

An evidence synthesis response to the socio-economic impacts of COVID-19 in L&MICs



Rapid Response Brief

How effective are safety net programmes at protecting people from the socio-economic effects of COVID-19?

What is the issue? Safety net programmes in the context of COVID-19

The COVID-19 pandemic has caused untold economic disruption and social hardship. As of September 2020, the disease had caused around 894,000 deaths, and the World Bank projects that 71 million to 100 million people will be pushed into extreme poverty as a result of the economic fallout. As public health workers around the world work to lessen the suffering caused by the virus, policymakers seek to mitigate the unfolding economic and social damage.

This brief relevant systematic review evidence about the relative effectiveness of social safety net programmes in humanitarian and crisis settings. It responds to the most frequently asked questions in a survey conducted by 3ie, the Africa Centre for Evidence and the Global Evidence Synthesis Initiative. The survey drew input from 384 respondents in 68 countries around the world.

Key findings

- In humanitarian contexts, cash transfers, vouchers and food distribution all improve household food security by about the same amount.
- Cash transfers cost less to implement than food distribution or vouchers, and provide greater indirect market benefits.
- Targeting cash transfers to women can increase children's well-being.
- In circumstances of unusual disruptions to supply chains or trade networks, direct food distribution is more effective than cash transfer programmes.

Key implication

- As long as food is available in markets, cash transfer programmes yield more benefits than food distribution because they work equally well at improving food security, cost less to administer and stimulate local economies.

Summary of findings

- **Cash transfers, vouchers and food distribution all improve household food security by about the same amount in humanitarian contexts.** None of the studies included in the reviews showed a significant difference in the degree to which these programmes improved food security for vulnerable households. That said, if food is not available in markets due to supply chain bottlenecks or other logistical issues, then food distribution is preferred.
- **Per recipient, cash transfers cost less to implement than vouchers, and both types of programmes cost less than food distribution.** In-kind food distribution has substantially higher administrative costs for the same amount of value to recipients.
- **The cost differential for recipients between food distribution and cash transfers varies depending on the context.** In Ecuador, cash transfers had lower opportunity costs than food distribution. The reverse was true in Yemen, where transport expenses were greater.
- **Cash transfer programmes provide the greatest indirect market benefit for recipient communities.** Cash transfer programmes provide about US\$2 of indirect market benefit for every US\$1 provided to recipients. Voucher programmes provide about US\$1.50 of indirect market benefit, whilst direct food distribution does not produce any such benefit.
- **Cash transfers may lead to greater increases in dietary diversity and quality compared to direct food distribution.** On the other hand, direct food distribution seemed to lead to greater increases in per capita caloric intake.
- **Some evidence suggests that cash transfers led to slightly greater household savings than vouchers.** In the Democratic Republic of Congo, cash transfer households saved, on average, US\$1.50 more than voucher households over the life of the interventions.
- **There is no evidence of misuse, corruption or diversion of cash-based interventions.** In addition, there is no evidence in the reviews that cash transfer spending was not well aligned with recipients' needs.
- **Mobile transfers can reduce the time required to orient recipients to delivery mechanisms and may make monitoring more efficient.** To that end, some mobile delivery can decrease the time recipients spend in collecting their investments, thereby addressing an often difficult opportunity cost.
- **Recipients may have fears about personal safety, and that may hinder their access to assistance.** Discreet cash-based approaches, such as electronic transfers, can minimise these fears and vulnerability to violence.

Understanding the role of gender

- **Targeting cash transfers to women can improve children's well-being.** Evidence suggests that when women receive conditional cash transfers, investment in children's health and well-being is more likely. However, the finding is less conclusive when the cash transfer is unconditional.
- **It is not clear whether the recipient's gender influences on other systematic patterns of household decision-making.** Some evidence suggests men are more likely to invest in durable assets than women.

Implications for decision makers

- **To support household food security, cash transfers generally yield more benefits than voucher programmes or direct food distribution.** Where cash transfers are implemented, targeting women as recipients may result in increased benefits for children.
- **The effectiveness of cash transfers is predicated on the wide availability of food in markets.** If supply chains are not functioning normally, food distribution is likely to be more advantageous. If food is available for sale, cash transfers improve household security as much as other approaches.
- **Cash transfers cost less to implement and yield positive knock-on benefits for food vendors and for the economy more generally.** Furthermore, these programmes have been shown to be logistically simpler to implement than direct food distribution, and cash can often be distributed more quickly.

Strengths and weaknesses of the evidence

These recommendations are based on two systematic reviews that synthesise findings from multiple studies of similar interventions.^{1,2} In general, systematic reviews provide stronger evidence than individual impact evaluations, where idiosyncratic issues can shape programme outcomes. Nonetheless, the reliability of the evidence depends on the quality and number of underlying impact evaluations. Since the evidence in this brief is drawn from different reviews, the level of certainty varies amongst the different types of interventions. In general, the evidence from humanitarian contexts is much less definitive than the results garnered from other sources.

Evidence on cash transfers, food distribution and vouchers in humanitarian contexts comes from a systematic review, with an explicit focus on humanitarian contexts, that synthesises findings from 113 publications. The information on gender was drawn from a review that included 15 studies across a range of cash-based interventions.

Because of the diversity of interventions studied, neither review was able to implement meta-analysis of results. This methodological limitation, in addition to the year of the reviews (2012 and 2016), indicates that the findings should be considered suggestive rather than definitive.

Contextualisation of the evidence

Publications included in the reviews represent a range of contexts and comprise interventions implemented in 35 countries in Africa, Asia, Latin America and the Middle East. The humanitarian context of the first review is certainly relevant and transferable to the COVID-19 context, as the review focused on fragile states, crises and the extremely poor. That said, many of the safety net programmes responding to COVID-19 are serving populations that would otherwise have been more stable and will aspire to return to their previous levels of economic growth. In that sense, although the immediate purpose of the safety net interventions mentioned above remains largely the same, the context is unprecedented.

What is a 3ie/ACE/GESI brief?

3ie, the Africa Centre for Evidence and the Global Evidence Synthesis Initiative are partnering to develop an evidence synthesis response to the COVID-19 crisis. The aims of our initiative are to produce rapid response briefs and (rapid) systematic reviews on high-priority topics, provide easy access to existing syntheses and help decision makers translate existing evidence to a new context.

About the initiative

At a time when collection of new data is severely affected by the COVID-19 pandemic, it is particularly important to make good use of the best available research. Evidence synthesis focuses on making use of existing evidence, with the goal of improving outcomes and reducing waste. 3ie, in partnership with the Africa Centre for Evidence (ACE) and the Global Evidence Synthesis Initiative (GESI), launched this evidence synthesis response to the COVID-19 crisis. The initiative focuses on providing easy access to rigorous and timely syntheses to inform non-clinical COVID-19 responses in low- and middle-income countries in the short and medium terms.

Endnotes

¹Yoong J, Rabinovich L, Diepeveen S, 2012. The impact of economic resource transfers to women versus men: a systematic review. Technical report. London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.

²Doocy, S and Tappis, H, 2016. Cash-based approaches in humanitarian emergencies: a systematic review, 3ie Systematic Review Report 28. London: International Initiative for Impact Evaluation (3ie).


The Global Evidence Synthesis Initiative (GESI) enhances the capacity of low- and middle-income countries in synthesising evidence and using synthesised evidence to support practice and policy across disciplines.

The Africa Centre for Evidence (ACE) is a research centre based at the University of Johannesburg that contributes to the reduction of poverty and inequality through the use of evidence in Africa.

The International Initiative for Impact Evaluation (3ie) promotes evidence-informed, equitable, inclusive and sustainable development. We support the generation and effective use of high-quality evidence to inform decision-making and improve the lives of people living in poverty in low- and middle-income countries. We provide guidance and support to produce, synthesise and quality assure evidence of what works, for whom, how, why and at what cost.

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October 2020