

Authors

Kate Glynn-Broderick
Associate Director, Financial Inclusion Program

Giving People Cash During COVID: A Look at What We're Working On



Photo: World Bank / Ousmane Traore

By June 2020, 277 cash transfers programs in 131 countries have been introduced in response to COVID-19. This figure includes 98 existing programs which were scaled up, and 179 completely new initiatives.¹ As countries turn to cash transfer programs as a way to quickly provide economic relief to households affected by COVID-19, digital cash transfers—for example, via direct deposits to bank accounts or mobile money transfers—have gained importance as an efficient and safe way to disburse funds at scale.

However, key challenges persist in the last-mile delivery of these services, especially if this program has been created to reach new beneficiaries (those who haven't previously received

social transfers). It is important for governments to pay attention to digital delivery solutions for underbanked beneficiaries and those without experience using digital channels such as mobile money, including women. Key programmatic factors need to be considered, including best practices in establishing mobile accounts (such as beneficiaries lack of or incomplete IDs/Biometrics, low mobile phone literacy, poor connectivity and failure rates of transfers), communication about the program (such as onboarding to a digital account, benefit amount, cash-out points, fees/other charges, and benefits of the digital account), as well as consumer protection issues (data security, real-time redress mechanisms and health or safety standards at cash-out points). Women, in particular, often face several of these challenges simultaneously, and have additional time burdens, such as the added responsibility of childcare and increased household responsibilities coupled with decreased household bargaining power. As research continues to understand the effects of social transfers and how to improve delivery, it is important to tease out differences and similarities in beneficiary experiences to make these social transfers as effective as possible.

In June, CGD wrote a [timely and well-informed blog post](#) urging additional research to explore how targeted cash transfers can be more inclusive of women. At IPA, we have been conducting a series of research projects on the topic, and are highlighting recent research on social transfers and other related COVID-19 research on our RECOVR Research Hub, found [here](#). Some highlights of recent IPA research include:

- **Monitoring G2P payments in Bangladesh**: This monitoring project seeks to understand the challenges and pain points with digitizing social transfers for vulnerable populations, including women. We are including a COVID-19 survey module to help capture the levels of awareness, knowledge and subsequent economic changes that COVID-19 has had.
- **Measuring financial health during COVID-19**: With the prospect of a looming global recession, household financial resilience and vulnerability has become a centerpiece of programmatic and policy planning. A project with IPA's Financial Inclusion Program is tracking 9,000 people and developing a multifaceted approach to understanding who might be financially vulnerable when difficult times arise, such as during a global economic crisis.
- **Emergency cash transfer targeting in Togo**: The Government of Togo has launched an ambitious cash transfer program to provide immediate cash support to poor households that are impacted by COVID-19. IPA's research project will assist the government response by improving geographic targeting by building high-resolution poverty maps using a combination of satellite imagery, multiple nationally-representative survey data, and machine learning. The team will also leverage data from mobile phone companies to help the government better target the response to the country's most vulnerable individuals and households.
- **Effect of cash transfers in Colombia**: The VAT Compensation, a new unconditional cash transfer in Colombia, will assist 1 million low-income households in navigating the economic crisis as a result of the COVID-19 pandemic. Researchers are conducting a

randomized evaluation to measure the effects of the transfer on recipients' physical and mental health, food security, financial security, children's learning, and other outcomes.

- **Determining eligibility for cash transfers in Peru**: In Peru, the government is trying to smooth the impact of the shock on the consumption of vulnerable households by providing an emergency cash transfer for the poorest households. Eligibility for the transfer was based on living in urban areas and to be classified as poor according to an index elaborated by the Ministry of Development and Social Inclusion (MIDIS). IPA's study will exploit the index's cutoff used to determine eligibility for the transfer to implement a regression discontinuity design to estimate the short-term impacts of the emergency transfers.
- **Effect of cash transfers on market traders in Liberia, Malawi, and Rwanda**: Researchers are documenting the effect of market disruptions due to COVID-19 on approximately 300 rural markets. Data collection will include phone-based data collection with market vendors and traders adding new modules to measure the impacts of market disruptions. Additional data collection to evaluate the effect of GiveDirectly cash transfers on the effect of COVID-19: The researchers seek funding to extend data collection in an experimental evaluation of unconditional cash transfers being provided by GiveDirectly in rural Liberia and Malawi.
- **Monitoring Digital G2P Payment Delivery to Improve Customer Experience and Financial Inclusion Outcomes in the Philippines**: IPA will partner with The Philippines Department of Social Welfare and Development (DSWD) to understand the experience of digital cash transfer beneficiaries, their usage of mobile money products to identify pain points and develop solutions for future digital cash transfers. (Web summary forthcoming).

Given the extensive research on the effects of COVID-19 related social transfers, still more research will need to be done to understand the lasting effects of these transfers on the impact of vulnerable populations, including women and populations who are newly economically vulnerable. Research studies help to address policy questions and can directly answer the question raised in the blog by CGD—how can these policies be more effective for the most vulnerable populations, including women?

1. Ugo Gentilini et al. 2020. "Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures." The World Bank. <http://documents.worldbank.org/curated/en/590531592231143435/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures-June-12-2020.pdf>