low-income settings characterised by low benefits and coverage, the benefits can be too small to lift people out of poverty or substantially reduce income inequality, and indirect transfers (such as health and education provision) will have a greater redistributive effect ([Ocampo & Gómez-Arteaga, 2016](#): 9, 15).

Looking at cash transfers in low- and middle-income countries from 2000 to 2015, [Bastagli et al. \(2016](#): 95) found seven studies reporting on the squared poverty gap – also known as poverty severity, a measure of the inequality among poor households. Of those, five had a significant result, of which four found a reduction in the squared poverty gap ([ibid.](#): 88).

The impact of social protection on **non-material inequalities** is more complex. [Roelen et al. \(2016](#): 235) find that ‘sensitively designed social protection interventions have some potential to help poor people overcome social exclusion and access barriers’, with SDG 5 viewing social protection as a tool for achieving gender equality. For more on the evidence on how social protection can support improved gender equality, see [Section 5.2: Women and girls](#).

However, social protection alone cannot transform complex ‘intersecting inequalities’ affecting poor and marginalised people ([ibid.](#)).

Vulnerability

Social protection programmes also aim to reduce people’s vulnerability to risks and shocks, preventing them from falling below a critical threshold of wellbeing by building resilience through building and protecting human and productive capital ([UNDP, 2016](#): 19), increasing savings, and reducing the need to resort to negative coping strategies. Social assistance schemes can reduce vulnerability through impacts on education, health, nutrition, empowerment, social inclusion, asset accumulation, productive investment and employment (see evidence summarised in [Section 4.2: Education](#); [Section 4.3: Health](#); [Section 4.4: Nutrition](#); [Section 4.5: Empowerment](#); [Section 4.6: Social exclusion](#); [Section 4.7: Economic growth](#); and [Section 4.8: Employment](#)).

Looking at **child labour** – one negative coping strategy – [Bastagli et al. \(2016](#): 10) report that out of 19 studies looking at impacts of cash transfers on child labour force participation, eight found a statistically significant impact, all showing a decrease in child labour. More significant effects are found for reducing intensity (hours worked) than for prevalence (whether working/not working) ([ibid.](#): 175). These significant results are from programmes in Latin America (plus one programme in Indonesia and one in Morocco). No cash transfer programme in sub-Saharan Africa finds a significant impact ([ibid.](#)). This finding is corroborated by [Ralston et al.’s \(2017](#): 3) meta-analysis of social assistance programmes in Africa, which found insignificant impacts of social assistance on negative coping strategies such as the use of child labour or temporary low wage work.

On **assets and savings**, [Bastagli et al. \(2016](#): 8) found that five of 10 studies found statistically significant increases in the share of households reporting savings (ranging from seven to 24 percentage points) or the amount of savings accumulated. Eight studies reported on households’ accumulation of agricultural productive assets for crop production, three found ‘a positive and significant impact’ while five found no significant impact ([ibid.](#)). For possible causes of these findings, other evidence and a recommendation for further research on the impact of social protection on resilience, see [Section 4.7: Economic growth – micro level](#).

However, [Ralston et al. \(2017](#): 3) highlight the need for stronger evidence on social protection and **household resilience**. Their meta-analysis of social assistance programmes in Africa finds impacts on asset accumulation (particularly livestock ownership) and weakly significant impacts on monetary saving ([ibid.](#)).

Key texts

- > OECD. (2019). *Can social protection be an engine for inclusive growth?* (Development Centre Studies). Paris: OECD Publishing.

This report reviews the literature and identifies how social assistance (excluding public works programmes) and social insurance can affect growth and inequality through micro-, meso- and macro-level effects.

Focusing on ‘the micro determinants of inclusive growth’, it summarises the impact of different types of social protection programmes on the micro drivers of growth across different income groups. It presents evidence from 11 new impact evaluations of social protection programmes implemented in Brazil, Ghana, Germany and Indonesia.

- > Ralston, L., Andrews, C., & Hsiao, A. (2017). *The impacts of safety nets in Africa: What are we learning?* (Policy Research Working Paper 8255). Washington, DC: World Bank.

This meta-analysis reviews the results across 55 impact evaluation studies on key outcomes of safety net programmes in 14 different African countries. The study finds on average significant positive impacts on total and food consumption, and promising results on asset accumulation, such as livestock ownership.

- > Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. (2016). *Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: ODI.

This review examines the evidence on the effects of 56 cash transfer programmes on individuals and households: 55% were conditional cash transfers, mostly in Latin America; 25% unconditional cash transfers mostly in sub-Saharan Africa; 9% a combination of CCTs and UCTs; 7% social pensions; and 4% enterprise grants. It examines the evidence of (1) the impact of cash transfers on a range of individual- or household-level outcomes; (2) the links between variations in programme design and implementation features and cash transfer outcomes; and (3) the impacts of cash transfers, and of variations in their design and implementation components, on women and girls. The overall conclusion is that ‘the evidence reflects how powerful a policy instrument cash transfers can be, and highlights the range of potential benefits for beneficiaries’ (p. 12).

See also:

- > Roelen, K., Sabates-Wheeler, R., & Devereux, S. (2016). *Social protection, inequality and social justice*. In UNESCO, IDS, & International Social Science Council, *World social science report 2016. Challenging inequalities: Pathways to a just world*. UNESCO Publishing.

- > Hagen-Zanker, J., McCord, A., & Holmes, R. (2011). *Systematic review of the impact of employment guarantee schemes and cash transfers on the poor*. London: ODI.

4.2 Education

Many social transfers seek to improve children’s schooling, as an investment in human capital and to break the intergenerational transmission of poverty (Barrientos & Niño-Zarazúa, 2011). Impacts of social protection on schooling have included, at both primary and secondary levels, increased enrolment and attendance, better grade progression, and decreased drop-out (ibid.).

A 2013 systematic review by Baird et al. (cited by more recent reviews as ‘still the most thorough prior analysis’ on social assistance educational outcomes and conditionality (Ralston et al., 2017: 23)) finds that both conditional and unconditional cash transfers have positive effects on schooling **enrolment and attendance**. The effect sizes are larger for conditional transfers, but the difference is not significant (Baird et al., 2013). From their review of social assistance programmes in Africa, Ralston et al. (2017: 22) find a mean effect on enrolment of 7% relative to baseline (from 13 programmes) and a 6% improvement in attendance (from 15 programmes), although neither result is statistically significant.

They caution that many programmes in Africa do not achieve impacts on education as strong as conditional cash transfer programmes in Latin America, including Bolsa Família in Brazil and Prospera in Mexico (ibid.: 3). Zie’s systematic review of programmes for improving **school participation** and learning in low- and middle-income countries found that of all the different types of interventions, cash transfer programmes result in the largest and most consistent improvements in school participation (Snilstveit et al., 2015: iv). Social protection programmes that do not focus explicitly on schooling also have positive effects; for example, pensions are often used to pay grandchildren’s school fees (Barrientos & Niño-Zarazúa, 2011). However, empirical literature on the correlation between social insurance benefits (including pensions) and children and youth education outcomes is scarce, with mixed findings (OECD, 2019: 76).

Bastagli et al. (2016: 7) find that while the available evidence highlights a clear link between cash transfer receipt and increased school attendance, there is less evidence and a less clear-cut pattern of impact for longer-term **learning** (as measured by test scores) and cognitive development outcomes. A study on long-term effects of conditional cash transfers in Latin America also finds positive long-term effects on schooling but far less so on learning and cognitive skills (Molina Millán et al., 2019: 119). However, it is difficult to know whether

these findings are due to an actual lack of impact or because of the methodological challenges all long-term evaluations face (*ibid.*).

A 3ie systematic review found that **school feeding** is possibly one of the few interventions that shows promise for improving both school participation and learning (along with community-based monitoring) (*Snilstveit et al., 2015: v*). The effects were stronger in areas where there was high food insecurity and low participation in schools, while local ownership may improve outcomes (*ibid.*, 2015: 94–95). Effects were smaller in areas without malnutrition and where school participation rates are already high (*ibid.*: 443).

Key texts

- > *Snilstveit, B., Stevenson, J., Phillips, D., Vojtkova, M., Gallagher, E., Schmidt, T., Jobse, H., Geelen, M., Pastorello, M., & Evers, J. (2015). Interventions for improving learning outcomes and access to education in low- and middle- income countries: a systematic review (3ie Systematic Review 24). London: International Initiative for Impact Evaluation (3ie).*

A 3ie systematic review looked at interventions for improving learning outcomes and access to education in low- and middle-income countries. The review synthesised evidence from 216 programmes reaching 16 million children across 52 low- and middle-income countries. Cash transfer programmes were found to ‘have the most substantial and consistent beneficial effects on school participation’ but do not ‘appear to lead to any improvement in learning outcomes’ (p. iv). Other promising interventions ‘for improving school participation outcomes include community-based monitoring, new schools and infrastructure and school feeding’ (*ibid.*). Structured pedagogy programmes have the largest and most consistent positive average effects on learning outcomes. A summary can be accessed [here](#).

- > *Baird, S., Ferreira, F. H. G., Özler, B., & Woolcock, M. (2013). Relative effectiveness of conditional and unconditional cash transfers for schooling outcomes in developing countries: A systematic review (Campbell Systematic Reviews 2013:8). The Campbell Collaboration.*
See summary in [Section 3.6: Conditionality – Key texts](#).
- > *Barrientos, A., & Niño-Zarazúa, M. (2011). Social transfers and chronic poverty: Objectives, design, reach and impact. Manchester: Chronic Poverty Research Centre.*
This report focuses on three policy questions: (1) do programme objectives address chronic poverty? (2) are programme design features – the identification

and selection of beneficiaries, delivery mechanisms and complementary interventions – effective in reaching chronically poor households? (3) do social assistance programmes benefit the chronically poor? The broad conclusions are that social protection does reach the chronically poor, and that there are significant improvements in poverty reduction. The report examines the types of programme and design features, which are shown to have more or less impact.

See also:

- > *Molina Millán, T., Barham, T., Maluccio, J., & Stampini, M. (2019). Long-term impacts of conditional cash transfers: Review of the evidence. *The World Bank Research Observer*, 34(1), 119–159.*
- > *Ralston, L., Andrews, C., & Hsiao, A. (2017). The impacts of safety nets in Africa: What are we learning? (Policy Research Working Paper 8255). Washington, DC: World Bank.*
- > *Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. (2016). Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features. London: ODI.*

4.3 Health

Social protection programmes can aim to improve health directly, for example by conditioning programmes on attendance at health services, or indirectly, for example through supplemented income and therefore consumption (*Barrientos & Niño-Zarazúa, 2011*).

Key social protection interventions that have health impacts are cash transfers and social health insurance. More evidence is available on cash transfers, particularly from conditional cash transfers (CCTs) in Latin America (and in particular Mexico’s PROGRESA/Oportunidades programme) (*Bastagli et al., 2016: 131*). CCTs are often conditioned on health investments (e.g. incentivising attendance for health education, measurements of height and weight, immunisations, and nutritional supplementation). Emerging evidence is also found from ‘cash plus’ programmes that provide linkages to health services.

There is strong evidence on the positive impacts of cash transfers (and some on health insurance programmes) on access to and use of health services, particularly in relation to children’s and maternal health. There is also evidence that cash transfers can be effective in tackling structural determinants of health outcomes such as financial poverty and intermediate determinants such as dietary diversity and sexual behaviours. Less evidence is available of impacts on health outcomes (in particular for objectively measured outcomes).

Access to and use of health services

Several reviews report strong evidence on the positive impacts of cash transfers on access to and use of health services.

A 2017 systematic review identified 51 studies of 22 **cash transfer and voucher programmes** and found 'that approaches tied to service use (either via payment conditionalities or vouchers for selected services) can increase use of antenatal care, use of a skilled attendant at birth, and in the case of vouchers, postnatal care too. The strongest evidence of positive effect was for conditional cash transfers and uptake of antenatal care, and for vouchers for maternity care services and birth with a skilled birth attendant' ([Hunter et al., 2017](#): 1). The CCT review by [Glassman et al. \(2012\)](#): abstract) finds that 'conditional cash transfers have increased antenatal visits, skilled attendance at birth, delivery at a health facility, and tetanus toxoid vaccination for mothers, and reduced the incidence of low birth weight'.

A 2016 rigorous review found that, on the whole, cash transfers – both conditional and unconditional – have increased use of health facilities ([Bastagli et al., 2016](#): 8). Of 15 studies reporting on the use of health facilities, nine reported 'statistically significant increases, ranging from an additional 0.28 preventative visits in Jamaica's PATH programme to an extra 2.3 general health visits in Tanzania's Social Action Fund' ([ibid.](#): 128).

Looking at **cash plus programmes**, free enrolment in health insurance for beneficiaries of the LEAP cash transfer programme in Ghana improved use of health services and reduced out-of-pocket health expenditures ([Handa et al., 2014](#)). Meanwhile qualitative evidence from [Owusu-Addo et al.'s \(2018](#): 691) review of cash transfers in sub-Saharan Africa indicated that 'while cash transfers play a critical role in removing the financial barriers associated with utilising health services, the money is not enough to meet all expenses associated with medical care'.

For **health insurance**, a 2013 systematic review finds 'relatively consistent evidence that health insurance is positively correlated with the use of maternal health services' ([Comfort et al., 2013](#): 81). A 2012 systematic review reports 'strong evidence that [community-based health insurance] improves resource mobilization for health and that both CBHI and SHI [social health insurance] improve health service utilization and provide financial protection for members in terms of reducing their out-of-pocket expenditure' ([Spaan et al., 2012](#): 689). However, [Acharya et al. \(2012](#): 8) found that while there was some evidence that health insurance schemes targeted at poorer households increased health-care utilisation in terms of outpatient visits

and hospitalisation, there was weak evidence to show that health insurance reduced out-of-pocket health expenses, in particular for the poorest.

Health outcomes – for example, morbidity, mortality

Systematic reviews highlight that there are few studies that look at the impact of cash transfers or health insurance on maternal and newborn health, and changes in health status ([Hunter et al., 2017](#); [Glassman et al., 2012](#): 690; [Comfort et al., 2013](#); [Acharya et al., 2012](#)).

A review of **cash transfers** in sub-Saharan Africa found moderate evidence that cash transfers impact on health and quality of life outcomes ([Owusu-Addo et al., 2018](#): 675). Of nine programmes focused on child health outcomes, seven reported significant effects ([ibid.](#): 689). Based largely on mothers' reports of health outcomes of their children, 'reduction in illness rates ranged from 4.9 [percentage points] in Zambia... to 17.02 [percentage points] in Lesotho...' ([ibid.](#): 690). In addition, three studies reported impacts on HIV and sexually transmitted infections (STIs): two had positive impacts on reducing prevalence or risk, and one found no significant difference between beneficiaries and non-beneficiaries ([ibid.](#)). The review also reports that 'mental health indicators (happiness, hope, psychological distress and depression) were measured in six programs of which four programs showed significant improvements' ([ibid.](#)). The review identified that the size of the transfer and irregularity of transfer payment may hinder cash transfer effectiveness, and called for the provision of supplementary services and behaviour change interventions to optimise the impact of cash transfers on health and nutrition outcomes ([ibid.](#): 676). Having the supply capacity to meet health service demand is also critical ([Barrientos & Niño-Zarazúa, 2011](#)).

An older review of CCTs by [Lagarde et al. \(2009](#): 3), covering 10 papers reporting results from six studies, found three studies reported on higher order health outcomes. Findings were: 'Mixed effects on objectively measured health outcomes (anaemia) and positive effects on mothers' reports of children's health outcomes (22–25% decrease in the probability of children <3 years old being reported ill in the last month' ([ibid.](#)). [Lagarde et al. \(2009](#): 2) highlight that while in some cases programmes have noted improvements in health outcomes, 'it is unclear to which components these positive effects should be attributed'.

A systematic review of the evidence on the effects of **health insurance** in low- and middle-income countries found few studies focused on the quality of maternal health services or maternal and neonatal health outcomes ([Comfort et al., 2013](#): 81). The evidence

available on the quality and health outcomes was found to be 'inconclusive, given the differences in measurement, contradictory findings, and statistical limitations' (*ibid.*).

Structural and intermediate determinants of health outcomes

A 2018 systematic review of cash transfers in sub-Saharan Africa looked at 24 cash transfers comprising 11 unconditional, eight conditional and five combined unconditional and conditional cash transfers ([Owusu-Addo et al., 2018](#): 675). The review found 'cash transfers can be effective in tackling structural determinants of health such as financial poverty, education, household resilience, child labour, social capital and social cohesion, civic participation, and birth registration' (*ibid.*). The review further found 'cash transfers modify intermediate determinants such as dietary diversity, child deprivation, sexual risk behaviours, teen pregnancy and early marriage' (*ibid.*). Cash transfer effectiveness is influenced by 'intervention design features, macro-economic stability, household dynamics and community acceptance of programs' (*ibid.*)

For further evidence on dietary impacts, see [Section 4.4: Nutrition](#) and for further evidence on sexual behaviour and family planning impacts, see [Section 4.5: Empowerment](#).

Key texts


- > [Owusu-Addo, E., Renzaho, A. M., & Smith, B. J. \(2018\). The impact of cash transfers on social determinants of health and health inequalities in sub-Saharan Africa: A systematic review. *Health Policy and Planning*, 33\(5\), 675–696.](#)
A systematic review of the literature on cash transfers' impact on health and quality of life outcomes, and structural and intermediate determinants of health in sub-Saharan Africa covering the period 2000–2016 identified evidence from 53 studies covering 24 cash transfers. The review found that CTs can be effective in tackling structural and intermediate determinants of health, with moderate evidence on their impact on health and nutritional outcomes.
- > [Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. \(2016\). Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features. London: ODI.](#)
See summary in [Section 4.1: Poverty, inequality and vulnerability – Key texts](#).
- > [Hunter, B. M., Harrison, S., Portela, A., & Bick, D. \(2017\). The effects of cash transfers and vouchers on the use and quality of maternity care services: A systematic review. *PLoS ONE* 12\(3\): e0173068.](#)

Consolidating and updating evidence from seven published systematic reviews on the effects of different types of cash transfers and vouchers on the use and quality of maternity care services, the authors conclude that 'effects appear to be shaped by a complex set of social and healthcare system barriers and facilitators. Studies have typically focused on an initial programme period, usually two or three years after initiation, and many lack a counterfactual comparison with supply-side investment' (p. 1).

See also:

- > [Comfort, A. B., Peterson, L. A., & Hatt, L. E. \(2013\). Effect of health insurance on the use and provision of maternal health services and maternal and neonatal health outcomes: A systematic review. *Journal of Health, Population and Nutrition*, 31\(4 Suppl. 2\), S81–S105.](#)
- > [Glassman, A., Duran, D., Fleisher, L., Singer, D., Sturke, R., Angeles, G., ... & Saldana, K. \(2013\). Impact of conditional cash transfers on maternal and newborn health. *Journal of Health, Population and Nutrition*, 31\(4 Suppl. 2\), S48–S66.](#)
- > [Spaan, E., Mathijssen, J., Tromp, N., McBain, F., Have, A. T., & Baltussen, R. \(2012\). The impact of health insurance in Africa and Asia: A systematic review. *Bulletin of the World Health Organization*, 90, 685–692.](#)
- > [Barrientos, A., & Niño-Zarazúa, M. \(2011\). Social transfers and chronic poverty: Objectives, design, reach and impact. Manchester: Chronic Poverty Research Centre.](#)
- > [Lagarde, M., Haines, A., & Palmer, N. \(2009\). The impact of conditional cash transfers on health outcomes and use of health services in low and middle income countries. *Cochrane Database of Systematic Reviews* 2009, 4\(CD008137\).](#)

Other resources

-  [Social protection for health: What are the health policy and systems research priorities? \(2018\). World Health Organization. \(1h:21\)](#)

4.4 Nutrition

Social protection has the potential to protect or improve nutritional status in a number of ways. Improved economic status can enable households to access more nutritious diets, health care, and education, and to make improvements in water, sanitation and hygiene. All of these can help people remain well-nourished and to grow and develop properly. However, the evidence for the impact of social protection on nutrition remains mixed.

While cash transfer programmes are found to play a positive role in increasing resources for food, health care and other care for children, evidence on whether cash transfers positively impact growth-related outcomes among children is mixed, particularly in sub-Saharan Africa ([de Groot et al., 2015](#): 2). Cash transfer pathways of impact tend not to be analysed, leaving it 'unclear why some cash transfer programmes have a significant impact on nutritional outcomes, while others do not' ([ibid.](#): 19).

A 2016 rigorous review of **cash transfer evidence** found that for **dietary diversity**, cash transfers consistently show increases ([Bastagli et al., 2016](#): 8). Of the 12 studies reporting on dietary diversity, seven showed a statistically significant improvement. However, the review found a lower proportion of significant results on **child stunting, wasting and underweight**. This more limited evidence on cash transfers improving children's nutritional status may be because nutrition is the outcome of a complicated process involving multiple factors in addition to a household's access to food ([Manley & Slavchevska, 2019](#): 205). [Bastagli et al. \(2016\)](#): 8) conclude that 'changes in design or implementation features, including complementary actions (e.g. nutritional supplements or behavioural change training), may be required to achieve greater and more consistent impacts on child anthropometric measures'. Results from a programme in Bangladesh show that the provision of cash plus behaviour change communication significantly improves nutrition outcomes compared to cash alone (Ahmed et al., 2016¹⁵).

There have been relatively few evaluations of the impact of **food transfers** on nutrition outcomes. Comparing cash and in-kind food transfers and vouchers in 10 developing countries, [Gentilini \(2016\)](#): 22) finds both modalities improve food consumption, income, dietary diversity, poverty and malnutrition compared with control groups. There is a fairly consistently reported – some stress 'mild' ([ibid.](#): 22) – tendency for cash transfers to be more effective than food in enhancing expenditure on/value of food consumed by the household and dietary diversity, while food leads to an increased household caloric intake ([ibid.](#); [McIntosh & Zeitlin, 2018](#): 3). However, [Gentilini \(2016\)](#): 22) cautions against generalising about overall comparative effectiveness of the modalities, as impacts vary according to context, specific objectives, and their measurement. The costs of in-kind food tend to be higher than for cash transfers and vouchers, but rigorous cost-effectiveness evidence is limited, and more standardised, robust efficiency analyses are needed ([ibid.](#)).

Reviews have shown that **school feeding** is not an effective way of improving nutrition outcomes, primarily because it fails to target children during the first 1,000 days of their development ([Alderman & Bundy, 2012](#)). This is widely viewed as the critical window of opportunity for preventing malnutrition. However, a recent study finds that school feeding can lead to small but significant gains in growth and can promote macronutrient and micronutrient adequacy ([Drake et al., 2018](#): 56–57). Schools might provide a useful platform for promoting nutrition messages and for reaching adolescent girls, although there is scant evidence on the impact of nutrition education ([Bhutta et al., 2013](#); [Drake et al., 2018](#): 58). The costs of school feeding vary significantly across countries, while estimating overall cost-effectiveness of school feeding is complicated by the multiple potential education and nutrition benefits of the intervention ([Drake et al., 2018](#): 60). While school feeding has been shown to have higher non-transfer costs than conditional cash transfers, further research is needed to ensure valid comparisons with other interventions ([ibid.](#): 60, 62).

Key texts

- > [Manley, J., & Slavchevska, V. \(2019\). Are cash transfers the answer for child nutrition in sub-Saharan Africa? A literature review. *Development Policy Review*, 37\(2\), 204–224.](#)
This literature review of 20 cash transfer schemes, including 12 from sub-Saharan Africa, finds cash transfer programmes 'have shown improvements in household diet and in some cases to agriculture, but have not always improved child health. However, a larger perspective focusing on two key time periods for nutrition – adolescence and the first 1000 days of life – reveals more opportunities for impact. In particular the opportunity to empower young women to get secondary education and cut adolescent pregnancy rates can improve the health of African children' (p. 204).
- > [Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. \(2016\). Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features. London: ODI.](#)
See summary in [Section 4.1: Poverty, inequality and vulnerability – Key texts](#).
- > [Gentilini, U. \(2016\). The revival of the 'cash versus food' debate: New evidence for an old quandary? \(Policy Research Working Paper 7584\). Washington, DC: World Bank.](#)

¹⁵ No public link is available for this document: Ahmed, A., Hoddinott, J., Roy, S., Sraboni, E., Quabili, W., & Margolies, A. (2016). *Which kinds of social safety net transfers work best for the ultra poor in Bangladesh? Operation and impacts of the Transfer Modality Research Initiative*. Dhaka: IFPRI & World Food Programme.

This paper reviews key issues and presents new evidence from randomised and quasi-experimental evaluations comparing cash and in-kind food transfers in 10 developing countries (Bangladesh, Cambodia, Democratic Republic of Congo, Ecuador, Ethiopia, Mexico, Niger, Sri Lanka, Uganda and Yemen). Findings show that 'relative effectiveness cannot be generalized: although some differences emerge in terms of food consumption and dietary diversity, average impacts tend to depend on context, specific objectives, and their measurement. Costs for cash transfers and vouchers tend to be significantly lower relative to in-kind food. Yet the consistency and robustness of methods for efficiency analyses varies greatly' (abstract).


- > de Groot, R., Palermo, T., Handa, S., Peterman, A., & Ragno, L. P. (2015). *Cash transfers and child nutrition: What we know and what we need to know* (Innocenti Working Paper 2015-07). Florence: UNICEF Innocenti Research Centre. A 'comprehensive overview of the impacts of cash transfer programmes on the immediate and underlying determinants of child nutrition, including the most recent evidence from impact evaluations across Sub-Saharan Africa' (p. 2). Key gaps to address in future include 'cash transfer impacts on more proximate nutrition-related outcomes such as children's dietary diversity, as well as caregiver behaviours, intra-household violence, and stress, all of which have implications for child health and well-being' (p. 2).


See also:

- > Drake, L., Fernandes, M., Aurino, E., Kiamba, J., Giyose, B., Burbano, C., Alderman, H., Mai, L., Mitchell, A., & Gelli, A. (2018). *School feeding programs in middle childhood and adolescence*. In Bundy, D. A. P., de Silva, N., Horton, S., Jamison, D. T., & Patton, G. C., *Optimizing education outcomes: High-return investments in school health for increased participation and learning*. Washington, DC: World Bank.
- > Bhutta, Z. A., Das, J. K., Rizvi, A., Gaffey, M. F., Walker, N., Horton, S., Webb, P., Lartey, A., Black, R. E., Lancet Nutrition Interventions Review Group, & Maternal and Child Nutrition Study Group. (2013). *Evidence-based interventions for improvement of maternal and child nutrition: What can be done and at what cost? The Lancet*, 382(9890), 452–477.
- > Ruel, M. T., & Alderman, H. (2013). *Nutrition-sensitive interventions and programmes: How can they help to accelerate progress in improving maternal and child nutrition? The Lancet*, 382(9891), 536–551.

- > *The Lancet*. (2013). *A four-paper series on maternal and child nutrition*.

Other resources

 ['Cash transfers for mother and baby health in Ghana'. Focuses on addressing persistent malnutrition and stunting among children in the first 1,000 days of life. \(2016\). UNICEF. \(4m:52\)](#)

 [Seminar series on nutrition and social protection. Five country presentations on how social protection programmes address nutrition behaviour change. \(2016\). Moderated by Secure Nutrition. \(2hr:3\)](#)

4.5 Empowerment

There is a major debate about whether and how social protection can empower poor, vulnerable, or socially excluded people, but the evidence base is slim and findings mixed. For example, a cross-country evaluation of graduation programmes' impact on empowerment found the effects to be mostly inconclusive ([Banerjee et al., 2015](#)). Meanwhile, a mixed methods evaluation of a graduation programme in two provinces in Burundi found community engagement increased, with participants indicating they felt a greater sense of respect and ability to participate as a result of the programme ([Devereux et al., 2015](#)).

Much of the literature on social protection and empowerment looks at cash transfers, and at the empowerment of women and girls ([Bastagli et al, 2016: 213](#)). Indicators of empowerment studied include abuse, decision-making power, and pregnancy, marriage, contraceptive use, and multiple sexual partners. The evidence base is small but growing.

From a review of 31 studies on the impact of cash transfers on empowerment (covering 13 countries and 19 cash transfer programmes), [Bastagli et al. \(2016: 212\)](#) report that cash transfers can reduce physical **abuse** of women by male partners (six out of eight studies had significant results, all showing a reduction). But for non-physical abuse (emotional abuse or controlling behaviour) of a woman by a male partner the results are mixed (of six studies with significant results, four indicated a decrease and two found an increase).

Other findings were programmes showing positive impacts on increasing women's **decision-making power** and some significant results on delaying **marriage** (with some mixed findings) ([ibid.](#)). [Bastagli et al. \(2016: 212\)](#) also report evidence of cash transfers reducing the likelihood of women having multiple **sexual partners** (but no evidence showing this for men), as well as mostly

resulting in increased **contraceptive use** (with one study reporting mixed findings for men only), and fairly strong evidence of a decreased likelihood of having children. **Khan et al. (2016)** report mixed findings from a systematic review of cash transfer programme impact on contraception – with a positive impact on contraceptive use in three studies, an increase in childbearing in two studies, and a decrease in fertility outcomes in four studies, but no impact on fertility in three other studies. **Khan et al. (2016: 371)** conclude the evidence is inconclusive because of ‘the limited number of studies, varying outcome measures and lack of intervention specifically for contraception’.

Evidence reviews conclude that while qualitative evidence tends to find positive impacts on empowerment (through improved decision-making, bargaining power and feelings of independence from partners), quantitative results are more mixed (**Buller et al., 2018: 27–28**, summarising **van den Bold et al., 2013** and **Bonilla et al., 2017**). Other studies have also raised concerns that conditional cash transfers can ‘reinforce traditional gender norms, or place additional burdens on women’s time use, further reinforcing gender inequities’ (**Buller et al., 2018: 28**; see **Molyneux, 2008** and **Cookson, 2018**).


Supply-side factors can limit social protection empowerment outcomes. Cash transfers may be more effective when combined with parallel/complementary initiatives that mitigate, for example, barriers to contraceptive uptake, or barriers to educational outcomes such as low school quality and accessibility constraints (**Bastagli et al., 2016: 228**). Other research notes that social protection should connect up to infrastructure and public service initiatives, or risk stalling progress on women’s empowerment (**Chopra & Ugalde, 2018**).


For more on social protection and women and girls, see [Section 5.2: Women and girls](#).

Key texts

- > Buller, A. M., Peterman, A., Ranganathan, M., Bleile, A., Hidrobo, M., & Heise, L. (2018). *A mixed-method review of cash transfers and intimate partner violence in low- and middle-income countries* (Innocenti Working Paper 2018-02). Florence: UNICEF Office of Research – Innocenti. See [summary in Section 5.2: Women and girls – Key texts](#).
 - > Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. (2016). *Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: ODI.
 - > See summary in [Section 4.1: Poverty, inequality and vulnerability – Key texts](#).
 - > Khan, M. E., Hazra, A., Kant, A., & Ali, M. (2016). *Conditional and unconditional cash transfers to improve use of contraception in low- and middle-income countries: A systematic review*. *Studies in Family Planning*, 47(4), 371–383. This review searched scientific and grey literature databases from 1994 to 2016 and includes 11 papers from 10 studies. Key findings include: ‘Cash transfers were used for increasing school attendance or improving health and nutrition, but not directly for contraception.... All studies treated contraceptive use or fertility only as unintended and indirect outcomes’ (p. 371).
 - > Molyneux, M. (2008). *Conditional cash transfers: A pathway to women’s empowerment?* (Pathways of Women’s Empowerment Working Paper 5). Brighton: IDS. Are conditional cash transfers really providing long-term empowerment to women? This review of conditional cash transfers, particularly of PROGRESA in Mexico, argues that although these programmes are widely replicated due to their perceived positive impact in reducing poverty, they reinforce asymmetric gender roles. PROGRESA aims to empower women, and women involved in the programmes report that, in general, they experience greater self-esteem, wellbeing and autonomy. However, the programme’s gender bias reinforces the position of women as mothers, tying them more closely to the home.
- See also:
- > Chopra, D., with Ugalde, A. (2018). *Initiating women’s empowerment; achieving gender equality: Interlinkages amongst social protection, infrastructure and public services*. Background paper for UN Women Expert Group Meeting Sixty-third Session of the Commission on the Status of Women (CSW63), 13–15 September 2018, New York.
 - > Combaz, E., & Mcloughlin, C. (2014). *Voice, Empowerment and Accountability: Topic Guide*. Birmingham: GSDRC, University of Birmingham.
 - > Devereux, S., Roelen, K., Sabates, R., Stoelinga, D., & Dyevre, A. (2015). *Final evaluation report: Concern’s Graduation Model Programme in Burundi*. IDS, Centre for Social Protection, Laterite, & Concern Worldwide.
 - > Devereux, S., McGregor, J. A., & Sabates-Wheeler, R. (Eds.). (2011). ‘Social protection for social justice’. *IDS Bulletin* 42(6). Brighton: IDS.

Other resources

 [Social protection and the empowerment of rural women in Africa. \(2016\).](#) FAO & International Policy Centre for Inclusive Growth (IPC-IG). (1hr:38)

 [#HEARMET00: UNICEF research on gender-based violence for #16Days of Activism. \(2018\).](#) Peterman, A., & Palermo, T., *The Transfer Project.* UNICEF Office of Research – Innocenti. (28m:38)

4.6 Social exclusion

Social protection from an equity perspective – as promoted in the 2030 Agenda for Sustainable Development – has the potential to address simultaneously many drivers of exclusion and deprivation (UNDP, 2016: 9). Several studies have set out the theoretical causal pathways and possible outcomes (Babajanian & Hagen-Zanker, 2012; UNICEF, 2012). Social protection can reduce social exclusion by providing greater income security and reducing poverty, resilience to falling into (or further into) poverty, greater independence, and more active engagement in the labour market, as well as strengthening the social contract between citizens and government (Kidd, 2017: 212). The impact of social protection on social inclusion can be assessed both by the impact on wellbeing outcomes, and by the impact on the structural drivers of social exclusion and deprivation ('at the individual level, such as vulnerabilities related to the life course, or at the societal and group level, such as discriminatory norms and practices' (Babajanian & Hagen-Zanker, 2012: 4)). Social protection interventions can further social inclusion either through 'instruments that directly aim to reduce discrimination' and inequities (maternity and paternity leave, anti-discrimination employment policies) or by mainstreaming inclusion in social protection design 'sensitive to specific vulnerabilities of and impacts on children and their families' (UNICEF, 2012: 83–84).

Social protection has moved away from a narrow focus on income poverty, to attempting to promote broader positive changes (Molyneux et al., 2016: 15). There are 'some positive, if as yet inconclusive and mixed results' (ibid.). There are some studies that suggest social protection programmes have some **impact on inclusion**, including increasing participation in social networks and strengthening traditional informal social protection (ibid.; Bastagli et al., 2016). Some studies also point to an improvement in beneficiaries' social status (UNDP, 2016: 20); others that social protection interventions can reduce shame, 'either directly through promoting self-affirmation or indirectly

through poverty reduction or countering stigma' (Roelen, 2017: 15).

However, there is still little evidence to suggest that social protection has been able to address **structural causes** of poverty and inequality and therefore be truly transformative. Constraints include the weak articulation between social protection programme activities and wider political and policy spheres, and the limits of citizen activity 'without robust regulatory mechanisms to enable representation and transparency' (Molyneux et al., 2015: 16).

The **design and implementation** of social protection modalities can exacerbate social exclusion. For example, women, young people and migrants who are overrepresented in non-standard employment – both in traditional sectors (e.g. agriculture, construction) and increasingly in emerging sectors (e.g. the digital economy) – are likely to be excluded from social insurance and labour market programmes that tend to only benefit those in formal employment (Behrendt & Nguyen, 2018: 1). Exclusion can also occur for multiple and complex reasons at various stages of a social protection programme, including when beneficiaries are identified and registered, when transfers are paid, and when conditions are enforced (Kidd, 2017: 212). The causes of exclusion could be 'because of decisions on coverage and budgets, challenges caused by scheme design and implementation, and differing capabilities of people to access schemes and overcome barriers to inclusion' (ibid.: 213). Moreover, social protection interventions can also 'induce and reinforce shame', by using shame explicitly 'to target policies or promote desirable behaviour' or by implicitly reinforcing shame through 'disrespectful engagement and derogatory treatment' (Roelen, 2017: 15).

Effective public **communications campaigns and grievance mechanisms** assist people to appeal their exclusion. Grievance mechanisms can also help to promote active citizenship and promote social accountability (Sabates-Wheeler et al., 2017). However, experiences with grievance mechanisms are mixed. Interventions with higher coverage of beneficiaries exclude less; when governments invest less in coverage 'the more they need to invest in administration if they wish to reduce exclusion' (Kidd, 2017: 237).

Key texts

> Kidd, S. (2017). [Social exclusion and access to social protection schemes.](#) *Journal of Development Effectiveness*, 9(2), 212–244.

This article examines the barriers that people in developing countries face when attempting to access

social protection schemes, with examples of how these have been addressed. The findings are that eligible people are excluded for multiple, complex reasons, including coverage and budget decisions, scheme design and implementation challenges, and people’s differing capabilities to access schemes.

- > **Roelen, K. (2017). *Shame, poverty and social protection* (IDS Working Paper 489). Brighton: IDS.** This paper provides a conceptual framework for understanding the interactions between shame, poverty and policy, and explores the interactions between these with a focus on social protection and welfare policy. It provides next steps for the consideration of shame in development, including the need for clarity of language, to move beyond the ‘shamee’ and ‘shamer’ dichotomy, and to explore policy options.
- > **Babajanian, B., Hagen-Zanker, J., & Holmes, R. (2014). *How do social protection and labour programmes contribute to social inclusion? Evidence from Afghanistan, Bangladesh, India and Nepal*. London: ODI.** This paper draws on the findings from four country case studies: life skills education and livelihoods training for young women in Afghanistan; asset transfers in the Char river islands and a food transfer programme in Bangladesh; a health insurance programme in India; and the Child Grant cash transfer in Nepal. All interventions contributed to wellbeing outcomes, to varying degrees, and to strengthening social relations, including social participation and social networks. However, ‘the findings also show that, on many occasions, the interventions have not delivered transformative changes in the lives and livelihoods of excluded households and individuals’ (p. iv).

See also:

- > **Khan, S., Combaz, E., & McAslan Fraser, E. (2015). *Social exclusion: Topic guide*. Revised edition. Birmingham: GSDRC, University of Birmingham.**
- > **Molyneux, M., Jones, W. N., & Samuels, F. (2016). *Can cash transfer programmes have ‘transformative’ effects?*. *Journal of Development Studies*, 52(8), 1087–1098.**
- > **Combaz, E. (2013). *Social inclusion in productive safety net programmes* (GSDRC Helpdesk Research Report 1005). Birmingham: GSDRC, University of Birmingham.**
- > **Babajanian, B., & Hagen-Zanker, J. (2012). *Social protection and social exclusion: An analytical framework to assess the links* (Background Note). London: ODI.**

4.7 Economic growth

Social protection contributes to inclusive economic growth in direct and indirect ways, at different levels (see Table 4). Of particular importance and where the evidence is strongest are individual- and household-level growth impacts as this promotes inclusive growth (**Mathers & Slater, 2014: 3**). There is some evidence of local economic effects, and while macro growth impacts are also beneficial, **Mathers and Slater (2014: 3)** caution that ‘decisions about social protection spending should primarily be made by assessing its impacts on poverty and vulnerability’.

The following sections look at various micro-meso-macro effects, except for employment impacts, which are presented in **Section 4.8**.

Table 4. Social protection and economic growth framework

	Direct impacts on growth	Indirect impacts on growth
Micro (individual or household) level	<ul style="list-style-type: none"> • Prevent loss of productive capital (+) • Accumulate productive assets (+) • Increase motivation and risk-taking in livelihoods of poor households (+) • Impacts on labour force participation (+/-) 	<ul style="list-style-type: none"> • Increase investment in human capital (+)
Meso (community or local regional) level	<ul style="list-style-type: none"> • Multiplier effects from increased local consumption and production (+) • Accumulation of productive community assets (+) • Labour market impacts including inflation effects on local wages (+/-) 	n/a
Macro (national) level	<ul style="list-style-type: none"> • Cumulative increases in household productivity (+) • Stimulate aggregate demand (+) • Changes in aggregate labour force participation (+/-) • Increase capital markets through pension funds (+) • Effects of taxation on savings/investment (-) • Effects of government borrowing and inflation (-) 	<ul style="list-style-type: none"> • Facilitate economic reforms (+) • Enhance social cohesion and reduce inequality (+) • Enhance human capital (+) • Impacts on fertility rates (+/-)

Source: **Mathers and Slater (2014: 8)**, Department of Foreign Affairs, **CC BY 3.0 AU** licence.

Microeconomic growth (individual or household level)

As shown in Table 4, social protection can have individual and household impacts in five main ways (direct and indirect): preventing the loss of productive capital; accumulating productive assets; increasing innovation and risk taking in the livelihoods of poor households; increasing investment in human capital; and influencing labour force participation ([Mathers & Slater, 2014](#): 10). For impacts on the labour force see [Section 4.8: Employment](#).

There is evidence of the positive impact of cash transfers on strategic **livelihood choices, including increasing savings and livestock accumulation** ([Bastagli et al., 2016](#); [Daidone et al., 2017](#): iv), but some findings are mixed. [Bastagli et al. \(2016\)](#) found that of 10 studies that looked at the effect of cash transfers on household savings, half found statistically significant increases in the share of households reporting savings (ranging from seven to 24 percentage points) or the amount of savings accumulated. Of eight studies reporting on household accumulation of agricultural productive assets for crop production, three found 'a positive and significant impact' while five found no significant impact ([ibid.](#)). Explanations include 'behaviour influenced by strong programme labelling (money was to be spent for children) and the low value or unpredictability of the transfer' ([ibid.](#)). There was some evidence that 'female-headed households make greater productive investments than male-headed households' ([Hagan-Zanker et al., 2017](#): 1).

Other reviews of cash transfers in Africa have highlighted 'promising results' on **asset accumulation** (particularly livestock ownership) ([Ralston et al., 2017](#): 3; [Daidone et al., 2017](#)). [Ralston et al. \(2017\)](#): 3) also find an average increase in earnings of 50% and an average increase in business ownership of 70%, interpreting from this finding that beneficiaries may use accumulated assets to improve their labour productivity and earnings. Other qualitative research from six African countries finds that 'a small but predictable flow of cash improves strategic livelihood choices and stimulates productive investments, including through positive effects on beneficiary entry into risk-sharing arrangements and networks for economic collaboration' ([Banks et al., 2017](#): 299).

[OECD \(2019\)](#): 56–57) finds that scholarships for poor students and social pension also have positive effects on household food consumption and investments.

[Ralston et al. \(2017\)](#): 3) call for stronger evidence on **resilience mechanisms**, finding weakly significant impacts on monetary saving and insignificant impacts on **negative coping strategies** (the use of child labour

or temporary low wage work). (For more on findings on child labour, see [Section 4.1: Poverty, inequality and vulnerability](#)). Explanations include insufficient transfer size to eliminate negative coping behaviours, challenges in identifying results on these outcomes, and implementation factors such as payment irregularity ([ibid.](#)). Irregular payments can have a profoundly negative impact on both welfare and livelihoods, with ample evidence that late payments can worsen household economic security and prompt recourse to negative risk-coping mechanisms ([Banks et al., 2017](#): 316).

Social protection can also contribute to economic growth by helping to increase **human capital** – through improving access to health care and education, improving food security and dietary diversity, and increasing income, thereby potentially increasing livelihood opportunities in the short term, and enhancing households' productivity in the long term ([UNDP, 2016](#): 19; [Slater et al., 2014](#)). For further information, see [Section 4.2: Education](#); [Section 4.3: Health](#); [Section 4.4: Nutrition](#); and [Section 4.5: Empowerment](#).

Local (or meso) economic growth (community level)

The theory is that social protection can help stimulate local economies through multiplier effects from increased local consumption and production, creation of productive community assets (most commonly through public works programmes), and improvement of local labour markets, through effects on supply, demand and cost of labour (e.g. by public works programmes increasing the demand for labour) ([Mathers & Slater, 2014](#); [Slater et al., 2014](#); [FAO, 2017](#)).

There is some evidence of **multiplier effects** ([Mathers & Slater, 2014](#): 3). [Thome et al. \(2016\)](#): 2) find evidence of 'significant spillovers, resulting in [cash transfer] income multipliers' from seven unconditional cash transfers in sub-Saharan Africa. Applying a local economy-wide impact evaluation model, analysis identified nominal income multipliers ranging from 2.52 in Ethiopia ('for every Birr transferred by the programme... up to 2.52 Birr in income can be generated for the local economy') to 1.34 in Kenya (summarised in [FAO, 2017](#): 4). The extent of cash transfer multiplier effects depend on whether the transfers are cash or in-kind and can be limited by the often very small size of transfers in many low-income countries (and in particular typical for public works programmes 'where wages are often deliberately set low to facilitate self-targeting of only the poorest and for fear of inflation effects on local wages') ([Mathers & Slaters, 2014](#): 14).

There appears to be little evidence of cash transfers leading to **local price inflation** (with FAO and UNICEF including this as one of their **myth-busters**), although

the [Bastagli et al. \(2016: 29\)](#) review finds that it is a possible unintended effect, 'likely to be stronger where there are market constraints to respond to increased local demand'.

The evidence 'is less clear on the local economic impact of [community] assets' created by public works programmes ([Mathers & Slater, 2014: 3](#)).

Macroeconomic growth (national level)

The primary aims of social protection are to reduce poverty and vulnerability rather than to promote macro-level growth. There is limited evidence of the effects of transfers both in creating overall economic growth and in addressing inequality through redistributing resources ([Alderman & Yemtsov, 2014; OECD, 2019](#)).

While there are some macroeconomic studies that 'show positive impacts in certain circumstances and how active social spending (programs with a productivity enhancing objective) more likely leads to increases in **aggregate growth**', [Mathers and Slater \(2014: 19](#), emphasis added) highlight that 'these studies do not provide certainty about the channels through which growth impacts occur and caution should be exercised in extrapolating findings to other contexts'.

From a cross-country regression analysis comparing **inequality** before and after taxes and transfers, [Ostry et al. \(2014: 7\)](#) find that 'the combined direct and indirect effects of redistribution – including the growth effects of the resulting lower inequality – are, on average, pro-growth'. However, 'the impact of social protection on aggregate economic growth in low-income contexts is likely insignificant', possibly due to the relatively low level of social protection spending as well as the marginal share of national income held by poor people ([Mathers & Slater, 2014: 16](#)); 'the low levels of both taxes and social spending limit the redistributive impact of fiscal policy in developing economies' ([IMF, 2014: 18](#)). Moreover, redistributive fiscal policies need to be carefully designed to minimise efficiency costs in terms of effects on incentives to work and save (e.g. gradually phasing out cash transfer benefits as incomes rise) ([ibid.: 22](#)). See [Section 4.1: Poverty, inequality and vulnerability](#) for more on social protection's impact on inequality.

However, the overall economic impact of social protection investments remains insufficiently documented ([OECD, 2019: 3](#)).

Key texts

> [OECD. \(2019\). *Can social protection be an engine for inclusive growth?* \(Development Centre Studies\). Paris: OECD Publishing.](#)

> [Daidone, S., Davis, B., Handa, S., & Winters, P. \(2017\). *The household and individual-level economic impacts of cash transfer programmes in sub-Saharan Africa*. Rome: FAO.](#)

Results from seven rigorous impact evaluations of government-run unconditional social cash transfer programmes in sub-Saharan Africa (Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia and Zimbabwe) show significant positive impacts on the livelihoods of beneficiary households. Most countries saw 'a reduction in household participation in casual agricultural wage labour... an increased use of agricultural inputs... increases or changes in agricultural production... increased livestock accumulation... [and avoidance of] negative risk coping strategies... [and strengthened] informal social protection systems' (p. iv).

> [Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., & Schmidt, T. \(2016\). *Cash transfers: What does the evidence say? A rigorous review of programme impact and of the role of design and implementation features*. London: ODI.](#)

See summary in [Section 4.1: Poverty, inequality and vulnerability – Key texts](#).

> [Alderman, H., & Yemtsov, R. \(2014\). *How can safety nets contribute to economic growth? The World Bank Economic Review*, 28\(1\), 1–20.](#)

How do social safety nets contribute to growth? This article offers four pathways: (i) enabling households to make better investments in their future and changing incentives for investment in human capital; (ii) managing risk; (iii) creating assets and household-level investments; and (iv) relaxing political constraints on policy. Growth alone is not a justification for implementing safety nets; this argument is secondary to poverty reduction and equity.

> [Mathers, N., & Slater, R. \(2014\). *Social protection and growth: Research synthesis*. Canberra: Department of Foreign Affairs and Trade \(Australia\).](#)

This review identifies the ways in which social protection impacts on growth and productivity, assessing available evidence against a framework for the links between social protection and economic growth at household, local and national levels. Looking mainly at social assistance, but also social insurance and active labour market policies, the report concludes that 'social protection is an important tool for promoting inclusive growth' with 'potential to contribute, if only marginally, to aggregate growth' (p. 25).

See also:

> [FAO. \(2017\). *The economic case for the expansion of social protection programmes*. Rome: FAO.](#)

- > Fisher, E., Attah, R., Barca, V., O'Brien, C., Brook, S., Holland, J., ... & Pozarny, P. (2017). The livelihood impacts of cash transfers in sub-Saharan Africa: Beneficiary perspectives from six countries. *World Development*, 99, 299–319.
- > From protection to production, FAO website. Compilation of studies on the impact of cash transfer programmes on household economic decision-making and the local economy.
- > Thome, K., Taylor, J. E., Filipski, M., Davis, B., & Handa, S. (2016). The local economy impacts of social cash transfers: A comparative analysis of seven sub-Saharan countries. Rome: FAO.
- > Kabeer, N., Piza, C., & Taylor, L. (2012). What are the economic impacts of conditional cash transfer programmes? A systematic review of the evidence. Technical report. London: EPPI-Centre, University of London.

Other resources

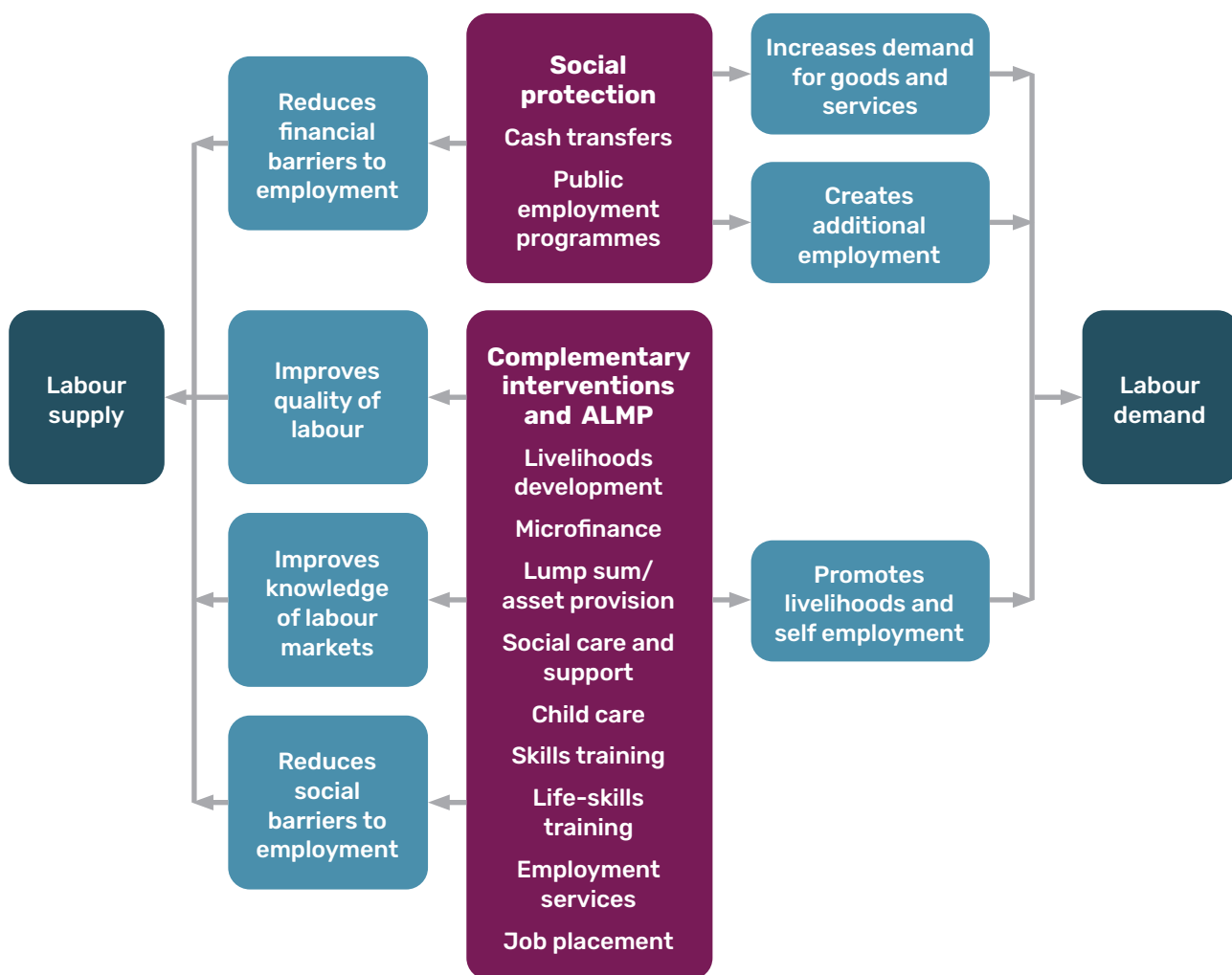
 Cash transfers: Myths versus reality. (2017). FAO. (2m:27)

4.8 Employment

Social protection impacts on employment through various channels. Figure 6. provides a summary of supply- and demand-side labour effects.

Several reviews highlight there is no evidence of **cash and food transfers** creating disincentives to work (OECD, 2019; Ralston et al., 2017: 25; Mathers & Slater, 2014: 12). However, in terms of effects on labour, OECD (2019: 50) concludes that '[m]odest transfers tend not to be strongly associated with changes in labour supply in either participation or intensity (hours worked). Evidence for the most studied social assistance programmes, conditional and unconditional cash transfers, is mixed'. For example, Bastagli et al. (2016: 9)

Figure 6. Social protection impacts on labour demand and supply



Note: Public employment programmes (PEPs) are 'programmes creating state sponsored employment which is not market based (known as Public Works Programmes, Workfare, Welfare to Work, Cash for Work, Employment of Last Resort, Employment Guarantee programmes, etc.)' (McCord, 2018: 10).

Source: McCord (2018: 21), CC BY 3.0 AU licence.

report: 'For just over half of studies reporting on adult work, the cash transfer does not have a statistically significant impact on adult work. Among those studies reporting a significant effect among adults of working age, the majority find an increase in work participation and intensity. In the cases where a reduction in work participation or work intensity is reported, these reflect a reduction in participation among the elderly, those caring for dependents [*sic.*] or are linked to reductions in casual work.'

Looking at the long-term effects for children and young adults in Latin America who benefited from conditional cash transfers in early childhood or during school years, a study by [Molina Millán et al. \(2019: 119\)](#) found mixed employment and earnings impacts, 'possibly because former beneficiaries were often still too young'.

At the meso level, there is evidence of cash transfers leading to positive impacts on labour markets, through boosting trading activities and local businesses ([Bastagli et al., 2016: 29](#)). [OECD \(2019: 52–53\)](#) also finds that conditional cash transfers 'tend to have positive or no effects on investments in small businesses', but that they 'do not seem to impact investments in formal businesses'. The extent of cash transfer multiplier effects depends on whether the transfers are cash or in-kind and can be limited by the often very small size of transfers in many low-income countries (and in particular typical for PWP) ([Mathers & Slaters, 2014: 14](#)).

Looking at other types of interventions, there is no evidence that **public works programmes** generate medium- to long-term sustainable extra employment, or on what the impacts are from skills developed 'through training or on-the-job practice' ([GIZ, 2019: 6, 8](#)).

Graduation programmes complement transfers with access to savings and credit, and training and tailored coaching. Long-term evidence on the impacts of graduation programmes is still scarce, including on their labour effects, but is slowly emerging as more longitudinal data becomes available. Evidence of longer-term impact is already available for BRAC's Targeting the Ultra Poor (TUP) programme, showing that women had diversified livelihoods and increased earnings seven years after programme participation ([Bandiera et al., 2016](#)).

Turning to **active labour market policies**, [McKenzie \(2017: abstract\)](#) cautions that many evaluations find 'no significant impacts' on employment or earning. This includes vocational training, wage subsidies, job search assistance, and assistance moving for jobs. [McKenzie](#) identifies that urban labour markets 'appear to work reasonably well in many cases' and therefore there is 'less of a role' for these kinds of interventions ([ibid.](#)).


Instead, there is more of a need to help firms overcome obstacles in creating more jobs (e.g. training on labour laws and provision of legal support), and to help workers access different labour markets by moving into different sectors and accessing jobs in new locations ([ibid.](#): 17–18). For **labour market regulation**, there is limited research and from the evidence available, effects are small and mixed. [Betcherman \(2014: 124\)](#) looks at minimum wages and employment protection legislation (EPL) and finds that '[e]fficiency effects are found sometimes, but not always, and the effects can be in either direction and are usually modest... youth, women and the less skilled are disproportionately outside the coverage [of this legislation] and its benefits'. [Bhorat et al. \(2017: 47\)](#) find limited research on the employment effect of minimum wages in sub-Saharan Africa, but overall find from Ghana, Kenya, Malawi and South Africa that 'introducing and raising the minimum wage has a small negative impact or no measurable negative impact'. However, there is significant variation in findings and evidence of employment losses in some countries, in part due to 'the great variation in the detail of the minimum wage regimes and schedules country by country, but also by the variations in compliance' ([ibid.](#): 48).

Key texts

See [Section 4.7: Economic growth – Key texts](#) and additional references:

- > [McKenzie, D. \(2017\). *How effective are active labor market policies in developing countries? A critical review of recent evidence. The World Bank Research Observer, 32\(2\), 127–154.*](#)
- > [Betcherman, G. \(2014\). *Labor market regulations: What do we know about their impacts in developing countries?. The World Bank Research Observer, 30\(1\), 124–153.*](#)
- > [McCord, A. \(2012\). *Skills development as part of social protection programmes. Background paper prepared for the Education for All Global Monitoring Report 2012. London: ODI.*](#)

Other resources

 [Integrating the graduation approach with government social protection and employment generation. \(2018\). Social Protection for Employment Community. \(1h:19\)](#)