



Iraq – Corinna Robbins, Mercy Corps

# **A MILLION-DINAR QUESTION: Can Cash Transfers Drive Economic Recovery in Conflict-Driven Crises?**

*Experimental evidence from Iraq*



## **Acknowledgements:**

We would like to express our gratitude to Gabrielle Fox for her strategic overview and guidance on this research. We would also like to thank Emily Scammell, Tauqeer Ahmad and Zakaria M. Abd Alnafa'e for managing the operation of the cash program and this study. And finally, our sincere gratitude to our cash program participants and Mercy Corps and Oxfam field researchers, whose time and effort made this study possible: Ali Nazar Aziz, Mohammed Khalil Ibrahim, Bariq Waleed Mohammed, Yousif Ismail Khalaf, Ahmed Sultan Ismail, Marwa Ghazi Haji, Mohammed Khairi Kareem, Mohamed Abdalbasset Mahmoud, Ali Kadhim Aadi, Huda Aed Mahmood, Domoaa Talib Hussin, Younis Mohammed Hammad; Dania Tariq, Rakan Ali, Cinya Rufino, Kenan Assad, Amman Ali, Fouad A. Ahmed, Abeer Abid, Safa Mawlood, Abdlkarem, Mustafa Ghadhban. The research was funded by the Foreign, Commonwealth & Development Office (FCDO) and supported by the US Agency for International Development (USAID).

This study received IRB approval on 09/27/19

## **Suggested Citation:**

Kurtz, J., Krishnan, V., Leape, V., Jovanovic, V., Ross, M., and Macaranas, R. (2021). *A Million-Dinar Question: Can Cash Transfers Drive Economic Recovery in Conflict-driven Crises? Experimental Evidence from Iraq*. Mercy Corps.

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## Executive Summary

Over the past twenty years, the use of cash transfers in development and humanitarian interventions has experienced exponential growth. Both evidence and ethics have contributed to its rise. Extensive research has demonstrated how cash transfers can serve as critical lifelines in both acute humanitarian emergencies and more stable development contexts, whilst also providing recipients with greater flexibility, dignity and choice. However, there exists a dearth of evidence on the effectiveness of cash transfers in protracted crisis contexts, where poverty, hunger and the resulting humanitarian need are increasingly clustered.

Donors and governments are urgently asking: Is cash equally effective in protracted crises, where conflict and insecurity are pervasive, markets and livelihoods are broken and state capacity to respond is limited? Can cash assistance be designed to both protect against the immediate effects of protracted crises and build resilience to future shocks, thereby reducing future humanitarian need? Specifically, given the extended length of need in protracted crises, how might humanitarian cash transfers be intentionally designed to improve both short-term coping and longer-term recovery?

We sought to answer these questions by testing the impact of deliberate variations in the design and delivery of cash transfers among conflict-affected Iraqi households. This study leveraged the Cash Consortium of Iraq's (CCI) ongoing multipurpose cash assistance. The CCI is a consortium of five organisations that, collectively, has delivered over 160 million USD in cash assistance to over 500,000 households across Iraq since its formation in 2015.

### Research Design

We conducted a randomised control trial in Anbar, Salah-al-Din and Ninewa governorates in Iraq from October 2019 to June 2020. We randomly assigned 827 eligible participants in CCI's cash assistance program into three treatments and one waitlist control group to serve as the comparison. Treatment groups received the same value of cash at varying schedules — either one lump-sum of 1,200 USD, three equal monthly transfers of 400 USD, or three unequal instalments of 200, 200, and 800 USD. We also added a behavioural insight-driven financial health education for half of

all treatment groups to support future-oriented financial planning. Panel data from 819 households and qualitative interviews inform our primary outcomes — food security, expenditures, household assets, and employment — and secondary outcomes — bonding and bridging social relationships and psychosocial well-being.

Our study findings come at an opportune moment in the Iraq and global context. First, as Iraq transitions from an active conflict towards more stability, the Government of Iraq, donors and practitioners are seeking more durable solutions. Equally, as the impacts of COVID-19 exert downward pressure on global economies, host country governments and donors alike are seeking evidence on the most effective use for limited investments.

## Key Findings

**Cash transfers made households more food secure and enabled them to invest more in meeting critical needs including shelter, education and health.** Cash transfers enabled households to meet their critical food consumption needs, including better dietary diversity and less reliance on distressful coping strategies than their control group counterparts. These results were observed despite a rise in food insecurity across the study population as a whole, indicating a protective effect of cash. The cash transfers also allowed households to spend more on developing their family’s human capital, including medical expenses and school fees.

**Cash improved households’ economic recovery prospects by boosting or stabilising their employment and productive asset ownership in the face of multiple shocks.** Iraqis who received cash were better able to retain or acquire new assets, such as mobile phones and livestock, that can help them generate income and act as capital stores to cope with future shocks. Treated households, on average, were also better able to maintain regular employment in the face of major economic contraction in Iraq. These effects on preventing distress sale or ‘shedding’ of productive assets and on job losses have important implications for the design of social protection policies within protracted crises.

**Variations in cash transfer schedules affected the timing and strength of key outcomes.** A primary contribution of our study is a better understanding of how cash transfers can be designed to maximise impact on specific outcomes of interest. Larger lump-sum payments emerged as the most effective method for promoting expenditures on basic needs (such as shelter repair), human capital development (such as education) and productive household assets. Smaller tranche payments, on the other hand, were best suited to immediately stabilise and smooth household consumption and improve short- and medium-run food security. Our results largely mirror findings in more stable contexts and should provide greater impetus for humanitarian donors to offer more flexibility in the design of cash transfers in protracted crises.

**Cash transfers did not lead to additional income generation.** The effects of the cash transfers on productive assets and employment did not translate into additional income for recipient households during the period of the study. While cash provided households with needed resources to invest in improved livelihood strategies, turning these into greater income requires market demand for products and services, which are often lacking in protracted-crisis contexts. Further, vulnerable populations typically targeted for cash assistance may not have adequate skills or access to harness relevant opportunities. These findings point to the limitations of cash transfers alone in supporting sustainable poverty escapes in protracted crises.

**The provision of financial health education alongside cash strengthened the effects on economic, social and psychosocial outcomes.** Participants who received cash and financial health education training experienced greater impacts on food security, employment, intercommunity relationships, and perceptions of their economic and physical security. The training complemented the material benefits of the cash by supporting recipients to develop and apply financial management plans. Our qualitative findings confirmed that these helped reduce participants’ anxiety and uncertainty about meeting current and future economic needs. The training sessions also provided opportunities for positive interactions between different social groups, including hosts and displaced populations, which may explain why we find positive impacts for training participants on intercommunity trust, cooperation, and attitudes towards the use of violence against others.

## Conclusions and Implications

We draw four main conclusions from our findings. First, they suggest that even in a protracted crisis where shocks and stresses are recurrent, temporary cash transfers *can* provide protective benefits that promote certain types of economic recovery by preventing poverty backsliding and promoting resilience. Second, small variations in cash transfer schedules can achieve different outcomes, of which program designers and implementers can make greater, more intentional use. Third, temporary humanitarian cash transfers, on their own, may not be sufficient to encourage additional income generation in a protracted crisis. Fourth, augmenting cash transfers with appropriate behaviour change interventions can amplify impacts on economic and psychosocial well-being.

Our results hold important implications for how policy makers, donors and practitioners can fund and design cash programming to support economic recovery in protracted, conflict-driven crises.

**Donors and governments should act to sustain and scale the gains of effective humanitarian cash transfer interventions in protracted crises.** Donors should continue to expand the percentage of aid they provide as cash assistance, where market conditions allow. Where possible, donors should support linkages between humanitarian actors and nationally led, shock-responsive social safety nets, which typically offer the greatest opportunities for scale and speed of assistance.

**Donors, governments and practitioners should deliberately design cash transfers to deliver on both short-term needs and longer-term goals in protracted crises.** Greater flexibility in cash transfer values and frequencies can support optimising cash delivery to achieve specific outcomes. Where meeting immediate, critical needs is the overriding goal, design and deliver equal tranche payments. Provide lump-sum payments to help recipients meet large, one-time expenses, such as to secure access to housing, invest in shelter repairs, or to support productive asset accumulation. Where possible, develop programs that effectively combine lump-sum and tranche payments.

**Donors and practitioners should fund and provide cash transfers as part of bundled livelihood interventions or as a precursor to livelihood programming.** Layering cash transfers with technical skills training and/or facilitating job linkages holds potential to boost their effectiveness on income generation. Transfers can offer recipients more time to attend livelihood training, more cognitive bandwidth to absorb and apply the knowledge delivered, and more confidence to productively invest human and financial capital without repeatedly diverting both to secure regular access to basic needs.

**Implementers should augment cash transfers with behavioural insights-driven financial education to amplify impacts on economic and psychosocial well-being.** Delivering training sessions alongside cash transfers can take advantage of participants' increased cognitive bandwidth made possible by the cash and help maximise the uptake of the financial management strategies learned. Receiving the cash does not have to be conditional to training participation; however, timing the training delivery on the day of cash distribution can harness the benefits of increased cognitive bandwidth while also reducing the time and cost of participants' travel. Where possible, design the training to create opportunities for participants from different social groups to interact on a safe and equal basis, to enhance social cohesion.



Iraq – Corinna Robbins, Mercy Corps

## Introduction

As the scale of humanitarian need has grown over the course of the last decade,<sup>1</sup> the use of cash transfers has mirrored this trend, becoming one of the primary instruments of humanitarian intervention — increasing from an estimated 1.9 billion USD in 2015<sup>2</sup> to 5.6 billion USD in 2019.<sup>3</sup> Both evidence and ethics have contributed to this growth. Extensive research has demonstrated the effectiveness of cash transfers in improving food security; access to housing, water and health; and protection, whilst also providing recipients with greater flexibility, dignity and choice.<sup>4</sup> Equally, the operational flexibility of delivering cash in ways that minimise human contact and the associated risks of COVID-19 transmission during the pandemic served as an ethical alternative to in-kind aid, spurring further use and prevalence of multipurpose cash transfers.<sup>1</sup>

As humanitarian needs grow and aid resources shrink, greater demands are being placed on emergency cash transfers to achieve more with less. Conflict and fragility have surpassed natural disasters as the primary drivers of poverty and food insecurity,<sup>ii</sup> and cross-border and internal displacement continue to grow. At the same time, development assistance is contracting, having decreased every year since 2016.<sup>5</sup> In response, governments, donors and aid agencies are asking how cash assistance can be best deployed to mitigate the worst effects of such crises and build resilience, thereby reducing future humanitarian need. Specifically, can the demonstrated safety-net benefits of cash also act as economic ladders for economic recovery in a protracted crisis?

Existing evidence holds some answers. A systematic review of over 15 years of research on cash programming finds that cash transfer design and implementation features, such as the amount, frequency and targeting of the cash, are particularly important mediators of impact.<sup>6</sup> However, the majority of these studies has been in more stable

<sup>i</sup> The World Bank estimates that more than 150 countries have created or expanded over 300 cash transfer programs to respond to COVID-19. <https://www.ugogentilini.net/?p=974>

<sup>ii</sup> The UN estimates that two-thirds of the 113 million people in urgent need of food assistance are in countries facing acute humanitarian emergencies due to conflict and insecurity.

development contexts. The effectiveness of cash transfer design variations<sup>7</sup> in fragile, conflict-driven contexts such as Iraq remains a critical evidence gap<sup>8</sup> in guiding practitioner and policy decisions on social protection and humanitarian response.

To help fill this knowledge gap, we conducted research in Iraq on effective ways of designing and delivering cash transfers to meet both immediate relief and economic recovery goals. Through a randomised control trial (RCT), we tested if variations in transfer design can offer impoverished households a pathway to self-sufficiency without compromising their ability to meet their basic survival needs. To examine this, we experimentally varied multiple cash transfer schedules and values, along with provision of a behaviour insights-driven financial health education.<sup>iii</sup>

The goal of this research was twofold:

- 1 To inform future cash-based programming in Iraq and similar contexts to better promote economic recovery, including productive asset accumulation and income generation.
- 2 To influence policy debates and donor priorities on what type of cash assistance in protracted crises can lay the foundation for early recovery and greater self-reliance among conflict-affected populations.

The research was conducted with the Cash Consortium for Iraq (CCI), a partnership of the five large international NGOs delivering cash transfers in Iraq.<sup>iv</sup> The CCI was founded in 2015 to respond to the critical basic needs of conflict-affected, vulnerable households in Iraq through multi-purpose cash assistance. As Iraq stabilises and Iraqis work to recover from years of crisis, the CCI has evolved to provide more comprehensive programming, which includes a range of complementary cash-based interventions to support resilience, livelihoods and economic recovery.

## Context

Our research took place over nine months, from October 2019 to June 2020. The research came at what appeared to be a watershed moment in the Iraq crisis. Following nearly five years of armed hostilities and severe humanitarian crisis leading to the displacement and deprivation of millions, a shifting landscape offered hope for rebuilding and further investment in the country's development. This, in turn, initiated a transformation of international aid policy and practice, leading to a reallocation of funds from short-term humanitarian intervention to longer-term investment in reconstruction and economic recovery efforts. Programmatically, this alleviated pressure to deliver multipurpose cash assistance at a pace and scale which dominated the 2014-2019 period, allowing the aid community in general, and the CCI in particular, to invest in long-term research without the pressures of an escalating humanitarian crisis.

Iraq's nascent transition towards democracy was beset by ongoing civil strife, state fragility and multiple shocks, which resulted in the testing of cash transfers under exceptionally unique conditions. Iraq's conflict-affected North continued to grapple with the legacy of prolonged war. Chronic internal displacement, territorial disputes, a persistently high poverty rate and widespread destruction of the housing and infrastructure stock were left unaddressed as the country grappled with fresh political instability.

Parliamentary elections held in 2018 led to drawn-out negotiations and mass demonstrations across Iraq's cities, causing a constitutional crisis and a deterioration in access and security. This was compounded by anti-corruption demonstrations starting in October 2019 and made worse still following the United States' assassination of Iranian commander Qasem Soleimani in Baghdad in early January 2020. This placed Iraq in the centre of an escalating proxy conflict between the United States and Iran, opening the door to the possibility of more sustained armed violence and a further deterioration in already fragile conditions.

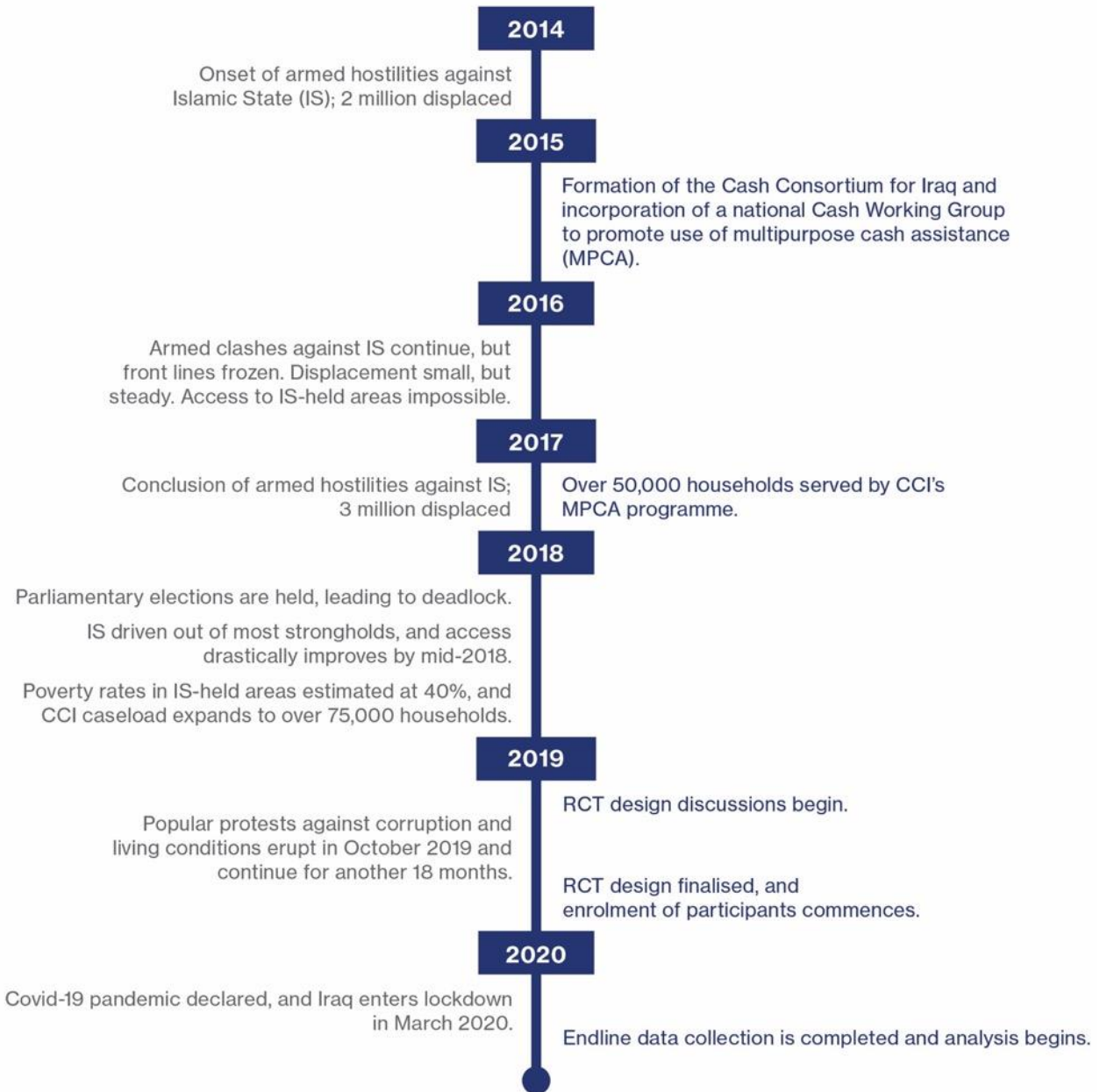
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<sup>iii</sup> The financial education component was a form of behavioural intervention to support future-oriented financial planning. It was named 'financial health education' rather than 'financial literacy' to differentiate it from alternative interventions that focus on numeracy and linkages with financial institutions and instead focus on contextually relevant and behavioural insights driven content.

<sup>iv</sup> Danish Refugee Council, the International Rescue Committee, Mercy Corps, the Norwegian Refugee Council and Oxfam.



Additionally, this study was set against the backdrop of a global pandemic, with COVID-19 arriving in Iraq just three weeks prior to endline data collection in late February 2020. By that point, schools, universities, and cinemas in Baghdad were closed, and by March 17 an initial curfew was imposed to curb the spread of the virus. Large gatherings were banned, and people were encouraged to stay home and practice social distancing measures to limit risk of infection. The economic impacts of the virus were felt worldwide, including on vulnerable Iraqis' livelihoods, consumption and economic recovery trajectories. (See **Figure 1** for a timeline of these events and the research implementation.)



**Figure 1:** A timeline of the Iraq crisis prior to and during the study

## Intervention

The purpose of the Cash Consortium for Iraq (CCI) is to promote the welfare and self-sufficiency of impoverished, conflict-affected households in Iraq. CCI works to ensure that participants are able to meet their basic consumption needs as well as engage in activities that promote their economic recovery. Incorporated in 2015, it is a multiprogram, multi-donor consortium. As of 2020, the CCI has delivered over 160 million USD in cash transfers to over half a million individuals across 12 governorates of federal Iraq. CCI partners primarily work in areas affected by the 2014-2017 conflict and subsequent displacement from military action by Iraqi forces and their allies against the Islamic State. A consortium of five partners with a robust presence across Iraq means that the CCI can rapidly pivot its operations and resources to meet emergent needs. For example, with the economic devastation brought about by the COVID-19 pandemic affecting the entire country, CCI rapidly expanded in priority areas to meet the increased need.

The CCI's cash transfers are targeted at the most vulnerable and impoverished households based on socio-economic attributes including lack of stable employment, access to public services and physical security. CCI partners identify target communities and households using a mix of primary and secondary data. Individual eligibility for cash transfers in select communities is then determined through the administration of a survey to all households using a proxy means test (PMT) methodology that predicts per capita consumption at the household level. Households ultimately selected to receive cash transfers are the poorest subset of households within the communities surveyed. The average household reached by CCI has 7.3 members. While it is reasonable to assume that women-headed households may face unique vulnerabilities compared to their male counterparts, the CCI's overarching goal of providing expedient cash transfers means that vulnerability scores are assigned based on the overall socioeconomic situation at the household-level as opposed to individual criteria such as gender of household head.

For households deemed eligible, the 'standard' CCI intervention consists of three rounds of cash transfers, each valued at 400 USD and delivered over the course of three months. The value of 400 USD was determined as the cost of meeting basic needs for one month according to the composition of a standardised Survival Minimum Expenditure Basket.<sup>9</sup>

Our impact evaluation experimented with three different schedules of cash transfers: Group 1 was provided a single lump-sum transfer totalling 1200 USD. Group 2 was provided three equal transfers of 400 USD each, spaced over three months. This schedule mirrors the current cash transfer value and frequency implemented across cash actors in Iraq. Group 3 was provided two initial transfers of 200 USD and one final, larger transfer of 800 USD following the same monthly distribution schedule as Group 2. All groups ultimately received the same amount of money (1200 USD), the only difference being the schedule and value of the transfers between groups. Study participants were randomly assigned to one of these three cash transfer schedules or to a fourth wait-listed control group. Control group participants received a lump-sum transfer at the conclusion of the study, after endline data was collected for the other groups.

As part of the research, financial health education (FHE) was also included with the goal of enhancing participants' understanding of how to use the cash transfers to bolster savings, investments, and other forms of economic recovery, and to nudge them into doing so. This component was deemed important as, on average, households eligible for cash transfers through CCI have little to no savings (prior to the transfers only 6 percent of households reported any level of savings) and the vast majority (93 percent) have accumulated some level of debt. Our research sought to understand to what extent financial health education, when paired with cash assistance, affects decision making on how cash transfers are used, and whether those choices are influenced by the schedule through which cash is delivered.

Half of the participants in each of the three cash treatment groups were randomly selected to receive the accompanying financial health education. The other half of the cash transfer recipients did not receive additional training. Among households selected for participation in the training, just over 75 percent were male-headed while close to 25 percent were female-headed. The financial health education consisted of four modules: 1) household budgeting, 2) growing savings, 3) managing debt and 4) investments in small-scale livelihood activities. All four modules were story-based and included practical strategies that the teams had learned from previous cash participants in Iraq. The training was

delivered via three face-to-face sessions prior to each cash transfer. The first round of training included all four modules, the second and third rounds were refresher sessions focused on two modules per session. Training facilitators dedicated part of each session to moderating a discussion among and between the participants to share financial goals, challenges, and innovative ideas for financial planning.

## Research Design

### Research Questions

This evaluation sought to answer three primary research questions:

- 1 How do cash transfers delivered in conflict-affected areas of Iraq affect recipient households' abilities to meet basic consumption needs, their economic recovery and resilience to shocks?
- 2 How do different cash transfer schedules affect the consumption, economic recovery, and resilience of recipient households?
- 3 How does financial health education paired with cash transfers affect the consumption, economic recovery, and resilience of recipient households?

### Theories and Existing Evidence

Cash transfers have been extensively studied in both post-disaster and more stable development settings.<sup>10</sup> In these contexts, a wealth of evidence suggests that both short-term humanitarian cash interventions<sup>11</sup> and longer-term, government-administered social protection programs<sup>12</sup> positively impact economic well-being across a broad range of measures including food security, consumption, savings, employment, livelihood diversification and productive asset investments.<sup>13</sup> A large number of cash studies also point to the importance of intentional cash transfer variations such as changes in value of the cash transfer and/or transfer schedules — such as one-off lump-sums or monthly or quarterly transfers — in mediating these outcomes.<sup>14</sup>

The overall premise of our research is that humanitarian cash transfers, if intentionally designed, have the potential to contribute to both relief and recovery outcomes even in a protracted conflict-affected context like Iraq. While a majority of the evidence below draws from experimental cash variations in natural disasters or stable development contexts, where available we also draw on cash studies in conflict contexts such as Syria,<sup>15</sup> Yemen<sup>16</sup> and/or among conflict-affected refugee and internally displaced populations.<sup>17</sup> We include evidence from studies that have examined cash impacts on men and women, but in our research we do not examine (nor do we hypothesise) differential impacts based on the gender of the cash transfer recipient.

### Cash and Basic Consumption

The impact of cash transfers on households' food security and other measures of monetary poverty or capacity to meet basic needs is perhaps one of the most well researched topics in cash studies. Evidence reviews of multiple conditional and unconditional cash programs from multiple contexts attest to improvements in households' food security<sup>18</sup> (as measured by food expenses) as well as other measures of monetary poverty including increases in total expenditures and decreases on the Foster-Greer-Thorbecke (FGT) poverty measures.<sup>v</sup> Cash transfers as a direct monetary resource

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<sup>v</sup> Foster-Greer-Thorbecke (FGT) a widely used index that measures the number of people living below the poverty line (poverty headcount), extent of poverty (poverty gap) and inequality among poor households (squared poverty gap). James Foster, Joel Greer, and Erik Thorbecke, "The Foster–Greer–Thorbecke (FGT) Poverty Measures: 25 Years Later," *The Journal of Economic Inequality* 8, no. 4 (December 1, 2010): 491–524, <https://doi.org/10.1007/s10888-010-9136-1>.

increase households' purchasing power and thus food security; and/or indirectly through agricultural investments,<sup>19</sup> although the latter has only been posited to occur with longer-term cash transfers.<sup>20</sup>

Similarly, where studies do *not* find a statistically significant impact of cash on monetary poverty, the authors highlight important factors such as the low values of the cash transfers and/or the predictability of receiving cash.<sup>21</sup> Indicative of this, a comparative study of government cash transfers across four countries in Sub-Saharan Africa found that 'relatively generous', predictable and regular cash transfers, compared to lower value, lumpy, or irregular transfers, led to improvements in both caloric intake and nutrition outcomes.<sup>22</sup>

In Western Kenya, an RCT examined the impact of variations in cash transfer schedules. The authors found that while monthly consumption increased across all treatment groups (compared to control), monthly transfers of 404 USD spread over nine months had a larger effect on households' food security compared to the lump-sum of the same value as a single payment, suggesting that the schedule of the transfer can lead to differential outcomes on food security.<sup>23</sup> The short-term impacts of cash on food consumption and other immediate household needs are also borne in studies within conflict or refugee contexts.<sup>24</sup>

Iraq is not currently an active conflict, but Iraq does bear the characteristics of a protracted crisis.<sup>25</sup> Based on CCI's post-distribution monitoring, conflict-affected Iraqis, similar to populations in Syria and Yemen, most often prioritise using the cash for food and immediate consumption needs, as well as debt repayment. But can deliberate variations in cash transfer value and schedules also lead to outcomes on other monetary poverty measures including the ability to make human capital investments in health and education?

## Cash and Economic Recovery

At a macro level, economic recovery broadly encompasses market development, job creation and strengthening new or existing enterprises.<sup>26</sup> At a micro level — the focus of our research — economic recovery is reflected in households' abilities to protect or recover assets and activities that are '*required for a means of living*'<sup>27</sup> to meet a range of household needs.

### Cash and Productive Investments

In protracted crisis and/or conflict contexts, studies find that people may choose to secure their livelihoods through various ways: invest in small productive assets, (re) engage in previous or new livelihoods including self-employment, and/or migrate in search of work.<sup>28</sup>

The ability to invest in or accumulate a range of assets has been found to play an important role in households' economic recovery. Such assets provide protective or productive benefits in times of shocks, and may help households to escape poverty traps.<sup>29</sup> Household assets such as furniture or other durables can be sold in times of need to ease consumption shocks; investments such as land, livestock or vehicles can help generate income;<sup>30</sup> and assets such as vehicles or washing machines can also have dual benefits; for example, by freeing people's (especially women's) time for more productive activities.<sup>31</sup> But poor households spend the majority of their income on basic consumption and may have low levels of monetary savings to invest in assets. Equally, lack of collateral impedes their capacity to borrow to make productive investments. Cash transfers can lift these liquidity constraints to help households make productive investments.<sup>32</sup>

Multiple studies from a range of contexts find that cash recipients do prioritise asset investments and that cash transfer variations can have implications for the type, size (value) or timing of these investments.<sup>33</sup> For Typhoon Haiyan survivors in the Philippines, Mercy Corps' randomised two types of transfers: the same value of cash (89 USD) in three unequal monthly instalments or one single lump-sum.<sup>34</sup> That study found that lump-sum transfers enabled households to not only meet their basic needs but also make investments in productive assets, such as hogs, pigs and poultry.<sup>35</sup> Indicative of the savings constraints noted earlier in the Western Kenya study, single lump-sum transfers (404 USD) led

to greater investments in household assets such as metal roofs; savings and livestock holdings were also substantially higher compared to monthly transfers of the same value provided over nine months.<sup>36</sup>

This is not to say that smaller monthly transfers do not enable asset investments. Some studies find that while lump-sum recipients were able to accumulate significantly more non-land assets and large livestock, in general, recipients of smaller monthly transfers invest in small livestock and poultry.<sup>37</sup> In Northern Nigeria, cash provided to women as 15 monthly transfers (46 USD per transfer) or quarterly transfers of approximately 138 USD per transfer finds that women who received the quarterly transfer were able to acquire a larger *number* of livestock, compared to monthly cash recipients in the first follow-up (12 months into the program).<sup>38</sup> While women in the monthly cash transfer schedule noted needing more time to save to purchase these assets, these differences disappeared shortly after the last round of cash distribution,<sup>39</sup> suggesting that the regularity of cash helped women overcome these savings constraints.

In Western Kenya, where monthly and lump-sum cash was also randomised based on the gender of the recipient, the study found no statistically significant differences between men and women on production or investment outcomes.<sup>40</sup> Other studies note that any gender differences in the type of asset investments, for example, goats versus cows, are mediated more by cultural norms as opposed to differential capacities between men and women.<sup>41</sup> Conflict-affected populations also make productive asset investments. For example, an evaluation of a 10-month funded cash transfer program in Yemen found that both men and women reported using their cash to meet basic needs and also to invest in livestock and/or save<sup>42</sup> — suggesting that, in such conflict-affected contexts, the duration of the cash transfer may allow for such productive investments. While studies from multiple contexts find that such productive asset investments can have an impact on households' consumption in the longer term,<sup>43</sup> the significant uncertainty that arises from an ongoing conflict may mediate recipients' ability to retain these assets to improve longer-term consumption. For example, an impact evaluation of cash provided as one-off or regular monthly transfers in Yemen found that the program gains on households' ability to meet basic needs dissipated following the end of cash distribution, attesting to the transitory nature of cash impacts in conflict contexts.<sup>44</sup>

### Cash and Employment/Self-Employment

Beyond asset investments, cash transfers provide a form of monetary insurance to help households take on alternate — and what they may have previously perceived as risky — activities to improve their income sources (*insurance effect*). Or cash may provide a monetary cushion to help people invest more time and effort in moving from low-paying or hazardous jobs to better (including better work conditions) or higher-paying jobs (*investment in labour search effect*).<sup>45</sup>

The primacy of livelihoods is borne out in evidence from a range of contexts and geographies, including protracted crisis contexts. Mercy Corps' observational research in Syria finds that for the nearly 33 percent of Syrian households that had successfully adapted their livelihoods *after* the start of the civil war seven years prior, access to cash remittances and loans from their social networks was a strong predictor of their ability to start a new livelihood.<sup>46</sup> In such contexts, humanitarian cash transfers have been found to be important in supporting households to engage in a livelihood activity. For example, a study on the effects of short-term (12 months or less) and long-term (more than 12 months) cash transfers for Syrian refugees in Lebanon found that receiving cash of *any* duration is correlated with a lower probability of working in hazardous conditions and sustaining work-related injuries.<sup>47</sup>

Multiple studies of government cash transfer programs found that cash transfers also have an impact on both men and women's wage employment, including *increases* in labour force participation.<sup>48</sup> However, these impacts differ by subgroups; for example, being a refugee<sup>49</sup> or host; by context; or prevalent gender and social norms. For instance, in Lebanon, being a long-term cash recipient gave Syrian women the flexibility to drop out of often low-paying or hazardous jobs and focus on child-care or domestic responsibilities, thereby decreasing time poverty.<sup>50</sup> In Northern Nigeria, cash transferred (only) to women as either monthly or quarterly transfers of the same value increased the likelihood that women would be economically active, work in a nonfarm activity such as petty trading or rice crop

processing, and purchase raw materials for their businesses. As a result, their business profits were also higher (80 percent) compared to the control group.<sup>51</sup>

One commonly expressed concern when delivering cash transfer programs is the potential that the cash acts as a substitute for other resources, including time and labour.<sup>vi</sup> Multiple studies of both government and humanitarian cash transfers find that this is *not* the case.<sup>52</sup>

Our review of cash studies suggests that while livelihood investments are important to households, including in contexts of protracted crisis, individuals and households may choose to invest time and effort in different types of income-generating activities based on their market realities. Our study sought to understand if short-term humanitarian cash transfers with intentional variations in value and schedule can facilitate the ability of conflict-affected Iraqis not just to meet basic needs but also invest in a productive income-generating activities of their choosing.

## Cash and Behavioural Interventions

Cash transfers as a monetary resource can help households increase their precautionary savings either in the form of cash<sup>53</sup> or as stored-value assets — both of which have protective benefits<sup>54</sup> in the event of individual-level or covariate shocks. In many cases, complementary interventions are included alongside cash transfers to encourage savings and other financial behaviours. In Niger — in areas prone to frequent climatic shocks, a government cash transfer of 20 USD per month over 18 months to ultra-poor households also encouraged<sup>vii</sup> women to mobilise into informal savings groups (*tontines*).<sup>viii</sup> Eighteen months *after* the cash was distributed, an impact evaluation found that while cash enabled investments in productive assets, cash recipients' increased participation in the tontines was associated with a more prevalent use of these groups to smooth consumption shocks and sustain productive investments.<sup>55</sup>

In a protracted crisis, households face unique impediments to savings practices. For instance, conflict and resulting displacement uproots people from familiar social networks,<sup>56</sup> resulting in lower trust, which is often a prerequisite for informal savings practices. In such contexts, soft conditionality in the form of behavioural messaging when paired with cash transfers has been shown to support future-oriented financial behaviours.<sup>57</sup> For example, an RCT that paired behavioural messaging around goal setting, planning for savings and self-affirmation alongside government cash transfers in Kenya, Tanzania and Madagascar found that behavioural interventions increased cash recipients' debt repayment and intentions to save money and use it productively compared to the control group.<sup>58</sup> Similarly, other studies have shown behavioural nudges in the form of reminders or regularly scheduled informative messages, compared to a generic one-off financial literacy training, can elicit desired behaviours on savings and other goals.<sup>59</sup> Equally, designing the training content in response to specific contextual barriers,<sup>60</sup> providing actionable 'rule of thumb' messages,<sup>61</sup> targeting the main financial decision maker within the household,<sup>62</sup> and delivering such messages just ahead of cash distribution — when people feel the greatest relief from stress and anxiety<sup>63</sup> — have all been found to improve participants' adoption and practice of these behaviour-change interventions.

Based on the evidence on the role of behavioural interventions, our study sought to understand if contextualised and tailored financial health education messages delivered just ahead of cash distributions can improve conflict-affected Iraqis' overall financial management strategies to make productive investments.

## Cash and Resilience

Resilience is generally defined as the capacity of households and communities to learn, cope, adapt and transform in the face of shocks and stresses. Research on resilience shows that an individual or a households' ability to absorb and adapt to multiple shocks is predicated upon access to both material (economic) resources as well as non-material/intangible

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<sup>vi</sup> Labour does not refer only to 'formal' employment or wage labour, but overall effort expended towards activities that generate any form of income.

<sup>vii</sup> This was not a hard condition to be eligible for the cash transfer.

<sup>viii</sup> An informal savings group that is based on the rotating savings and loan model (ROSCA)

resources — including the ability to rely on one’s social networks for reciprocal support and psychosocial capacities such as agency, self-esteem and confidence in the future.<sup>64</sup> Cash has been found to have an impact on both material and intangible sources of resilience, including in protracted crisis contexts like Iraq. But how cash transfers affect social relationships and psychosocial well-being in ways that build resilience to recurrent shocks is relatively understudied.<sup>65</sup> Our exploratory analysis of these secondary outcomes is inferred from the limited existing evidence summarised below.

### Cash and Social Relationships

Social cohesion is a ‘sense of shared purpose and trust among members of a given group or locality and the willingness of those group members to engage and cooperate with each other to survive and prosper’.<sup>66</sup> Social cohesion measures trust and cooperation among and between members of one’s own group (in-group, bonding) with members of other social groups (out-group, bridging) and with those in power (linking). While all three measures of social cohesion are important determinants of stability and economic outcomes,<sup>67</sup> within this study we examined bonding and bridging social relationships among and between members of an *in-group* and an *out-group*<sup>ix</sup> for two reasons. First, while an overall lack of social cohesion can increase the risk of civil war,<sup>68</sup> studies find that in conflict contexts, *in-group* bonds may get stronger<sup>69</sup> but come at the expense of social cleavages with an *out-group*,<sup>x</sup> thus perpetuating continued instability. Second, in a protracted crisis context, where the state’s capacity is weak or non-existent, research finds that people themselves build trust and mutual reciprocity through social interactions with different social groups often with the express motive to access protection<sup>70</sup> or engage in an economic activity,<sup>71</sup> highlighting the importance that individuals assign these bridging social relationships.

Cash transfers, as a material resource, can facilitate individuals from the same or different social groups to participate in society; these interactions in turn may strengthen the relational dimensions of trust, bonds, solidarity, and cooperation among and between groups.<sup>72</sup> This suggests that the underlying mechanics for bonding and bridging social relationships are in effect the same; what differs is the composition of these social groups. Following this framing, we examined the impact of cash transfers, as a monetary resource, on bonding social relationships — constituted by trust and cooperation among and between members of an *in-group*; and bridging social relationships — constituted by trust and cooperation between members of *out-groups*.

Multiple studies find that the material resources from cash transfers enable recipients to contribute to cultural, social and familial activities in which cash or material contribution is obligatory — in turn promoting engagement in and helping to re-establish these social and economic ties.<sup>73</sup> A six-country study in Africa found that cash participants’ increased voluntary contributions to extended family was associated with a similar increase in their ability to obtain reciprocal in-kind or cash support.<sup>74</sup> Other research has shown that cash can help previously marginalised or stigmatised groups to reengage in reciprocal social relationships — such as contributing to weddings or funerals<sup>75</sup> — and economic relationships through repaying debt.<sup>76</sup>

Beyond the impact of such material sharing, women cash recipients from West Bank and Gaza (a protracted crisis context) noted that interactions with others during community events, as well as sharing information and personal advice with other women at cash distribution points, strengthened social connectedness and promoted feelings of mutual support and solidarity with other cash participants and their wider community.<sup>77</sup> Collectively, what this evidence suggests is that cash-enabled engagement in social and economic relationships and the interactions that these facilitate synergistically intersect to strengthen the underlying bonding social relationships for cash recipients.

Similarly, cash transfer studies that examine bridging social relationships among different social groups attest to similar mechanisms at play. For example, a rigorous study that examined a long-term government conditional cash transfer

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<sup>ix</sup> Depending on the nature of the conflict, both in-groups and out-groups can be based on any form of social identity: tribe, ethnicity, linguistic, displacement-status or other divide.

<sup>x</sup> The composition of these in-groups and out-groups may itself be a function of the type, nature and perceived source of threat. Arthur A. Stein, “Conflict and Cohesion: A Review of the Literature,” *Journal of Conflict Resolution* 20, no. 1 (March 1, 1976): 143–72, <https://doi.org/10.1177/002200277602000106>.

program in Colombia found that levels of cooperation (measured using a “public goods game”) were considerably higher in communities that received cash, compared to control.<sup>78</sup> The authors note that receiving cash provided a sense of collective identity among recipients; the program’s additional social activities provided opportunities to interact and discuss common issues, fostering a sense of oneness.<sup>79</sup> Other cash studies have noted that joint targeting of Colombian refugees and Ecuadorian hosts, which provided these two social groups with opportunities to interact during the program’s complementary nutrition training sessions, were likely drivers of improvements in refugees’ attitudes<sup>xi</sup> to accepting diversity and social participation.<sup>80</sup>

While this suggests that cash and/or complementary interventions can have a positive impact on bonding and bridging social relationships, multiple studies also highlight that being a cash recipient may mean that remittances from social networks cease,<sup>81</sup> equally, jealousy and resentment from opaque targeting criteria can also weaken pre-existing social relationships,<sup>82</sup> which has consequences for participants’ longer-term economic well-being.<sup>83</sup>

While the overall evidence presented is encouraging, the majority of studies cited draw conclusions from longer-term government cash transfers. Few studies in humanitarian contexts, including those that have intentionally varied cash transfer schedules, report on the impact of such variations on participants’ social relationships.

Given the importance of social cohesion in protracted crisis contexts like Iraq, our study hoped to understand if variations in the schedule and value of cash transfers alongside platforms for positive interaction, for example through participation in financial health education sessions, have an impact on bonding and bridging social relationships among cash recipients.

### **Cash and Psychosocial Well-being**

There is a growing recognition that, beyond the material dimensions of poverty that cash transfers help alleviate, the psychosocial dimensions of poverty — including loss of dignity, self-esteem, individuals’ lack of confidence in their capabilities and social deprivation<sup>84</sup> — are equally important in understanding why people remain poor. Living with prolonged periods of poverty-induced stress and anxiety<sup>85</sup> have been found to reduce people’s capacity to make economic decisions,<sup>86</sup> thereby perpetuating poverty. Equally, within resilience studies, psychosocial capacities such as participants’ self-esteem, dignity, belief, and confidence in the future,<sup>87</sup> have been associated with a lower likelihood of engaging in negative coping strategies such as reducing food consumption, selling productive assets, or pulling children out of school.<sup>88</sup>

While the primary objective of cash transfers is to alleviate material poverty, a meta review of 18 cash RCTs finds that, by alleviating economic constraints, cash transfers improved recipients’ psychosocial well-being on a range of measures including depression, perceived stress, happiness, life satisfaction and stress biomarkers such as cortisol.<sup>89</sup> A study in Western Kenya that experimentally varied cash transfer value, schedule, magnitude and gender of the primary recipient found that both monthly and lump-sum cash can result in decreases in depression, stress and worries. However, on stress biomarkers, the study reported considerable variations: large transfers, transfers to women and lump-sum transfers led to significantly lower cortisol levels compared to small transfers, transfers to men and monthly transfers.<sup>90</sup>

Living in a crisis context is an important mediator of the impacts of cash on participants’ psychosocial well-being. For example, in a protracted crisis like Palestine, ultra-poor households including women who received quarterly payments of cash (195 – 468 USD) for a year, noted that the predictability of the cash enabled them to contribute to community events, which helped improve their psychosocial well-being.<sup>91</sup> That said, in a study that provided one group of Rohingya refugees with weekly unconditional cash and another group with weekly paid employment of the same value, the marginal impact of psychosocial well-being for the participants in the employment group was far higher, compared to cash.<sup>92</sup> Ongoing conflicts such as Syria can also create significant negative externalities that cash alone cannot

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<sup>xi</sup> There were no effects for Ecuadorians; but no negative outcomes were found.



overcome. For example, three monthly cash transfers to help women in Raqqa meet survival basic needs were found to temporarily relieve stress and anxiety but had no impact on women's depressive symptoms.<sup>93</sup>

Collectively, this evidence points to key links between cash transfers with psychosocial well-being outcomes in protracted crises: namely, the extent to which the value, schedule, predictability, or other characteristics of the cash transfers address what participants themselves perceive as underlying stressors in their context.

## Hypotheses

Considering what is known from the above and other studies about the effects of cash transfers, we hypothesised the following:

### Effects of Receiving Cash on Economic Coping and Recovery

Overall, receipt of cash of any size or value would improve recipients' consumption, food security and economic recovery outcomes compared to a control group that would not immediately receive a cash transfer.

Households that received cash of any size or value would also see improvements in household labour outcomes compared to a control group that would not immediately receive a cash transfer. These improved outcomes might be in the form of investments in a range of productive assets, increased hours worked, more regular (versus temporary) employment and/or improved incomes resulting from these.

These presumed effects would differ based on the schedule of the transfers.

- Lump-sum recipients (Treatment Group 1) would be more likely to prioritise investments that required large cash outlays such as livelihood assets or income-generating activities, which we expected to translate into more pronounced impacts on employment and incomes compared to tranche payment groups (Treatment Groups 2 and 3).
- Equal tranche payment recipients (Treatment Group 2) would be more likely than Group 1 to prioritise using the cash transfer to meet immediate needs, resulting in greater and more sustained improvements in food security and expenditures on basic needs.
- Households receiving smaller initial disbursements followed by a larger transfer later in the schedule (Treatment Group 3) would demonstrate higher levels of economic investment and recovery compared to the equal tranche payment group, but less so than those that receive lump-sums.

### Marginal Effects of the Financial Health Education

Households who received financial health education, alongside cash transfers of any schedule, would demonstrate greater rates of savings and/or investments in livelihood activities and productive assets compared to households who only received cash transfers.

### Effects of Receiving Cash on Social Relationships

Receiving cash, regardless of schedule, would improve households' social connections with their existing networks compared to non-recipients. We predicted that cash would have this effect by allowing cash recipients to engage in reciprocal sharing of cash and food and/or repaying debt to friends, family members and others both within and external to the community.

Beyond this, however, cash was not expected to have an impact on participants' perceptions of their social relationships.<sup>xii</sup>

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<sup>xii</sup> Our initial literature review did not uncover the specific pathways around interactions across different social groups during program training and/or cash distribution points, and theorised impacts on bonding and bridging social relationships. This literature review was updated in December 2020. We have left our initial hypothesis unchanged.

## Effects of Receiving Cash on Psychosocial Well-being

Receiving cash, regardless of schedule, would improve participants' psychosocial well-being, including reduced physical and economic insecurity, compared to households who did not receive cash.

The size of these improvements would mirror the amount of the transfers.

- Households receiving a lump-sum transfer would experience a more dramatic improvement in psychosocial well-being immediately after receiving the transfer, but this effect would diminish throughout the course of the study.
- In contrast, those receiving tranche payments would experience less dramatic but more sustained improvements in psychosocial well-being.

## Outcomes and Measures

### Primary Outcomes

Our evaluation measured two main aspects of economic well-being based on the goals of the CCI's cash transfers. The first is to improve households' abilities to meet their basic consumption needs including food, health and shelter, and to limit distressful economic coping strategies. The second is to enable households to invest in economic opportunities, such as income-generating activities or productive assets, which have the potential to improve their economic outcomes in the longer term. These two dimensions of economic well-being are not mutually exclusive. Evidence in post-disaster programming suggests that households exercise a wide variety of strategies that may serve to prioritise one aspect of economic well-being over another.<sup>94</sup> The aim of measuring economic well-being through this dual lens was to best understand how cash transfers can be designed to simultaneously improve both short-term coping and longer-term recovery in a protracted crisis where shocks and stresses are recurrent.

### Food Security and Consumption

Our main indicators for food security were the Food Consumption Score (FCS) and the Coping Strategies Index (CSI).<sup>95</sup> The FCS is designed to serve as a proxy for household caloric availability through self-reports on the quantity and quality of food consumed by the household over the previous seven days. Based on this score, a household's food consumption is then classified into one of three categories: poor, borderline, or acceptable. The CSI is an index developed to measure difficulty of access to food in response to shocks and distress. The index is derived from a series of questions on actions households take to cope with a shortfall in food consumption and based on the assumption that the severity and frequency with which households employ negative coping strategies is an indicator of their overall food insecurity.

### Expenditures

We measured households' abilities to meet basic needs and broader economic status through a standard 30-day recall consumption/expenditure module. Respondents were asked to report their expenditures across standardised individual sectors, including food, health, shelter and transportation. We grouped expenditures into four categories:

- Total expenditures.
- Expenditures on minimum survival needs, consisting of rent, food, electricity, water, transportation, and communication. These items comprise the survival minimum expenditure basket designed to assess households' level of vulnerability in Iraq.
- Expenditures on other basic needs, including on shelter maintenance, medical care (including medicine), education and non-food items for the household.
- Expenditures on productive assets, including items that may help generate income, such as livestock, mobile phones, and vehicles.

To analyse changes in expenditure, we used the sum of spending across each category.

## Asset Ownership

A household's assets are a representation of that household's overall accumulated wealth, an important indicator of financial stability and economic well-being. Ownership of assets provides collateral for obtaining a loan, is a safe investment tool or means of storing value that can be sold in times of need and can offer the opportunity to expand livelihoods and generate income. In order to assess household asset ownership, respondents were asked to report the total value of all assets they owned as well as the value of a variety of specific items that are commonly owned in Iraq. Assets were categorised into productive assets (including bicycles, motorbikes, cars, mobile phones, generators, and livestock) and other assets (primarily household appliances like televisions and stoves). Our measure of asset ownership relied upon the value of assets owned and captured both accumulation and loss of major household assets. As a result, we were able to identify instances of productive asset shedding, which is common in protracted-crisis contexts.

## Labour Force Participation

Labour force participation was defined as both the total number of household members participating in the labour force as well as the distribution of labour between regular and temporary employment. 'Household members working' referred to the number of household members over 18 years of age, including the head of household, who reported working in the past 30 days. We categorised regular employment as a job that involved 20 or more days of work per month while a temporary job was defined as one that involved fewer than 20 days of work per month. Employment could be formal and/or informal, including self-employment. These measures were analysed to assess household decisions related to labour reallocation as a result of receiving cash and financial health education.

## Financial Behaviours

We measured households' levels of debt, including recently accessed credit, high-risk accumulation of debt<sup>xiii</sup> and total levels of debt. Over indebtedness can place strain on households financially, and inability to pay back debt can damage relationships with money lenders and limit a household's ability to borrow money in the future. Taking on new debt is not inherently a bad thing, however. Borrowing money can allow households to make investments in productive assets and improve their long-term economic outlook. The use of borrowing and debt is a common coping mechanism in Iraq, allowing households to smooth consumption during times of financial uncertainty.<sup>96</sup>

## Secondary Outcomes

In addition to the economic outcomes above, we measured a set of more subjective social and psychosocial outcomes that have been shown to improve crisis-affected populations' ability to cope and recover from shock and stresses.<sup>97</sup> Specifically, we asked about households' trust and confidence in accessing support from reciprocal support networks both within and outside their communities. In addition, we assessed respondents' psychosocial well-being, including their perceived physical and economic security.

## Social Relationships

We classified social linkages into two distinct categories: bonding and bridging relationships. Bonding relationships are connections that respondents are able to form with other members of their immediate community.<sup>98</sup> The 'immediate community' was broadly defined as the inner circle of people with whom program participants regularly interact and/or rely on for support. Bridging relationships are the economic and social connections between respondents and those outside of their immediate communities.<sup>99</sup> Dimensions of bonding and bridging relationships measured included respondents' perceptions of the reliability, trustworthiness, and honesty of people in their community (bonding) and outside their community (bridging). We also measured the extent to which respondents felt they derived benefit from cooperation with others in/outside their communities and their willingness to help members in/outside their

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<sup>xiii</sup> We acknowledge that in some poverty studies (for example, Davis 2011) 'debt' has been given a 'negative asset' denomination. That is, it can exert downward pressure on households' material and emotional well-being. In Iraq, borrowing (debt) in itself is a common strategy that households use to manage their expenses. Hence in this study we consider debt 'accumulation' — that which households are not able to repay — as opposed to the practice of borrowing as a risky coping strategy.

communities who were in need. As an additional measure of intercommunity social relationships, respondents were asked about their views on whether the use of violence against other communities was ever acceptable, particularly to protect their families and communities when their interests were threatened. Principal Component Analysis (PCA) was used to derive groupings of related variables across each type of social relationship. This resulted in the creation of a latent variable, or factor, representing an overall measure of households’ levels of bonding, bridging and attitudes towards violence. We also analysed salient individual measures of these outcomes.

### Psychosocial Well-being

Psychosocial well-being can take numerous forms. For this study, we measured participants’ perceptions of their households’ physical and economic insecurity as one dimension of their psychosocial status. We employed the Human Insecurity Scale (HIS), a standardised measure that has been validated conflict-affected contexts in the region.<sup>100</sup> The HIS includes questions designed to assess the extent to which respondents felt both fear for their physical safety (fear for themselves or their families in daily life, fear for their personal safety or the safety of their families) and well as their level of economic insecurity (ability to provide daily necessities for their families, fear of losing their home/displacement, fear of losing an income source, fear for the future).

A summary of variables used to measure the major outcomes described above is provided in **Annex 1**. Our primary research framework is illustrated in **Figure 2**.



**Figure 2:** Research Framework

## Methodology

We employed a randomised impact evaluation to test the effects of CCI’s cash transfers and financial health education. Our study included both quantitative and qualitative methods and was conducted using a waitlist control group design. In total, we randomly selected 827 households for participation in the study from amongst those we surveyed and determined were the most vulnerable economically. These households had consented to participate in the randomised control trial. Household monthly per capita consumption was used to determine vulnerability, with household expenditure serving as a proxy for consumption.<sup>xiv</sup> To ensure accuracy in program targeting, surveyed households were verified through follow-up visits to ensure that the information entered was correct. Households that failed the verification process were manually removed prior to randomisation.

Households from across 20 clusters were then randomly chosen to participate in the study, with clusters defined as geographic areas in which the surrounding community was reliant on a common market. Households selected for participation in the study were then randomly assigned to one of seven predetermined treatment groups, across the

<sup>xiv</sup> Specifically, eligible households are those whose consumption is not predicted to exceed 70,000 IQD (59 USD) per person per month.

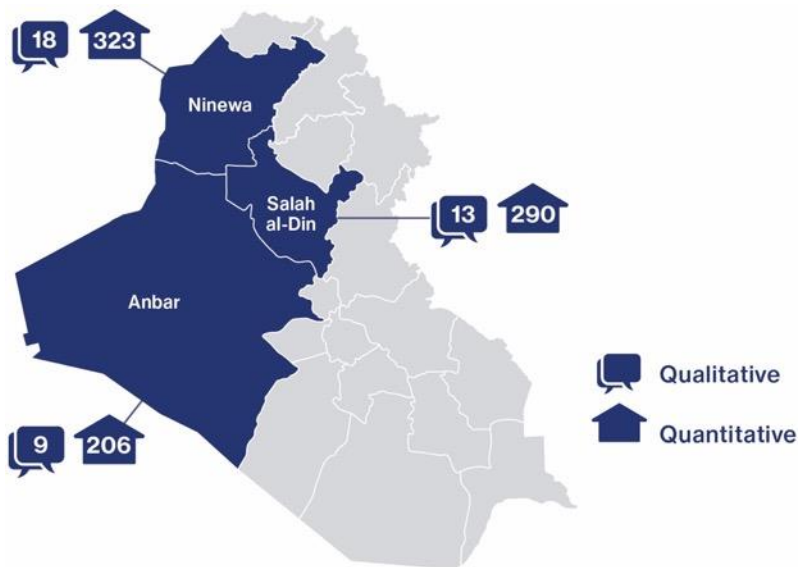
three types of cash transfer schedules and with/without financial health education, or the control group, as illustrated in **Figure 3: Treatment groups**.



**Figure 3: Treatment groups and variations**

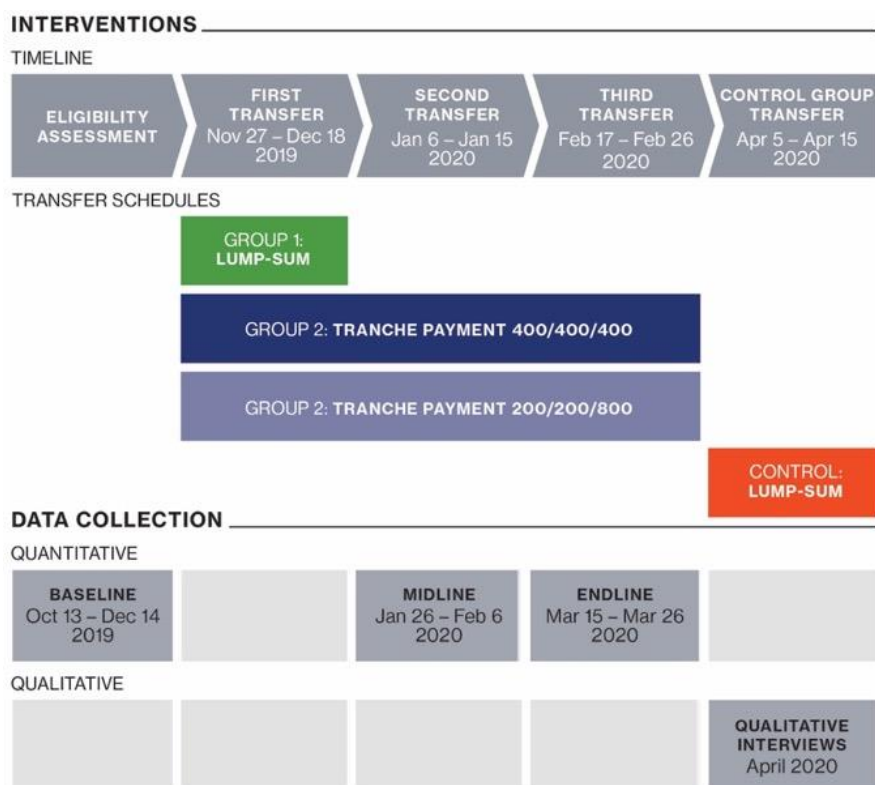
We conducted surveys with a panel of respondents at four stages: baseline, midline, endline and post-program. Since the CCI interventions were targeted at households as a unit (rather than any specific group of individuals in them), surveys were administered to the self-reported head of household. Twenty-three percent of the total sample were female-headed households. From our initial participant pool of 827 households, we were able to collect data from 819 households for this study. **Figure 4** illustrates the total study sample across the three governorates.

At baseline, prior to distributing the first round of transfers, data for all households was collected in person at respondents’ homes. Subsequent rounds of data collection were conducted following both the second and the third cash distribution. For the purposes of this report, data collected following the second transfer is referred to as ‘midline’ data and data collected following the third and final transfer is referred to as ‘endline’ data. At midline, the deteriorating security situation in certain areas of Iraq prevented field teams from reaching households in five of the 20 clusters. As a result, data for households in these areas was collected via phone, but data for all other households was collected in person at respondents’ homes. By endline, COVID-19 had arrived in Iraq, preventing in-person data collection entirely. As a result, endline and post-program data was collected in phone interviews for all respondents. (See *Limitations* section for details.) After the collection of endline data, the former control group received a lump-sum transfer of 1200 USD.<sup>xv</sup> A fourth round of post-program data was collected following the distribution of the control group transfer. **Figure 5** below illustrates the timeline for cash transfers and data collection.



**Figure 4: Study sample**

<sup>xv</sup> The control group were equally eligible for assistance but did not receive cash before or during the study. After endline data collection was complete, the control group households received a lump-sum payment. They were informed that they would receive the payment at the start of the study.



**Figure 5:** Timeline for cash transfers and data collection

**Table 1** below lists the sample sizes for each survey round. Descriptive statistics for the sample can be found in **Annex 2**.

**Table 1.** Sample size by survey round

Treatment Group	Sample Size		
	Baseline	Midline	Endline
<b>Full Treatment</b>	<b>709</b>	<b>720</b>	<b>720</b>
<b>Aggregated Group 1: Lump-sum 1200 USD</b>	235	230	230
Group 1: Lump-sum + FHE	118	117	117
Group 1: Lump-sum without FHE	117	113	113
<b>Aggregated Group 2: 400/400/400 USD</b>	240	258	258
Group 2: 400/400/400 + FHE	117	117	117
Group 2: 400/400/400 without FHE	123	141	141
<b>Aggregated Group 3: 200/200/800 USD</b>	234	232	232
Group 3: 200/200/800 + FHE	117	117	117
Group 3: 200/200/800 without FHE	117	115	115
<b>Control</b>	118	99	99
<b>TOTAL</b>	<b>827</b>	<b>819</b>	<b>819</b>

We collected qualitative data to explore and deepen our understanding of the survey results following the final two rounds of quantitative data collection and analysis. Qualitative interviews were semi-structured, one-on-one discussions with study participants. Interviews were designed to investigate primary and secondary outcomes as well as to determine possible reasons for the effects found from the treatments tested. The qualitative samples were stratified by the main treatment arms (cash transfer schedule, participation in financial health education). Within these, interview respondents were intentionally selected to provide variation in socio-economic and demographic profiles, and in participants' reported use of cash transfers, food consumption scores and social outcomes. Following respondents' consent to participate, a total of 40 qualitative interviews were conducted (see **Table 2** below for details). Interview notes were anonymised, translated into English, and inductively coded using Dedoose. Qualitative narratives included in this report preserve participant's voice; some quotes have been edited for clarity.

**Table 2.** Qualitative sample by treatment type

	G1: Lump-sum 1200	G2: 400-400-400	G3: 200-200-800
Male	10	5	11
Female	4	4	6

	FHE provided	FHE not provided
Male	19	7
Female	6	8

## Estimation

Our analysis examined a total of 11 possible treatment groupings, summarised in **Figure 6**. Full treatment refers to all participants not assigned to the control group, regardless of cash transfer schedule or whether or not the participants received financial health education. Aggregated treatment groups include all participants in each of the three treatment groups who received the specific cash transfer schedule in question, without regard to whether or not they also received financial health education. The most granular analysis separated participants by both the cash transfer schedule they received as well as by whether or not they were assigned to receive the financial health education. Additionally, a final treatment group was created to isolate the marginal effects of financial health education. Since our study did not include a treatment group that only received financial health education (but no cash), this group included those participants who were assigned to receive cash plus the financial health education, regardless of which cash transfer group they were assigned to, compared to groups that only received cash.

We utilised intention-to-treat analysis to estimate program effects on the main outcomes of interest during each follow up survey round. The primary model on which our results are based is:

$$y_i = \beta_0 + \beta_1 T_i + y_0 + \theta_j + e_i$$

$$y_{ii} = \beta_0 + \beta_1 T_i + y_0 + \theta_j + e_i$$

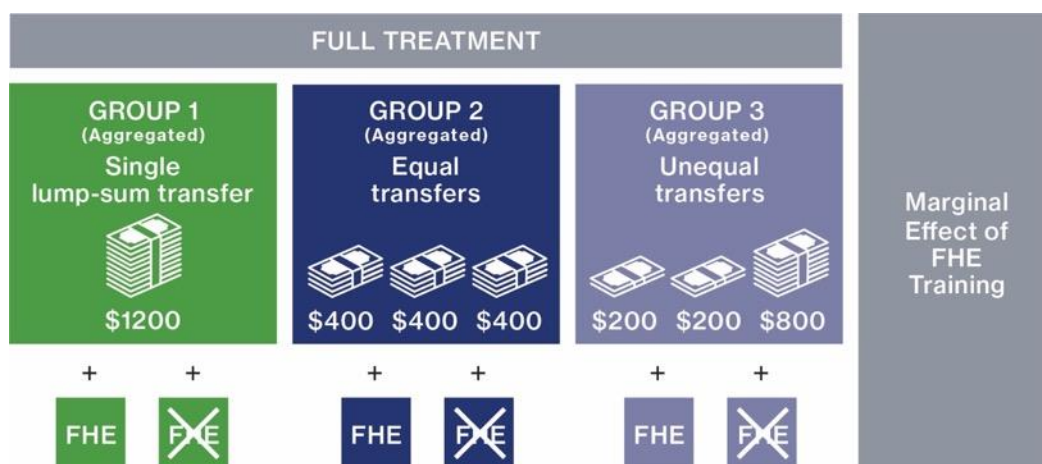
This model<sup>xvi</sup> includes additional control variables to account for variation that may exist despite the fact that treatment groups are randomised. Balance tests run after the initial randomisation into treatment groups

<sup>xvi</sup> Where:

$y_{ii}$  = Outcome of interest (Endline)

$y_i$  = Outcome of interest (Midline)

found imbalance on the following variables: household size, gender of household head, baseline CSI score, and baseline total asset value. These were therefore included as controls. (See **Annex 3** for balance test results.) ANCOVA was used for continuous variables, food security outcomes and expenditures. Ordered logistic regression was used to identify the relationship between receiving treatment and ordinal response variables. These included our measures of social connection, cohesion, and human insecurity.<sup>xvii</sup> Each of the models was run across the full set of treatment modalities at each round of follow-up surveys. In the majority of cases, the control group acted as the comparison group. One exception was made in an effort to isolate the impact of financial health education above and beyond the impact of receiving cash. As no group received only the training and no cash transfer, it was necessary to compare those households that received both a cash transfer and the training to those households who only received a cash transfer.<sup>xviii</sup> (See *Limitations section below for details.*)



**Figure 6:** Treatment variables

## Limitations

Implementing a randomised control trial in a conflict-affected environment such as Iraq presented unique challenges. Additionally, immediately prior to the end of the study, the novel coronavirus emerged as a global pandemic, and Iraq implemented restrictions on movement and the operation of businesses in an attempt to prevent the spread of the virus. These challenges, as well as the solutions adopted by the research team, are summarised below.

## Insecurity and access

Initial randomisation and distribution took place in phases for a variety of reasons, including varying capacity for baseline data collection between partner organisations. Two originally selected clusters in Salah al-Din were dropped due to localised access issues, which prevented the teams from distributing cash in the region. These clusters were replaced, potentially introducing differences into the initial randomisation. During midline distributions, the security situation in certain areas of Iraq deteriorated, impacting both the distribution of cash and the facilitation of midline interviews in these regions. Due to security concerns, field teams were unable to cross security checkpoints to reach

$y_0$  = Outcome of interest (Baseline)

$T_i$  = Treatment Indicator

$F_i$  = PCA generated factor

$j$  = Additional control variables

$e_i$  = Residual

<sup>xvii</sup> For the ologit regression results,  $y$  = the exact but unobserved dependent variable

<sup>xviii</sup> This is due to the fact that it was determined to be unethical to include a group which was only provided the financial health education and not the cash transfer for which they were eligible.



households in multiple clusters. To address travel restrictions, beneficiary households were asked to meet in a third location outside of these checkpoints to receive cash distributions. The majority of these households received compensation for their transportation costs of approximately 10 USD. Both factors may have introduced bias into the estimates of treatment effects.

### **Changes to data collection modalities**

As a result of escalating concerns related to the spread of the novel coronavirus and accompanying restrictions on movement in Iraq, teams opted to collect endline data over the phone. Although not drastically different from in-person data collection, conducting surveys over the phone does create the potential for differences in responses. For example, teams found that when data was collected in person, the respondent was more likely to be a woman as she was the most likely to be home during the day. Men, on the other hand, were more likely to carry the family's mobile phone. Therefore, when data were collected remotely, there was an increased likelihood that teams would be speaking to the male heads of household instead (approximately three quarters of respondents were male). Culturally, men have less knowledge and understanding of household management, including food consumption. They also may have significantly different perceptions of their household's social connections and insecurity.

### **Contamination**

Eighteen households assigned to the control group were mistakenly given two transfers of 400 USD each. As a result of their similarity to Treatment Group 2 households, these households were converted to Group 2 for the purposes of the midline analysis. Balance tables were again created across key outcome variables after making the change, with balance not shown to be substantially different from baseline. This resulted in a slightly smaller control group, which may have reduced our ability to detect smaller effects through the study.

### **Attrition**

Attrition from the cash transfer program was quite low, with only eight households not appearing for midline cash distributions or the midline and endline surveys. Considering the security concerns summarised above, low attrition rates suggest that data collection efforts were successful despite the potential for and expectation of high attrition. Attrition was a slightly larger problem for the financial health education, particularly for participants in Group 1 (Lump-sum) as these households were not receiving additional cash transfers and were therefore less incentivised to return for the subsequent training sessions. Among those in Group 1 assigned to receive the financial health education, only 85 of the initially assigned 117 participants received all three training sessions (a 27.4 percent attrition rate).

### **Inability to isolate the effect of financial health education**

The study sought to identify the additional impact attributable to including financial health education alongside each cash transfer schedule. However, there were no 'control' households receiving only the training and no cash transfer.<sup>xix</sup> Therefore, we examined the marginal impact of financial health education when combined with cash transfers. This was based on the difference observed in the outcome variable between those groups who received the training and their counterparts in the same cash transfer group who did not.

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<sup>xix</sup> We determined that providing financial health education alone would have had limited impact on the target population comprised of the poorest, most vulnerable households.



Iraq – Ezra Millstein, Mercy Corps

## Key Findings

We summarise below the key findings on the impacts of cash transfers overall, how these differed across three cash transfer schedule variations and the additional effects of receiving an accompanying financial health education. Results are largely drawn from endline data, with supporting midline results brought in to illustrate trends of impacts over time. Tables with the full results for all outcomes analysed can be found in **Annex 4**.

### Meeting Basic Needs

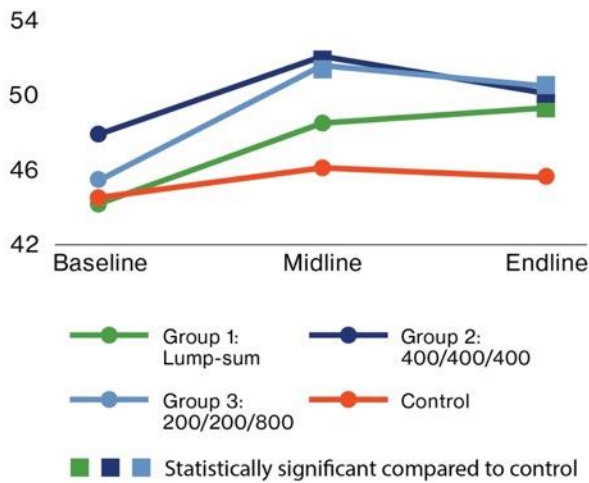
**Cash transfers made households more food secure and enabled them to invest more in meeting critical needs including shelter, education and health.**

#### *Summary*

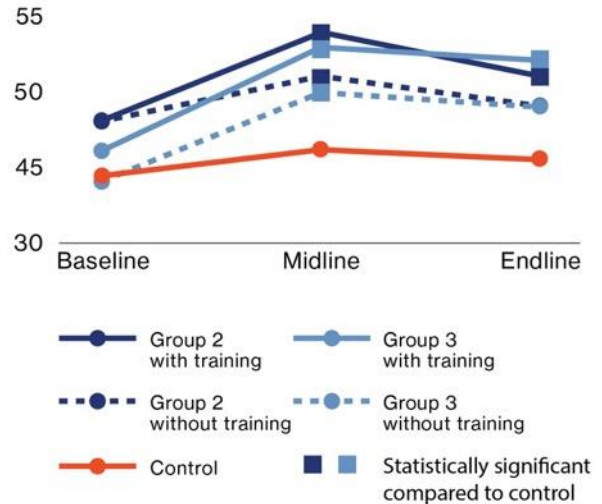
Our findings show that cash transfers enabled households to better fulfil their critical food consumption needs, including better dietary diversity and less reliance on distressful coping strategies. While food consumption scores declined for all groups between midline and endline, cash transfers appear to mitigate the effects of this decrease for the treatment groups compared to their control counterparts. These results are in line with a basic aim of the CCI: to stabilise vulnerable households' food security and consumption. The cash transfers — in particular, larger lump-sums — also allowed households to spend more on developing their family's human capital, including to meet needs that required larger, one-time expenditures such as medical expenses, school fees or investment in shelter rehabilitation. Multiple tranche payments had greater effects on improving and smoothing immediate food security outcomes. Further, the effects of the tranche cash payment on food security were even greater when accompanied by the financial health education.

## Food Security and Coping Strategies

Our findings point to positive impacts of the cash transfers on stabilising and improving food consumption and alleviating the use of distressful coping strategies. At midline and endline, treatment households showed a significant improvement (by approximately 5 points) in Food Consumption Scores (FCS) at midline and endline compared to control group households, whose FCS remained essentially unchanged. The positive effects on this measure of food diversity and calorific availability were evident for all the cash treatment groups.<sup>xx</sup> The impacts were slightly larger for the groups receiving multiple tranche payments (Groups 2 and 3), and even larger for the subset of those who received the accompanying financial health education. **Figures 7a** and **7b** below summarises our findings.



**Figure 7a:** Average Food Consumption Score (FCS) by treatment group



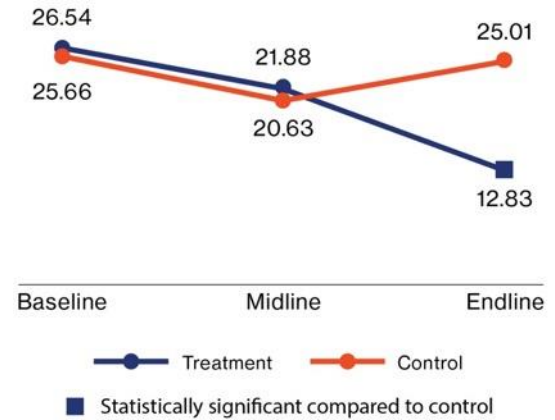
**Figure 7b:** Average Food Consumption Score (FCS) with and without FHE



Iraq – Alice Martins, Mercy Corps

<sup>xx</sup> Multiple studies have demonstrated that the FCS correlates closely with Household Dietary Diversity Score (HDDS). Coates et al., 2007; Weismann et al., 2009.

Overall, Food Consumption Scores for all respondent groups were at or above the range considered ‘adequate’ according to the United Nations World Food Programme (WFP) guidelines. We employed the Coping Strategies Index as a more sensitive measure of food insecurity for the Iraqi context, which is characterised by multiple shocks that affect households’ consumption. By endline, treatment households as a whole showed significant improvements in Coping Strategies Index scores, with a decrease of 12-points compared to no change among the control group. By endline, the average CSI score amongst those in any treatment group had dropped to just 12.8 (from a baseline average of 26.6, indicating use of a high number of negative coping strategies), placing them out of the highly vulnerable category altogether.<sup>xxi</sup> Coping Strategies Index scores are shown in **Figure 8**.



**Figure 8:** Average Coping Strategies Index Scores for Treatment and Control

All cash transfer modalities were associated with a statistically significant decrease (improvement) in CSI score. Participation in Group 2 (equal tranche payments) was associated with the largest change, and Group 1 (lump-sum) saw the smallest reduction in CSI scores at endline. For those in Groups 1 and 3, the reduction in CSI score was slightly larger for those participants who also received the accompanying financial health education.

The timing of the effects on the Coping Strategies Index differed when examining the cash transfer schedule variations. At midline, receiving treatment of any kind had not significantly impacted households’ use of distressful coping strategies. However, at midline, Group 3 (unequal transfers) saw an *increase* in CSI scores, indicating that households were using more distressful coping strategies than their counterparts in the control group. This negative effect had reversed and became positive by endline (also mirrored in the survival and basic needs expenditures for Group 3, shown below). This suggests that receiving smaller cash transfers upfront may alter participants’ behaviour to compress spending and consumption in the immediate term.

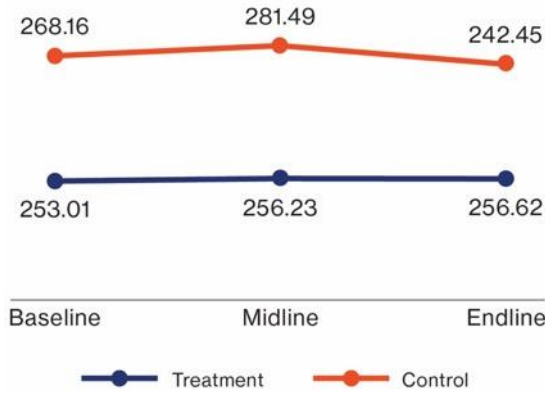
## Expenditures on Survival and Basic Needs

Our analysis distinguished between ‘minimum survival needs’, including spending on items such as rent, food and water, and expenditures on ‘other basic needs’, including on shelter, health, education, and necessities that households typically prioritise once their immediate survival needs are met. Receipt of cash transfers overall was not shown to impact expenditures on minimum survival needs.<sup>xxii</sup> The only treatment group that experienced significant changes in this expenditure category was Group 3 (unequal transfers). At midline, Group 3 spent 45 USD less on survival minimum needs compared to their control counterparts (reflected in the increased use of distressful coping strategies for the same time period), but by endline, those in Group 3 spent an average of 47 USD more overall on minimum survival needs than those in the control group.

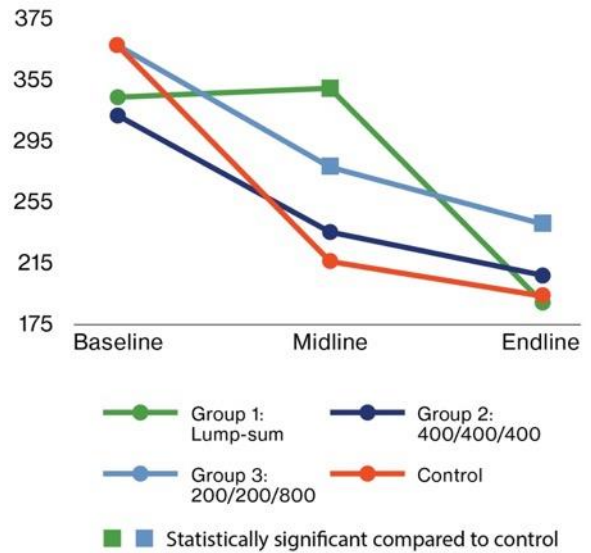
Treatment households did see increases in the expenditure category comprised of other basic needs. At midline, treatment households reported spending, on average, 67 USD more on this category of expenditures compared to their control group counterparts. However, this difference was no longer observed at the endline, with the exception of Group 3 (unequal transfers). Perhaps unsurprisingly, Group 1 (lump-sum) saw the largest impacts on expenditures on non-survival needs: 119 USD more than their control group counterparts at midline, and 123 USD more when accompanied by the financial health education. **Figures 9a** and **9b** below illustrates spending on minimum survival and other basic needs.

<sup>xxi</sup> The reduced CSI we employed designates scores above 19 as ‘high’.

<sup>xxii</sup> This apparent contrast with the findings on food security may be explained by shifts between expenditures within the immediate survival needs category.



**Figure 9a:** Average expenditures on minimum survival needs (USD) between treatment and control



**Figure 9b:** Average expenditure on “other basic needs” (USD) by treatment group

The results on expenditures suggest that, in the short term, cash assistance enables households to make one-off investments in human capital that would not otherwise be possible without the presence of a cash transfer. This was supported by qualitative narratives, which suggested that households utilised cash to pay for improvements to their housing, urgent medical expenses, or the purchase of household assets (more on those results below).

## Household Expenditure and Assets

**Cash transfers improved households’ economic recovery prospects by boosting or stabilising their ownership of productive assets in the face of multiple shocks.**

### Summary

It is not surprising that CCI participants used the cash for food, shelter, medical and other expenses. More unexpected, and encouraging, are our results showing how cash transfers affected important sources of economic recovery — primarily by preventing households from distressful asset shedding that would hinder their escape from poverty and vulnerability. Over the course of the study, the economic conditions of the overall sample deteriorated, including reduced asset values, and reported total expenditures. However, Iraqis who received cash were better able to retain or acquire new assets such as mobile phones, livestock, and cars. Such assets are important for households in fragile contexts, both for their potential productive value to contribute to livelihoods and income, as well as for storing capital to be able to cope with future shocks. For example, cars can be used to offer taxi rides, creating an additional source of income for the family. Investing in livestock not only provides food for a household but also enables them to earn money through the sale of products such as eggs, milk and cheese.

## Productive Asset Expenditures and Ownership

Our results showed consistent positive effects on ownership of household assets, including many that have potential to generate household income. All groups experienced a decline in the average value of assets during the course of the research, indicating asset shedding — a common coping response in recurrent and protracted crises. Households who received a cash transfer, however, had a total asset value of 430 USD higher than the control group at midline and 363 USD at endline. Treated households reported owning more mobile phones, television sets, microwaves, stove cookers, and livestock at midline and/or endline compared to the control. These results suggest that the cash transfers enabled households to either invest in new assets or hold on to ones they already owned, which can provide both productive and protective benefits.

We found that receiving treatment overall, regardless of cash transfer schedule or inclusion of financial health education, was associated with higher self-reported expenditures on productive assets at midline. This was largely driven by the results from Group 3 (unequal transfers). It is possible that receiving smaller payments with the expectation of a large transfer in the future affected households' intertemporal decision making, resulting in greater investments in productive assets.<sup>101</sup> Qualitative narratives support this, with one man reporting that he used the first transfer to repay debt and bought livestock with his second instalment, which helped with production of milk for household-use and for sale in the market.

*“I used to plan before receiving the cash [by making] a list of the spare materials that I needed in my work before receiving the second payment [...] when I received [the cash] I directly purchased the materials.”*

Male cash transfer and FHE participant.

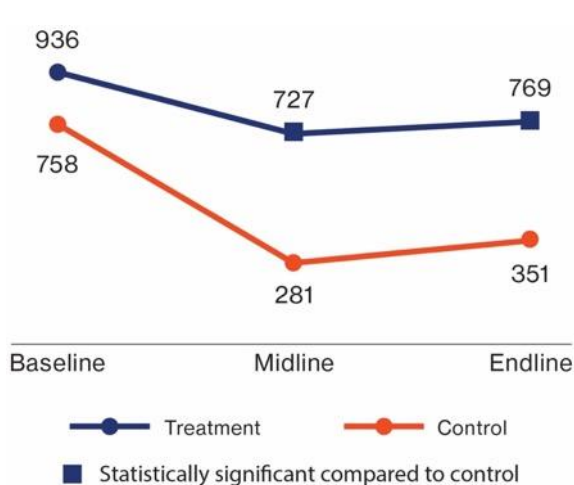
However, the effects of the treatment overall on productive asset expenditures are small, (3 USD more on average than the control group), and no longer significant by endline. Very few households (only 10 percent) reported any expenditure on productive assets across any of the survey rounds. This may be explained by the deteriorating economic and security conditions over the course of the research. It is possible that some expenditures were misclassified or not reported as productive expenditures, which would under-represent the impact of receiving cash on productive expenditures.<sup>xxiii</sup>

None of the specific cash transfer schedule variations on their own had significant, lasting impacts on expenditures on, or ownership of productive assets. It does appear that the financial health education positively impacted these outcomes at midline, for Groups 1 (lump-sum) and 2 (tranche payments), for which the financial health education was associated with higher reported total asset values of 216 USD and 408 USD, respectively.

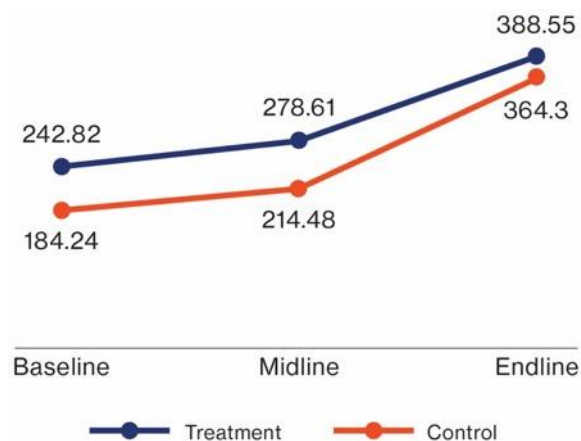
None of the cash transfer schedules were found to have had a statistically significant impact on total household income at either midline or endline. Participation in financial health education was also not shown to alter income levels in any discernible way. This indicates that the investments in productive assets resulting from the cash transfer and financial health education did not translate into additional household income during the period of the study.

**Figure 10a** and **10b** below outline participants' total asset ownership (household *and* productive assets) and reported income during the study period.

<sup>xxiii</sup> For instance, expenses to repair a motorbike or taxi — which have dual purposes — or rehabilitation of one part of the house that was later used to start a small business from home may not have been reported in the 'productive' asset category.



**Figure 10a:** Average value of all assets owned (USD)



**Figure 10b:** Average total income (USD)

Qualitative interviews strongly supported that, for many households, assets such as cars or small ruminants were used to meet household needs as well as to generate income. Male respondents noted that they had either purchased a car to restart their taxi driving service, paid for car maintenance, or repaid previous loans used to purchase a car. Respondents reported purchasing livestock, in particular sheep and chickens, as an additional food and income source for the household. Cash participants also reported investing in small livelihood activities, such as purchasing tools to start or expand a barber shop or to rent a shop in a prime location within the market. Others reported rehabilitating a portion of their home to sell electrical tools, purchasing car maintenance equipment for sale in their repair shop, or using part of the cash to build a barn for cows. These narratives may partly help explain why those in the treatment group were better able to sustain higher levels of regular employment (more on that below).

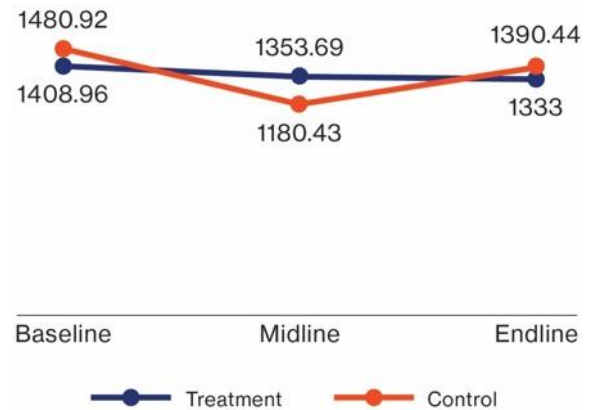


Iraq – Ezra Millstein, Mercy Corps

Respondents stressed both economic and non-material motivations for purchasing household assets. For instance, televisions were a source of entertainment for children as well as for respondents to access news and information. Refrigerators helped respondents prevent food waste and/or simply reduced their embarrassment in going to their neighbour’s home late at night to ask for bread or other food that they had preserved in the neighbour’s fridge, alleviating social stigma. Some respondents also noted purchasing washing machines to reduce the amount of time women spent hand washing clothes or mobile phones to keep in touch with family members to stay apprised of their safety and well-being.

## Debt Levels

Use of borrowing and debt is common among vulnerable Iraqis as a way of smoothing consumption during shocks, and to meet expenses and acquire assets that require significant capital outlays. We measured the cumulative amount of debt a household had incurred at the times they were surveyed. Overall, we did not find any significant impact of receiving cash transfers on total debt levels. Our results do show that the financial health education, when accompanied by a cash transfer, was associated with a decrease in reported total debt levels by an average of 273 USD at midline compared to the control group. By endline, this difference was no longer significant. The cyclical nature of debt in Iraq is likely the reason that treatment was not found to have a quantitative impact on total debt levels. Although it seems that households did allocate a portion of their cash transfers to repaying existing debts, this effect was mitigated by the fact that they also appear to have taken out new loans, leaving their total debt burden essentially unchanged. **Figure 11** provides a snapshot of households' debt loads during our study.



**Figure 11:** Changes in debt levels (USD) between Treatment and Control

Multiple participants noted that repaying accumulated debt was one of their top priorities upon receiving their cash transfers. Cash transfer recipients made strategic choices in if and how they met their households' basic needs to prioritise debt repayment. Some respondents reported cutting down on 'unnecessary' expenses by reducing their food expenses and/or eating less preferred foods to repay their debt. In other cases, participants noted that they did not buy household assets such as televisions, refrigerators, or stove cookers with their cash transfers in order to prioritise debt repayment. Repaying creditors (including family members) with the cash received, appeared to be a strategic action for various reasons, the most significant of which centred on building trust and confidence ('periodically repaying the debt means [...] I gained the confidence of the vendor').<sup>xxiv</sup> This trust-building appeared to be particularly important since cash participants noted that they continue to rely on these relationships to support them (with cash or food loans) in times of need.

Qualitative narratives supported the idea that the financial health education enabled households to manage debt more efficiently. Cash participants cited advice they received on dividing their household income into parts to better manage expenses, including setting aside a portion for debt repayment. One female cash participant narrated a concrete example of how she was applying the debt management technique she learned to her life.

***"I divided the transfer into several parts according to priorities, necessary expenses ... to manage debt repayment. I owe two shop owners and one of the family members and through what I learned I was able to divide for each person a part of money and pay the instalment due [to them]".***

Female cash transfer and FHE participant

In turn, the practical application of training strategies helped cash participants 'reduce higher reliance on debt and reprioritise from just meeting basic needs to divide the grant to several things ... to invest in raising livestock.'<sup>xxv</sup>

<sup>xxiv</sup> Group 3 Male with FHE\_mc-0e986

<sup>xxv</sup> Group 2 Female with FHE\_mc-7c3f4



# Labour Force Participation

**Cash transfers protected households' ability to retain regular, permanent employment and, when combined with financial health education, increased total household employment levels.**

## Summary

Cash transfers did not pull household members of recipient groups out of the labour market. On the contrary, our research finds that cash transfers had a positive 'buffering' impact on the level of permanent or regular employment among treated households compared to the control group. These gains were in the face of a downward trend in employment for the overall sample. Our findings do not indicate that more household members found regular work, rather that treated households were better able to maintain levels of regular employment relative to their control group counterparts. For some households, participating in financial health education, when accompanied by a cash transfer, was associated with a slight increase in the number of household members working at endline, suggesting that the training may have encouraged participants who were not previously employed to seek temporary employment.

## Household Employment

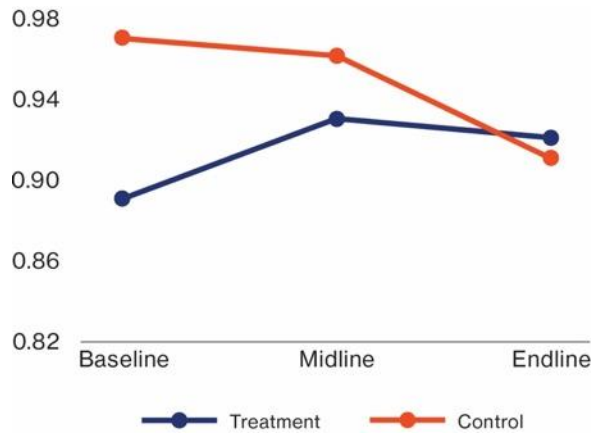
Treatment overall supported a modest retention of regular, permanent employment — defined as working 20 or more days per month, in either formal or self-employment. Within the treatment group, this effect amounted to one additional individual in regular or permanent employment for every seven households offered treatment in comparison to the control group. Although the average number of household members employed regularly declined across the entire sample, this reduction was significantly higher for households in the control group. In the short to medium term, the receipt of a cash transfer, regardless of the transfer schedule, enabled households to retain regular, permanent work more effectively than they otherwise would have. In this sense, the impact of cash transfers on the supply of labour mirrors the effect observed on productive and household asset accumulation: Transfers of the duration and magnitude provided by CCI appeared better suited to preventing backsliding as opposed to an expansion of employment.



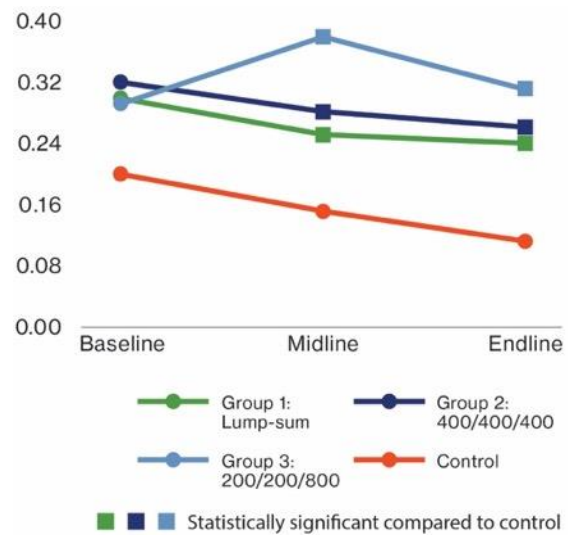
Iraq – Nigel Downes, Mercy Corps

Effects on levels of regular employment were significant across all three cash treatment schedules. Group 3 (unequal transfers) was associated with the largest difference in the number of household members reporting permanent work. This effect was especially pronounced for those in Group 3 who received an accompanying financial health education. Group 1 (lump-sum), on the other hand, was associated with the smallest difference in the number of household members reported to be regularly employed. These findings are shown in **Figures 12a and 12b.**<sup>xxvi</sup>

<sup>xxvi</sup> Our models controlled for the disparities in baseline employment levels between the treatment and control group.



**Figure 12a:** Average total household members working (all job types)



**Figure 12b:** Average number of households working in regular jobs

The impact of different treatments on temporary employment levels was less pronounced. At midline, Group 1 (lump-sum) exhibited a small reduction in the average number of household members employed in temporary and overall employment as compared with the control group. This reduction was itself temporary, becoming insignificant by endline. At endline, participation in Group 3 (unequal transfer) was associated with a reduction in temporary employment levels when compared with control group counterparts. However, there was no corresponding decline in total employment levels for Group 3, suggesting that these households were not leaving the labour force entirely as a result of receiving their final 800 USD transfer. One explanation for this is that after receiving the larger final transfer, households were better able to transition from temporary employment into regular, permanent work.

The addition of financial health education appeared to boost some employment outcomes by the endline. The training was associated with one additional person employed for every 10 households that participated in the training, beyond the impact of the accompanying cash transfer. While these numbers may seem relatively small, they are practically significant given the low baseline levels of employment among the target population for the CCI interventions. These results suggest that receiving the financial health education, in addition to cash, may have enabled some participants who were not previously employed to seek temporary employment.

Our qualitative findings offer important, if limited, insights into how the cash transfers may have improved recipients' capacity to secure or maintain productive work. The cash may have acted as the economic 'cushion' people needed to forego temporary work (possibly lower paying or less safe) and shift their time to regular, more desirable employment. Given the high number of self-employed members in our sample, the cash may have allowed them to invest more time in their small businesses. An additional explanation we heard from some respondents is that the cash transfers relieved practical constraints to regular work, such as easing travel to and from their job site. For example, driving in their own cars which also served as part-time taxis — made possible by the additional cash provided — instead of relying on public transport, which is slower, less reliable, and therefore comes with a higher opportunity cost.

# Social Relationships

Cash transfers did not have significant impacts on overall measures of bonding or bridging social relationships.

## Summary

Cash transfers were not found to substantially impact (either positively or negatively) participants' overall connections within their immediate community (bonding), or with groups outside of their community (bridging), including respondents' support for violence against others. This suggests that, in the main, cash did not have a destabilising effect on social dynamics within and across target communities, which is often a concern in fragile, conflict-affected contexts like Iraq. We found mixed results on several elements of social relationships when we broke our aggregate measures down into specific questions. Receiving any type of cash transfer was associated with a decrease in recipients' trust of other people in their community. Yet it also led to increases in their confidence to rely on others in times of need, both within their community and from other communities, compared to the control group. Further, receiving financial health education, in connection with cash, improved participants' perceptions of intercommunity trust and cooperation, and was linked to a decrease in their support for violence against other communities.

## Bonding Social Relationships

Treatment was not found to have a statistically significant impact on participants' overall levels of bonding relationships within their immediate community. This was true across all cash transfer modalities, both with and without an accompanying financial health education. There were, however, several specific elements of bonding relationships impacted as a result of receiving treatment. Cash recipients were 21.5 percent less likely to report that they 'trust most people in the community' compared to their control group counterparts. The size of the effect appeared to correspond to the magnitude of the transfer where the larger the initial transfer, the greater the decrease in intra-community trust. Yet treatment was also associated with an increase in recipients' confidence that they could count on members of their community to help if they faced a problem. This effect was driven by the Group 1 (lump-sum) treatment, who were 8 percent more likely to report being confident in relying on others in their community compared to the control group.

Qualitative narratives help explain these mixed results. Respondents reported that cash positively reinforced economic dimensions of trust by improving recipients' abilities to repay debt or share cash with others in their social networks. Multiple cash participants highlighted that it gave them confidence to borrow again in times of need, as they were perceived to be more creditworthy. Voluntarily sharing cash with friends and neighbours in need, and with extended family members was an equally important strategy to strengthen reciprocal social relationships, especially among male cash recipients, which helps explain why cash participants' reported confidence in help-seeking from members of their community.

At the same time, receiving cash may have heightened participants' visibility in the community, and the associated social scrutiny that came with it; for example, asset purchases (being seen with a new motorbike) or, for women, more frequent movement outside the home to the marketplace to purchase household essentials. As a female cash recipient noted, she was able to continue relying on her social networks for support, but also noted that she had purchased a TV to "protect my children from going out of the house as I do not feel enough safety and trust in my community."<sup>xxvii</sup> Qualitative narratives from a limited number of female cash recipients also suggest that their newfound economic independence from engaging in livelihood activities led to jealousy and resentment with neighbours and/or a cessation of financial support from extended family. From these narratives, we inferred that being a cash recipient potentially exacerbated individuals' negative perceptions of interpersonal trust in the community.

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<sup>xxvii</sup> Group 3 Female\_no FHE mc-9b4d0

## Bridging Social Relationships

Similar to our findings on bonding social relationships, none of the treatments were shown to impact respondents' overall inter-community relationships. There were, however, specific dimensions of bridging relationships that were affected by receiving cash. Notably, cash transfers were associated with greater confidence in households' abilities to count on people outside of their community to help them if they had a problem. These effects were most pronounced among recipients in Group 1 (lump-sum) and Group 3 (unequal transfers) with an 8 percent increase in the likelihood of reporting such inter-communal confidence.

Additionally, receiving financial health education, in connection with cash, was associated with a higher (4 percent) likelihood that respondents reported perceived benefits from cooperating with members of other communities, such as on rebuilding housing, rebuilding livelihoods, getting enough food, psychosocial support during times of hardship, pooling money for shared costs and resolving community disputes. Similarly, on attitudes towards violence, we found that there was no impact from overall treatment on either of the measures designed to assess participants' support for violence. However, cash combined with financial health education was associated with a decrease in support for violence against other communities. Specifically, financial health education participants were 6 percent more likely to agree with the statement 'It is never justified to use violence against other communities, even when your interests are being threatened'.



Iraq – Alice Martins, Mercy Corps

The positive effects of financial health education on inter-community relationships may be because it offered opportunities to meet with participants from other communities, including displaced and returnee families, with whom cash participants had no prior interaction. The financial health education was intentionally structured to provide collaborative learning opportunities across participants from different communities towards common financial goals. As such, it is possible that the training enhanced positive contact and/or collaborative learning that may have improved participants' perceptions of others and the benefits of cooperation with them.

## Psychosocial Well-being

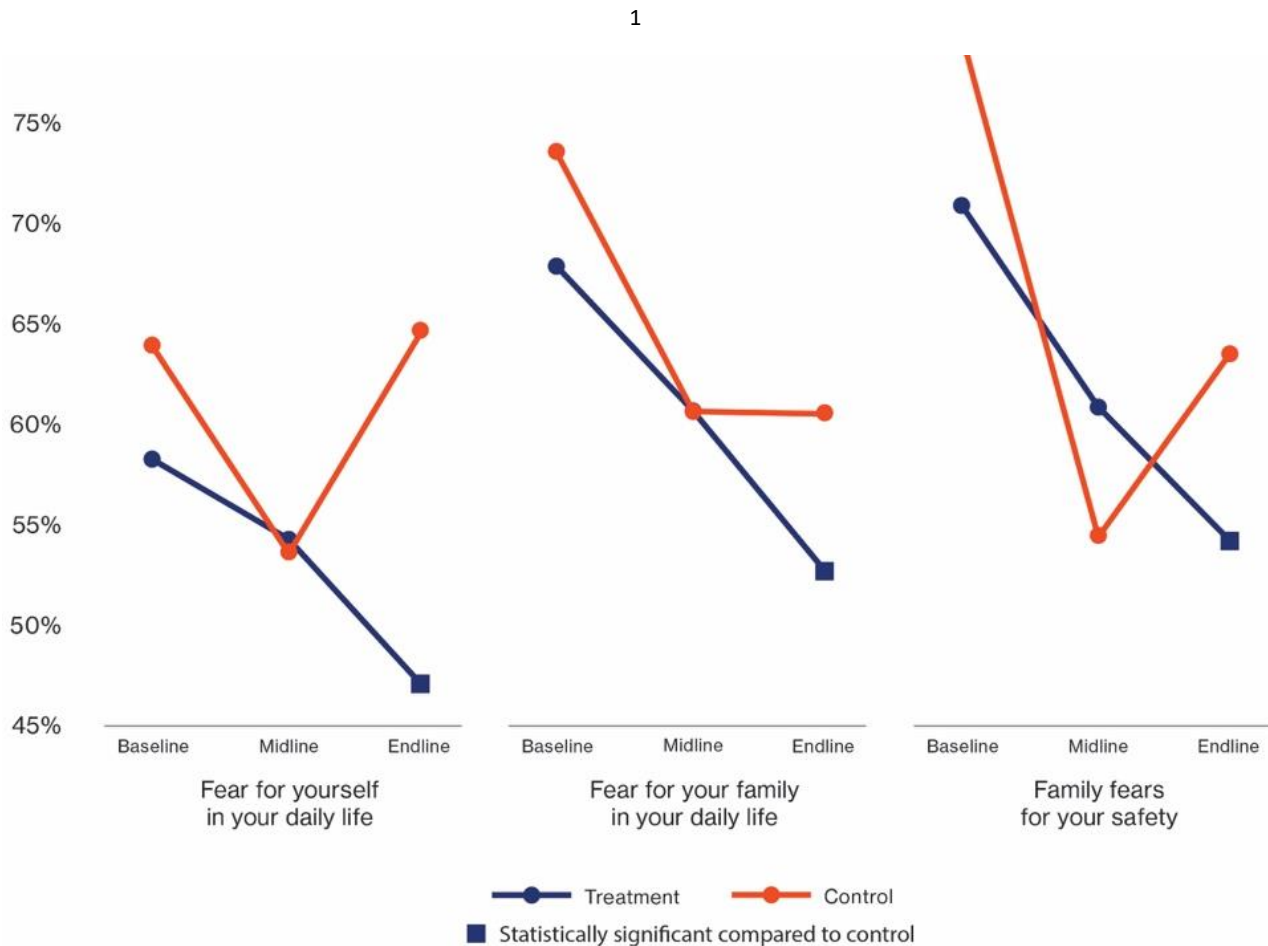
**Cash and financial health education reduced participants' perceptions of insecurity, including fear of economic and physical harm for themselves and their families.**

### *Summary*

Receiving any type of cash transfer was associated with positive improvements to psychosocial well-being. Participants were less likely to report feeling fear for their safety, the safety of their families or their economic futures. These effects were most pronounced among Group 2 (tranche payments) and Group 3 (unequal transfers). Financial health education was also found to reduce overall levels of insecurity above and beyond the impact of the accompanying cash transfers alone. In addition to being important impacts in their own right, the improvements in psychosocial well-being may have contributed to the economic impacts we found,<sup>102</sup> including to treatment groups' resilience to the multiple shocks experienced during the course of the study.<sup>103</sup>

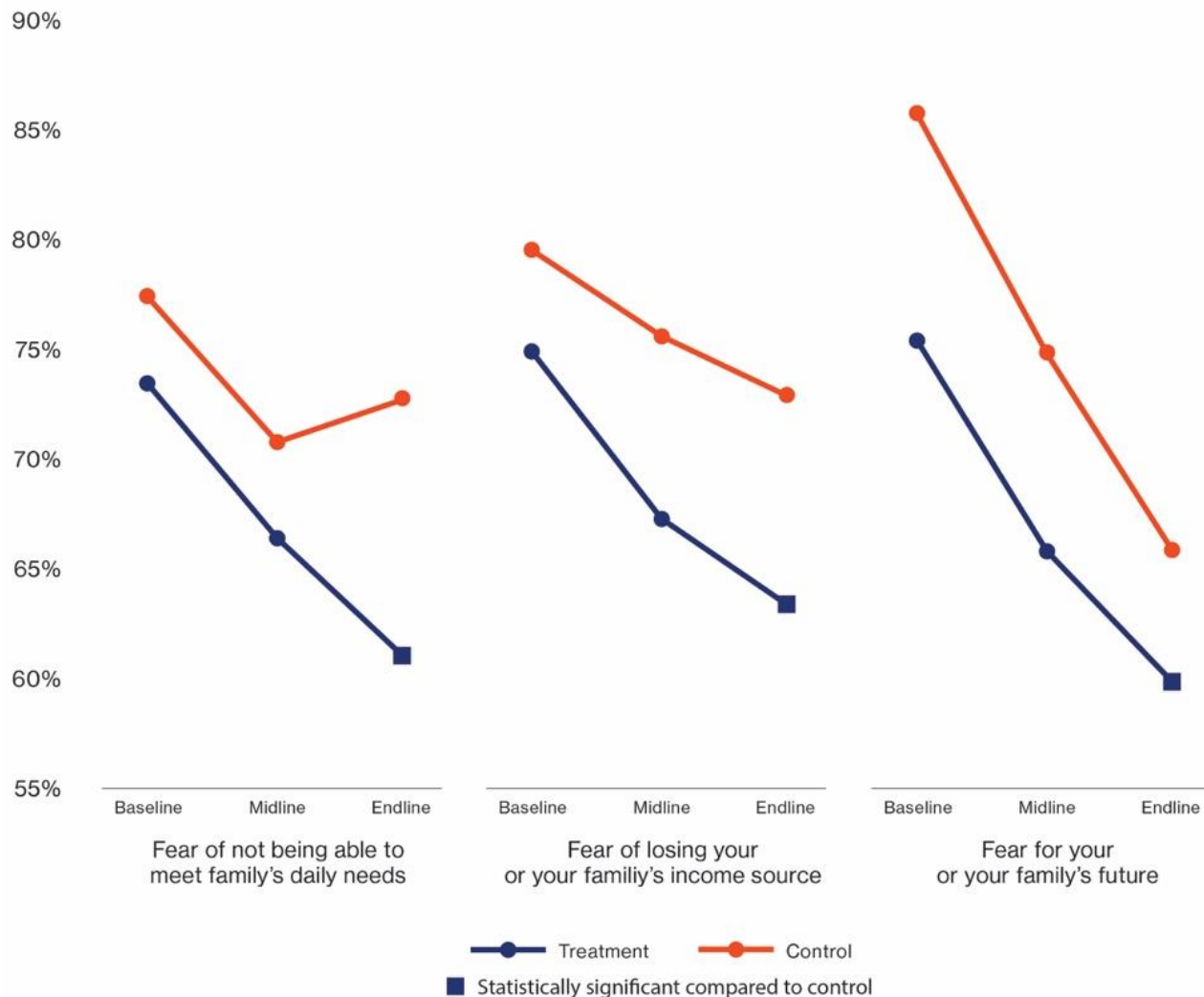
Overall, treatment appears to be associated with a reduction in participants' human insecurity scores, suggesting that those who received treatment perceived themselves to be more secure than their control-group counterparts. These impacts were observed across both material and physical forms of security. Specifically, treatment households were more likely than their control-group counterparts to report that they ‘never or infrequently’ worried about losing their sources of income or being unable to provide for their families in their daily lives. They were also less likely to report ‘always or frequently’ feeling fear for their safety or feeling as if their families worried for their safety. These impacts are particularly significant considering the high baseline human insecurity scores among the study sample, wherein 70 percent of respondents reported feeling frequently or always insecure across the full range of concerns (economic and physical for both the respondents and their family members).

When examining the impact of cash transfer schedules, we found households in Group 2 (equal transfers) and Group 3 (unequal transfers) experienced the greatest reductions in their overall levels of insecurity compared to the control group. This was specifically true for those who also received an accompanying financial health education, which was found to reduce overall levels of insecurity above and beyond the impact of the cash transfers alone. These findings are shown in **Figures 13a and 13b**.<sup>xxviii</sup>



**Figure 13a:** Percentage of respondents who reported “frequently” or “always” feeling these fears

<sup>xxviii</sup> Our models controlled for the disparities in baseline values between the treatment and control group.



**Figure 13b:** Percentage of respondents who reported "frequently" or "always" feeling these fears

For most participants, the cash transfers were a means to an end: to pay for food, shelter, rent, urgent medical expenses; invest in household assets; or repay debt. Our analysis of the qualitative data provided considerable insights into the underlying reasons why being able to meet such priority needs had important psychosocial well-being benefits for cash participants.

Using the cash for debt repayment helped relieve what participants consistently reported as their most onerous psychological burden. Further, respondents — particularly females — reported that, by reducing the levels of material deprivation that they had lived with, the cash increased their confidence to be able to independently provide for their families. Regarding improvements in perceived physical security, paying back rent reduced anxiety and stress over the fear of a potential eviction, and boosted ‘dignity’ in the eyes of their families and communities. Some cash recipients also noted being able to move out of joint family homes to their own homes, which provided better privacy, or shelter improvements — such as installing doors, windows or fencing to provide a better sense of protection.

Cash appears to have created both the financial and mental space<sup>104</sup> for participants to make future-focused decisions, which may be reflected in the positive impacts found on employment and household assets. By reducing stress and anxiety about how to meet basic needs, cash may have provided participants with ‘strength and ability to plan more’,<sup>xxix</sup>

<sup>xxix</sup> Group 3 Male\_with FHE\_mc\_62cdc

including ways to improve their livelihoods. One woman cash participant noted she was now in a ‘more stable and reassuring psychological state’<sup>xxx</sup> following receipt of the cash transfer, and this helped her make the right decisions about her family’s needs and well-being.

Having a plan to manage household expenses — one of the main techniques conveyed in the financial health education — also appears to have reduced participants’ fear and uncertainty of managing future economic shocks.<sup>xxxi</sup>

Women (and women-headed households) most frequently reported increased self-esteem and aspirations for the future. At the same time, some women also noted feeling nervous, since managing household expenses (especially as a head of household) was a new responsibility for them. Women reported ‘[feeling] anxious if conditions worsen’<sup>xxxii</sup> and a resulting inability to meet household needs. Together, these narratives suggest while cash and financial health education helped improve economic confidence and psychosocial well-being for women and men, for women improvements in psychosocial well-being may be short-lived in contexts like Iraq where economic shocks are recurrent.

*“Everything internal has changed for the better, now I became a new person [...] bolder, stronger and brave in facing the conditions of life, there is a big difference between the present and the past. Today I have an ambition to secure a broader source of income for the family.”*

Female cash and FHE participant



Iraq – Nigel Downes, Mercy Corps

<sup>xxx</sup> Group 1 Female\_with FHE\_mc-18ae5

<sup>xxxi</sup> Cash participants were already beginning to experience the economic impacts of the COVID-19-related lockdowns by the end of the study and reported using money that they had stored from their cash transfers or small income activities to meet emergency household needs.

<sup>xxxii</sup> Group 1 Female\_with FHE\_mc-18ae5



Iraq – Cassandra Nelson, Mercy Corps

## Discussion

Our findings on the impacts of cash transfers reinforce the large body of existing evidence on their effectiveness on a range of well-being outcomes. In particular, we found significant positive effects of the overall treatment on households' food security, expenditures on basic needs, ownership of productive assets, engagement in regular employment, and perceptions of their economic and physical security. What is most notable from our study is that these impacts occurred within a protracted crisis context beset by major economic, security and public health shocks. Over the course of the study, Iraq was hit by a sharp drop in oil prices, upticks in political violence and the onset of the COVID-19 pandemic. Households in our sample, on average, experienced a decline in their wealth (asset values and expenditures) and employment during this period.

In light of these trends, our findings indicate the ability of cash transfers to both buffer vulnerable households from the worst effects of such shocks and stresses, and to help hasten their economic recovery from them. As such, our research largely supports the CCI's theory that its interventions can increase resilience by enabling households to both meet basic consumption needs as well as to engage in activities that promote longer-term economic recovery.

### **Designing cash transfers to maximise short and longer-term outcomes**

A primary contribution of our study is a better understanding of how cash transfers can be designed in a way that maximises their impact on specific outcomes of interest within a protracted crisis. We sought to compare varying transfer schedules to determine whether one performed better in enabling households to meet basic needs, engage in activities that can promote economic recovery, and be resilient in the face of economic and other shocks. Ultimately, our results demonstrate that the schedule of cash transfers can have important effects on the timing and strength of key outcomes.



## Tranche payments versus lump-sum

Our analysis showed that tranche payments were more suited to quickly stabilising and smoothing food security outcomes. Assignment to either tranche payment schedule was associated with a consistent improvement in Food Consumption Score across both midline and endline, whereas lump-sum transfers were only associated with a significant improvement in food consumption at endline. The impact of tranche payments on food consumption was further magnified by the financial health education, suggesting that transfers and behavioural interventions that promote stability in consumption patterns may be most impactful on food security outcomes.

Lump-sum payments, on the other hand, appear better placed to improve expenditure levels, particularly those that require one-time investment such as school fees or shelter rehabilitation. Contrary to what we initially hypothesised, however, receiving a single lump-sum transfer was not associated with a statistically significant increase in expenditure on productive assets. It was also not associated with an increase in reported value of total assets owned at either iteration of the survey. This further reinforces the idea that when provided with a lump-sum transfer, households prioritise basic needs expenditures they may have previously put off in favour of meeting more immediate survival needs.

An additional value of providing a lump-sum transfer over multiple tranches relates to cost efficiency. Prior analyses conducted by the CCI demonstrated that one of the primary drivers of program costs was the post-distribution monitoring, which took place after every round of transfers.<sup>105</sup> It follows, then, that delivery of lump-sum transfers have a higher cost efficiency than tranche payments. Another added benefit is also that of speed. Where the objective of the intervention is to deliver the greatest possible welfare improvements in as short a time as possible, lump-sum payments appear to be the appropriate option.

## Comparison between tranche payment modalities

Being assigned to Group 3 (unequal transfers of 200/200/800 USD) appears to have had the most robust and sustained impact across the broadest range of economic recovery outcomes. This was the only group associated with an increase in expenditure on productive assets at any iteration of the survey (midline only). Receiving smaller transfers early on did appear to have some downsides, however. Group 3 was associated with an increase in CSI score at midline, suggesting that Group 3 households engaged in more negative coping strategies to meet their food needs in the short term. This result did dissipate by endline but may make this cash transfer schedule difficult to justify from a humanitarian perspective.

Providing equal tranche payments (Group 2) did not result in significantly better outcomes compared to other two payment schedules, by and large. Given that equal tranche payments are the default mode for the CCI, and for many similar programs, our results raise questions on when and for what groups equal cash transfers are best suited.

## Designing cash transfers to provide an economic safety net and as a ladder to boost households' prospects for recovery in conflict-driven crises

The cash transfers went beyond just enabling households to meet their immediate consumption needs, such as food and shelter. The three-month cash interventions prevented further backsliding into poverty during a set of major economic and political shocks, thus boosting recipients' prospects for economic recovery. The CCI interventions contributed to this in two main ways: by reducing the shedding of productive assets and supporting the retention of regular employment in the face of broad economic contraction. These findings add to the ongoing debate on the efficacy of social protection systems, such as government cash transfer programs, in addressing poverty. This debate is often framed as a choice between using cash assistance as a safety net or as an economic ladder to spur growth. Our findings on the protective benefits of cash on short-term economic indicators alongside recipients' ability to maintain employment and assets is an important testament to the dual benefits of cash for equity and growth.<sup>106</sup>

## Reducing debt burdens

The role of cash in easing participants' debt and credit constraints appeared to be a critical pathway to enabling them to make investments in productive assets or income-generating activities. This is consistent with other research showing how cash transfers can ease credit constraints.<sup>107</sup> Importantly, households prioritised investment in dual-purpose assets, such as cars and livestock, that provided owners with greater economic security in the short and longer term. The efficacy of cash in facilitating access to credit points to the potential of augmenting cash transfers with complementary interventions that encourage cash recipients to mobilise into informal trust-based savings and credit groups. Participation in self-help groups, for instance, has been shown to boost both economic and psychosocial outcomes among members.<sup>108</sup> Connecting cash programming to such groups may help cash recipients better navigate savings and credit constraints to ease consumption shocks and to facilitate productive asset accumulation. Importantly, understanding and addressing barriers to informal savings groups and practices, such as conflict-induced erosion of trust or women's reduced mobility that may impede participation, are required to operationalise these complementary interventions.

## Protecting employment during economic contraction

Governments and cash and social-protection actors are often concerned that recipients will treat a cash transfer as a substitute for earned income and choose to reduce the amount of time allocated to income generation. The results of this research, however, confirmed that this is not the case for short-term cash transfer programmes in Iraq. The main programme effect we observed was that cash recipients were better able to maintain their baseline level of regular employment than their control-group counterparts. This impact occurred during an overall decrease in employment among the population in the study sample. The main theories on how cash may affect labour supply decisions — which tend to assume steady or growing demand for labour — do not fully explain this effect.<sup>109</sup> However, our findings on the protective benefits of cash transfers on regular employment are an important piece of evidence for practitioners and policy makers seeking solutions to improve households' abilities to provide for themselves within a protracted crisis.

## Beyond cash

While more productive assets and regular employment are encouraging indicators of greater self-reliance, these did not translate into higher household incomes. Given the relatively short duration of our study, we may expect changes in households' wealth to accrue later. It is also possible that cash transfers alone are not sufficient to improve the economic productivity of extremely poor households, especially in conflict-affected contexts. Existing research in more stable

settings has shown that pairing cash transfers with livelihood-support activities, access to financial services and other interventions, is necessary to advance and sustain greater economic self-reliance.<sup>110</sup> However, comprehensive poverty-graduation models, which have proven effective, may also be prohibitively expensive to scale or unsuited to insecure contexts like Iraq. Important research is currently underway to better understand the most cost-effective components of poverty-graduation models.<sup>111</sup> It is vital to expand such research to contexts experiencing protracted crises that are driving global poverty and food insecurity.



Iraq – Corinna Robbins, Mercy Corps

## Better understanding of how cash transfers can strengthen social relationships and cohesion

Intercommunal trust is an important outcome, particularly for fragile and conflict-affected contexts, and is the basis for a number of government social welfare policies. The inconclusive findings of our study on cash transfers and social relationships — both bonding and bridging — highlight important gaps in research and practice that need to be filled to support progress towards this goal. Multiple theories exist on how cash may impact social relationships, including that receiving cash can create a sense of shared identity among recipients.<sup>112</sup> Others hypothesise that joint targeting across different social groups provides opportunities for contact and improves perceptions of ‘others’ during complementary training programs.<sup>113</sup> Seminal studies on intergroup cohesion theorise that collaborative learning and social participation during joint activities improves social cohesion outcomes for adults and youth.<sup>114</sup> Where researchers have investigated these, the findings have been mixed. For example, a study that used a lab-in-the-field public goods game determined that cash does improve intercommunity trust and cooperation;<sup>115</sup> a 2020 study of the Indonesian government’s cash transfer program found that ‘cash stimulated multifaceted conflict and harmful social unrest’.<sup>116</sup>

Our most relevant finding for informing these theories is that cash and financial health education improved participants’ perceptions of intercommunity trust and cooperation and decreased their support for violence against other communities. This effect was driven mainly by the financial health education rather than the cash transfer, pointing toward intergroup contact as a possible explanation. While not designed intentionally around the contact hypothesis, the financial health education may have met some of the conditions believed to facilitate intergroup contact, leading to greater trust and cooperation between groups — namely, equal status, common goals and lack of competing interests between groups.<sup>117</sup> The CCI’s joint targeting of internally displaced persons (IDPs) and host community members provided opportunities for interaction among these groups during the financial health education. The training processes encouraged participants to share their financial management stories and learn from one another and was reported to have helped create a shared identity around financial struggles and goals. Two meta-analyses of research on the contact hypothesis found that such contact typically reduces prejudice between involved groups, lending support for this as a potential explanation for impacts we found of the financial health education on intercommunity connections and cohesion.<sup>118</sup>

While bonding and bridging relationships were important secondary outcomes for our study, we did not design it to test possible mechanisms linking cash or complementary behavioural interventions to these outcomes. Further research on these relationships is needed, including examining different types and measures of trust, and differences by gender, urban-rural and other important mediators of social connections and cohesion outcomes.<sup>119</sup> For instance, we found that participants’ perceptions of trust, what they mean by ‘community’, as well as prevailing gender norms such as women’s mobility restrictions can influence their views of within and across community trust. Further, participants’ lived experiences of the conflict context, such as the ISIS occupation in Iraq, can have differential effects on men and women’s trust of others (or lack of). These differences are important to capture to understand overall trust and social cohesion, and if/how cash and other interventions may lead to changes in it.

## Augmenting cash transfers with behavioural interventions to enhance material, social and psychosocial outcomes

Our findings on the role of financial health education in improving labour outcomes, social cohesion and psychosocial well-being is an important addition to the cash field. Multiple cash studies find that cash transfers improve participants’ psychosocial well-being,<sup>120</sup> which is an important determinant of resilience to future shocks.<sup>121</sup> Findings from this study help unpack an important bidirectional relationship: how psychosocial well-being is linked to economic outcomes among populations exposed to conflict and displacement.<sup>122</sup>

Fear and uncertainty about economic shocks have been found to erode individuals' overall mental well-being,<sup>123</sup> resulting in the inability to make better economic choices. Overall, we theorise that the financial management strategies from the financial health education improved households' confidence in using their capital, including the cash transfer received, to meet current and future economic needs. For participants, practising these strategies and simply having a concrete financial plan appears to have reduced fear and uncertainty of how to cope with current (or future) economic shocks. Based on qualitative narratives, it is possible to infer that these improvements in psychosocial status helped drive the improved economic well-being outcomes, specifically food consumption and labour outcomes, for participants.

## Designing relatable training content to improve uptake of messages

The relatability of training content — derived from previous cash participants of a similar socio-economic profile — appears to have helped with the uptake and practice of the training messages and inspired participants to mimic the success stories of their peers. For some cash participants, these stories were a source of inspiration: '[after hearing peer success stories] I started thinking about projects until I told my friends that I would [invest in] chicken'.<sup>xxxiii</sup> For others, the messages provided 'hope ... one of the success stories is what encouraged me to start the shop'.<sup>xxxiv</sup> These findings on the importance of training content and relatability — that is the use of peer success stories to improve behaviour change among the larger community — are borne out in multiple studies that take a 'positive deviance' approach in addressing complex social problems.<sup>124</sup>

*“One of the success stories [I heard during the FHE] is what encouraged me to start the shop”.*

Male cash and FHE participant.

Together, these narratives suggest that for cash participants, the financial health education, although intentionally designed to provide 'rule-of-thumb' and relatable content to improve uptake of financial-management behaviours,<sup>125</sup> also took on the function of imparting key life skills to improve economic<sup>126</sup> and psychosocial well-being outcomes. Improvements in psychosocial well-being outcomes take on particular significance for conflict-affected populations since experiences of conflict and related trauma can impede individuals' capacity to even meet basic needs.<sup>127</sup> Poor mental health such as anxiety and depression can directly—through parental transmission to children<sup>128</sup> — or indirectly — through impeding individuals' capacity to make important future-focused decisions<sup>129</sup> — have intergenerational poverty consequences.<sup>130</sup>



Iraq – Alice Martins, Mercy Corps

<sup>xxxiii</sup> Group 3 Male\_with FHE mc-d16bb

<sup>xxxiv</sup> Group 1 Male\_with FHE\_oxfam -8edea



Iraq – Corinna Robbins, Mercy Corps

## Conclusion and Recommendations

The consensus amongst researchers, practitioners and policymakers is that cash transfers have served as critical lifelines in humanitarian emergencies. But with the growth of cash as a modality have come greater expectations for, and scrutiny of, its effectiveness. There is a particular urgency to fill critical evidence gaps on how cash transfers can be most impactful in protracted crisis contexts, where extreme poverty is increasingly a cooccurrence.<sup>131</sup> Specifically, donors and governments are asking: How can cash assistance be best deployed to mitigate the worst effects of protracted crises and build resilience to future shocks, thereby reducing future humanitarian need? Can the demonstrated safety-net benefits of cash also act as ladders for economic recovery in a protracted crisis? We sought to answer these questions by testing the impact of deliberate variations in cash-transfer schedules among conflict-affected Iraqi households.

We examined economic well-being through a dual lens: households being able to meet their basic needs in the short term while also making investments that can improve their economic recovery in the mid-to-long term. The primary conclusions from our findings hold important implications for how policy makers, donors and practitioners can design cash programming to support economic recovery in protracted, conflict-driven crises.

- 1 **Short-term cash transfers can boost prospects for economic recovery in a protracted crisis by preventing poverty backsliding and promoting resilience.** CCI's cash transfers buffered households from the worst impacts of an array of economic, political and health shocks that occurred during the period of the study. The cash assistance helped participants' both meet their immediate survival needs and protect and accumulate assets and employment. These factors have been shown to play major roles in promoting households' recovery from and resilience to major shocks.
  - **Donors and governments should act to sustain and scale the gains of effective humanitarian cash transfer interventions in protracted crises.** Donors should continue to expand the percentage of aid they provide as cash assistance where market conditions allow. Where possible, donors should support linkages between humanitarian actors and nationally led, shock-responsive social safety nets, which typically offer the greatest opportunities to scale and accelerate assistance. The CCI's collaboration with the World Bank to support alignment with the

Government of Iraq's federally administered social safety net via the Ministry of Labour and Social Affairs offers useful lessons for achieving such partnerships.<sup>132</sup>

2 **Small variations in cash transfer schedules can be designed to achieve different outcomes.** Larger, 'lumpier' payments emerged as the most effective method for promoting expenditures on basic needs (such as shelter repair), human capital development (such as education) and productive household assets. Tranche payments, on the other hand, were best suited to immediately stabilise and smooth household consumption and improve short- and medium-run food security. A cash transfer that combines these two elements, such as the unequal transfer we tested, appears to be able to achieve both outcomes — sustained improvements in food security coupled with increases in productive expenditures following receipt of the large transfer.

- **Donors and governments should provide greater flexibility in cash transfer amounts and frequencies to deliver on both short-term needs and long-term recovery and resilience goals. Implementers should design transfers to optimise their effectiveness.** Specifically:

- » **Fund and deliver equal tranche payments where immediate, critical needs are the overriding concern.** Where the aim of the intervention is to rapidly secure improvements in dietary diversity and caloric intake while reducing recourse to severe and often irreversible coping behaviour, tranche payments are likely to be a more effective form of support than lump-sum payments. The cost of delivering multiple payments may rise, but so do the immediate welfare gains for recipient households.

- » Deliver lump-sum payments when the aim is to encourage asset investments and retention or wholesale purchases. Lump-sum payments can be an effective means of supporting vulnerable groups to meet large, one-off expenses, such as securing access to housing, education, and productive household assets. As such, lump-sum payments can help prevent vulnerable households from backsliding into further poverty in the face of future shocks. Lump-sum payments also hold the potential to be more cost effective than providing multiple transfers.

3 **Augmenting cash transfers with appropriate behaviour change interventions can amplify impacts on material and psychosocial well-being.** Our study points to encouraging benefits to offering financial health education as a part of cash programming. The impacts on food security, employment retention and self-perceptions of physical and economic security go above and beyond the effect of cash alone. This low-cost complementary intervention can easily be integrated into ongoing cash programs.

- **Practitioners should incorporate field-tested, behavioural insights-driven financial health education training, into cash programs.** The training content should help people plan for how to use their cash and respond to specific contextual barriers to executing such financial plans.<sup>133</sup> Content derived from strategies of individuals who may be doing marginally better in the same context (a 'positive deviance' approach)<sup>134</sup> can ensure that the training is practical and relatable. Delivering training sessions alongside cash transfers can take advantage of participants' increased cognitive bandwidth,<sup>135</sup> made possible by the cash, and help maximise the uptake of these strategies.

4 **Temporary humanitarian cash transfers, on their own, may not be sufficient to support greater income generation in protracted crises.** The effects of cash transfers on productive assets and employment did not translate into additional income generation for recipient households during the period of the study. While cash may provide households with needed resources to invest in improved livelihood strategies, turning these into greater income requires economic opportunities, such as demand for products and services, which are often not widely available in protracted-crisis contexts. Additionally, vulnerable populations typically targeted by cash assistance often do not have adequate skills or access to relevant opportunities to generate greater income.

- **Donors and practitioners should fund and provide cash transfers as part of a bundled livelihood intervention, or as a precursor to livelihood programming.** Layering cash transfers with technical skills

training and/or facilitating job linkages holds potential to boost their effectiveness on income generation. Transfers offer recipients more time to attend livelihood training, more cognitive bandwidth to absorb and apply the knowledge delivered, and more confidence to productively invest human and financial capital without repeatedly diverting both to secure regular access to basic needs.<sup>136</sup> The type of livelihood support should be tailored to specific segments of the population, including women, and the poorest subset who face the most constraints to accessing and engaging in productive livelihoods.

**5 Joint training sessions among cash recipients from different social groups may improve key dimensions of bridging connections, including perceptions on the use of violence.** Our findings point to positive impacts of the cash and financial health education training on participants’ perceptions of intercommunity trust, cooperation, and attitudes towards violence against others. This is consistent with studies on intergroup contact theories that suggest such training can improve psychosocial well-being and provide a space to strengthen empathy over common financial struggles, which in turn can improve trust and cooperation between groups.<sup>137</sup> This has important connotations for programs and policies in fragile and conflict-affected or post-conflict contexts.

- **Practitioners and donors seeking to strengthen social connections should incorporate activities alongside cash assistance that create opportunities for participants from different social groups to interact on a safe and equal basis.** Provide space in complementary training programs for participants to learn from one another through sharing peer successes or challenges. Collaborative group discussions or activities to resolve challenges can also help increase participation. However, consider running these complementary interventions at a location or frequency that is convenient for participants, especially women, to account for their time-poverty or mobility restrictions.
- **Researchers should investigate the causal mechanisms through which cash transfers and complementary interventions can mediate social connections and cohesion.** Understanding how cash transfers play a role in eroding or strengthening trust and cooperation within and across social groups is of prime importance for government policies on the use of social transfers and their impacts on economic growth and stability in fragile and conflict-affected contexts.<sup>138</sup> Where this has been studied, scholarship has largely examined changes in social linkages as an outcome of cash transfers, with insufficient attention to the underlying pathways that may mediate this relationship. Such research should include formative work to understand what ‘trust’ means in context, including gendered differences, to help identify the most appropriate measures and dimensions of trust on which to base future analysis.



Iraq – Corinna Robbins, Mercy Corps

# Appendices

## Annex 1. Outcomes of Interest

Outcomes of Interest	Description
<b>Food Security and Coping</b>	
Coping Strategies Index (CSI)	Indicator of food insecurity: A higher score indicates that a household relies on a greater number of coping strategies and therefore faces greater food insecurity
Food Consumption Score (FCS)	Indicator of food insecurity derived by aggregating household-level data on the diversity and frequency of food groups consumed over the previous seven days; it is a proxy measure of household caloric availability
<b>Household Expenditure and Assets</b>	
Total Debt Incurred	Total cumulative amount of debt incurred to date
Savings	Respondent's perception of ability to save as compared to neighbours
Expenditures: Total	Sum of all expenditures in current location for the past 30 days
Expenditures: Productive Assets	Sum of expenditures on productive assets in the past 30 days
Expenditures: Minimum Survival Needs	Sum of expenditures on rent, food, electricity, water, transportation, and communication in the past 30 days
Expenditures: Other Basic Needs	Sum of expenditures on shelter maintenance, medical care (including medicine), education and non-food items for the household
Total Asset Value	Total value of all assets owned by the household
<b>Labour Force Participation</b>	
Household Members Working	Number of household members over 18 who have worked in the past month (including the head of household)
Household Members: Regular Jobs	Number of household members holding regular, permanent jobs (20 or more days per month)
Household Members: Temporary Jobs	Number of household members holding temporary, daily labour jobs (fewer than 20 days per month)
Total Income	Total household income over the past 30 days (including government salary, pensions, Ministry of Displacement and Migration (MoDM), and NGO cash assistance)
<b>Social Indicators — Bonding Relationships</b>	
Confidence in Community	Confidence that respondent can count on members of his/her community to help when there is a problem
Trust in Community	Does the respondent feel that most people in his/her community can be trusted, or does he/she feel they he/she needs to be very careful in dealing with people from his/her community?



Honesty of Community Members	Does the respondent feel that if he/she lost something valuable, members of his/her community would likely be honest enough to return it?
Benefit Gained from Cooperation with Community Members	Does the respondent feel that he/she benefits from cooperating with others in the community?
Assisting Others in the Community	How confident does the respondent feel that he/she would be willing and able to provide help if someone in his/her community were to need it?

### Social Indicators — Bridging Relationships

Economic Connections with Neighbouring Communities	Has the respondent had economic connections with people outside his/her community in the last month?
Confidence in Neighbouring Communities	Confidence that respondent can count on members outside his/her community to help when there is a problem
Trust in Neighbouring Communities	Does the respondent feel that most people outside his/her community can be trusted, or does he/she feel he/she needs to be very careful in dealing with people from outside his/her community?
Benefit Gained from Cooperation with Neighbouring Communities	Does the respondent feel that he/she currently benefits from cooperating with others outside of his/her community?
Assisting Others from Neighbouring Communities	How confident does the respondent feel that he/she would be willing and able to provide help if someone outside his/her community were to need it?

### Attitudes Toward Violence

Sense of Duty	To what extent does the respondent feel it is his/her duty to protect his/her families and communities against other communities when his/her interests are threatened, including using violence if necessary?
Use of Violence	Does the respondent agree or disagree that the use of violence against other communities is never justified, even when his/her interests are being threatened?

### Psychosocial Well-being

Fear for Own Life	Extent to which the respondent fears for his/her own life
Fear for Family	Extent to which the respondent fears for his/her family
Providing for Family	Extent to which the respondent fears he/she will not be able to provide his/her family with daily life necessities
Loss of Income	Extent to which the respondent worries about losing his/her source of income or the source of income for his/her family
Fear of Losing Home	Extent to which the respondent fears losing his/her home
Fear of Displacement	Extent to which the respondent fears he/she will be displaced or uprooted
Fear of the Future	Extent to which the respondent fears for his/her future or his/her family's future
Fear for Personal Safety	Extent to which the respondent fears for his/her personal safety
Fear for Family's Safety	Extent to which the respondent fears for the safety of his/her family

## Annex 2. Average Respondent Household Characteristics

Variable	Value at Baseline	Value at Midline	Value at Endline
<b>Total Number of Households</b>	<b>827</b>	<b>819</b>	<b>819</b>
Returnees	699		
Host	89		
IDPs	37		
Refugees	2		
Average Age of Head of Household	43	43	43
Percentage of Households with a Female Head of Household	26.10%	21.16%	22.97%
Average Household Size	7.3	7.2	7.1

## Annex 3. Balance Tests

Variable Name	Difference in Means: Treatment versus Control					
	Group 1: Lump-sum (with FHE)	Group 1: Lump-sum (without FHE)	Group 2: 400/400/400 (with FHE)	Group 2: 400/400/400 (without FHE)	Group 3: 200/200/800 (with FHE)	Group 3: 200/200/800 (without FHE)
Household Size	0.008	-0.205	-0.419	-0.462	-0.821**	-0.231
Total Asset Value	2.11E+05	1.01E+05	46173.798	-4.68E+05	-1.54E+06	74571.294
Total Income	-6.66E+04	-1.00E+05	-1.75E+04	-5.00E+04	-1.98E+05	-1.79E+05
Total Debt Incurred	-7.47E+04	-1.31E+05	-6.03E+04	90404.093	2.48E+05	-1.02E+05
Food Consumption Score	1.542	1.545	-1.946	-1.585	-0.617	1.267
Coping Strategies Index Score	-2.246	-3.875*	-4.704**	-0.099	-0.653	-3.525*

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

## Annex 4. Regression Coefficients for Key Outcomes

### Food Security and Coping Strategies

**Table 1:** ANCOVA regression coefficients at midline and endline: Food Consumption Score (FCS)

	Food Consumption Score	
	Midline	Endline
Full Treatment	4.274**	4.515**
Marginal Effect of FHE	1.485	1.82
Overall Group 1: Lump-sum	2.276	4.019**
Overall Group 2: 400/400/400	5.438***	4.516**
Overall Group 3: 200/200/800	5.008***	5.017**
Group 1: Lump-sum with FHE	2.084	3.900*
Group 1: Lump-sum without FHE	2.486	4.153*
Group 2: 400/400/400 with FHE	7.086***	5.977**
Group 2: 400/400/400 without FHE	4.091**	3.316
Group 3: 200/200/800 with FHE	6.015***	6.506***
Group 3: 200/200/800 without FHE	4.010*	3.536

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

**Table 2:** ANCOVA regression coefficients at midline and endline: Coping Strategies Index

	Coping Strategies Index	
	Midline	Endline
Full Treatment	1.165	-12.15***
Marginal Effect of FHE	-1.126	0.193
Overall Group 1: Lump-sum	-1.328	-9.424***
Overall Group 2: 400/400/400	0.177	-13.85***
Overall Group 3: 200/200/800	4.816***	-13.01***
Group 1: Lump-sum with FHE	-1.973	-9.478***
Group 1: Lump-sum without FHE	-0.641	-9.350***
Group 2: 400/400/400 with FHE	0.88	-12.68***
Group 2: 400/400/400 without FHE	-0.417	-14.82***
Group 3: 200/200/800 with FHE	2.961	-14.05***
Group 3: 200/200/800 without FHE	6.683***	-11.97***

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

## Household Expenditure and Assets

**Table 3:** ANCOVA regression coefficients at midline and endline: Total debt incurred

	Total Debt Incurred	
	Midline	Endline
Full Treatment	275,476	-69,835
Marginal Effect of FHE	-325,013**	-11,649
Overall Group 1: Lump-sum	127,265	-18,080
Overall Group 2: 400/400/400	517,087**	17,334
Overall Group 3: 200/200/800	154,541	-221,575
Group 1: Lump-sum with FHE	-4,432	14,647
Group 1: Lump-sum without FHE	261,106	-53,514
Group 2: 400/400/400 with FHE	241,675	-35,003
Group 2: 400/400/400 without FHE	744,220***	60,891
Group 3: 200/200/800 with FHE	86,821	-215,120
Group 3: 200/200/800 without FHE	220,657	-228,465

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

**Table 5:** ANCOVA regression coefficients at midline and endline: Total expenses and productive asset expenditures

	Expenditure - Total		Expenditure - Productive Assets	
	Midline	Endline	Midline	Endline
Full Treatment	42,955	46,469	3,301**	774.4
Marginal Effect of FHE	-39,013	-44,550	3,950	3,726*
Overall Group 1: Lump-sum	115,208**	2,985	5,310	-471.2
Overall Group 2: 400/400/400	-945.8	27,710	2,292	452.1
Overall Group 3: 200/200/800	19,009	111,589**	2,419**	2,386
Group 1: Lump-sum with FHE	122,920**	-19,397	9,013	137.3
Group 1: Lump-sum without FHE	107,507*	27,116	1,471	-1,164*
Group 2: 400/400/400 with FHE	-23,909	14,863	4,818	2,337
Group 2: 400/400/400 without FHE	17,780	38,411	182.6	-1,113*
Group 3: 200/200/800 with FHE	-33,922	77,236	2,093	5,622
Group 3: 200/200/800 without FHE	72,064	146,141***	2,751	-863.5

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

**Table 6:** ANCOVA regression coefficients at midline and endline: Basic expenditures

	Expenditure - Minimum Survival Needs		Expenditure - Other Basic Needs	
	Midline	Endline	Midline	Endline
Full Treatment	-35,109	22,214	79,761***	24,541
Marginal Effect of FHE	-14,528	-16,461	-21,531	-24,912
Overall Group 1: Lump-sum	-24,764	3,243	142,143***	399.2
Overall Group 2: 400/400/400	-28,462	8,966	27,619	17,738
Overall Group 3: 200/200/800	-53,095**	56,496**	74,916**	56,668*
Group 1: Lump-sum with FHE	-19,444	5,269	146,665***	-21,919
Group 1: Lump-sum without FHE	-30,178	1,053	137,479***	24,349
Group 2: 400/400/400 with FHE	-28,730	-1,701	5,947	16,784
Group 2: 400/400/400 without FHE	-28,499	17,678	45,444	18,626
Group 3: 200/200/800 with FHE	-80,123***	38,832	51,121	42,032
Group 3: 200/200/800 without FHE	-26,026	74,111**	98,664***	71,437*

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

**Table 7:** ANCOVA regression coefficients at midline and endline: Ownership of key assets

	Total Assets		TV		Mobile		Microwave		Car		Livestock	
	Midline	Endline	Midline	Endline	Midline	Endline	Midline	Endline	Midline	Endline	Midline	Endline
Full Treatment	511,539**	431,902**	13,997***	16,301***	14,457***	12,214**	1,487**	819.3***	442,094*	237,027**	42,657***	13,527
Marginal Effect of FHE	-387,528	-523,154	-5,109	10,481**	-2,875	7,467*	-97	257.6	-340,416	-65,881	-19,818	-3,294
Overall Group 1: Lump-sum	1,041,000	156,572	12,516***	7,109	18,941***	10,394	2.83E+03	442	992,451	177,441	22,645	158
Overall Group 2: 400/400/400	299,937**	408,309	11,960***	17,893***	12,943**	17,066**	1,132*	1,054**	238,762*	384,236	32,572**	36,206*
Overall Group 3: 200/200/800	210,990**	738,516	17,801***	23,832***	11,581**	8,522	543	930.3*	111,321	130,362**	74,368***	1,367
Group 1: Lump-sum with FHE	256,615*	297,829	12,649**	10,465*	17,319**	12,811	1,493	27.65	205,320	311,165	38,625	6,315
Group 1: Lump-sum without FHE	1.86E+06	7,568	12,380**	3,394	20,544***	7,856	4,225	895.3*	1.81E+06	32,541	6,020	-6,470
Group 2: 400/400/400 with FHE	486,166*	160,498	9,692**	13,425**	7,761	22,574**	2,008	1,756*	484,322*	175,508	6,765	27,319
Group 2: 400/400/400 without FHE	147,285	608,502	13,792***	21,735***	17,236**	12,515*	415.2	474	37,318	557,435	53,675*	43,580
Group 3: 200/200/800 with FHE	187,622	40,446	11,908**	41,602***	13,812**	12,647*	818	1,086	104,772	115,935	53,088*	1,868
Group 3: 200/200/800 without FHE	236,051*	1.44E+06	23,692**	5,954	9,288	4,423	273.9	781.0*	119,889	142,549*	95,487**	765

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

## Labour Force Participation

**Table 8:** ANCOVA regression coefficients at midline and endline: Regular vs. temporary employment and income

	Number of HH Members Who Worked in the Past Month		Number of HH Members Who Worked Regularly in the Past Month		Number of HH Members Who Worked Temporarily in the Past Month		Total Monthly Income (IQD)	
	Midline	Endline	Midline	Endline	Midline	Endline	Midline	Endline
Full Treatment	-0.0267	0.0193	0.145***	0.141***	-0.0930	-0.0593	490,649	20,852
Marginal Effect of FHE	0.0165	0.0687*	0.0498	-0.00162	-0.0358	0.0804*	710,340	-50,381
Overall Group 1: Lump-sum	-0.110*	-0.000320	0.0941**	0.117***	-0.128*	-0.0570	148,426	-51,302
Overall Group 2: 400/400/400	-0.00787	0.0495	0.115**	0.127***	-0.0427	-0.0128	104,505	-44,017
Overall Group 3: 200/200/800	0.0368	0.00512	0.228***	0.179***	-0.114	-0.113*	1,281,000	168,954
Group 1: Lump-sum with FHE	-0.154**	0.00352	0.0905*	0.151***	-0.169**	-0.0695	131,563	-97,836
Group 1: Lump-sum without FHE	-0.0649	-0.00492	0.0978*	0.0817*	-0.0862	-0.0451	153,043	-1,635
Group 2: 400/400/400 with FHE	0.0143	0.0964	0.144**	0.0740	-0.0515	0.0891	170,549	-59,847
Group 2: 400/400/400 without FHE	-0.0263	0.0104	0.0923*	0.171***	-0.0355	-0.0984	59,072	-30,932
Group 3: 200/200/800 with FHE	0.0882	0.0652	0.278***	0.193***	-0.113	-0.0707	2,285,000	148,775
Group 3: 200/200/800 without FHE	-0.0152	-0.0553	0.177***	0.165***	-0.115	-0.157**	264,515	189,400

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

## Social Relationships

**Table 9:** OLOGIT regression output (margins): Trust in community and confidence in community members (bonding social relationships) at endline

	Overall level of intra-community bonding relationships	Respondents trust in other members of the community	Respondents' confidence in their ability to count on most people in their community	Respondents' confidence that they will be able to provide help if someone in their community needs it	Extent to which respondents agree that 'if they lost something of value, most people in the community would be honest enough to return it'	Extent to which respondents feel they currently benefit from cooperating with others in the community
		Trust most people in the group	Confident	Confident	Neutral/ Agree	Neutral/ Agree
Full Treatment	-0.121	-0.215***	0.0874*	0.0168	-0.00189	0.00461
Marginal Effect of FHE	-0.00671	-0.0186	0.0113	0.0211	0.00736	0.0202
Overall Group 1: Lump-sum	-0.190	-0.251***	0.0806**	0.00713	-0.00794	-0.00845
Overall Group 2: 400/400/400	-0.0784	-0.205***	0.0657*	0.00509	0.00281	0.0157
Overall Group 3: 200/200/800	-0.105	-0.187***	0.0635*	0.0380	-0.000865	0.00651
Group 1: Lump-sum with FHE	-0.185	-0.256***	0.0767**	0.0191	0.00997	0.00251
Group 1: Lump-sum without FHE	-0.196	-0.232***	0.0736**	-0.00545	-0.0270	-0.0202
Group 2: 400/400/400 with FHE	-0.0534	-0.184***	0.0666*	0.0171	0.00500	0.0304
Group 2: 400/400/400 without FHE	-0.0976	-0.216***	0.0578	-0.00406	0.000850	0.00336
Group 3: 200/200/800 with FHE	-0.138	-0.212***	0.0658*	0.0401	-0.00961	0.0128
Group 3: 200/200/800 without FHE	-0.0684	-0.156**	0.0545	0.0318	0.00766	0.00587

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence



**Table 10:** OLOGIT regression output (margins): Trust in community and confidence in community members (bridging social relationships) at endline

	Overall level of inter-community bridging relationships	Respondents trust in those outside their community	Respondents' confidence in their ability to count on most people outside their community	Respondents' confidence that they will be able to provide help if someone outside their community needs it	Extent to which respondents feel they are currently benefiting from cooperating with others outside the community
		Trust most people	Confident	Confident	Neutral/Agree
Full Treatment	0.0514	-0.0132	0.0884*	0.0612	0.0323
Marginal Effect of FHE	0.0325	-0.00467	-0.0243	0.0111	0.0401**
Overall Group 1: Lump-sum	-0.0611	-0.0501	0.0770**	0.0477	0.0249
Overall Group 2: 400/400/400	0.141	-0.0267	0.0568	0.0518	0.0230
Overall Group 3: 200/200/800	0.0568	0.0393	0.0776**	0.0545	0.0316
Group 1: Lump-sum with FHE	-0.0748	-0.0731	0.0899***	0.0649*	0.0323
Group 1: Lump-sum without FHE	-0.0478	-0.0252	0.0531	0.0264	0.0132
Group 2: 400/400/400 with FHE	0.231	-0.0254	0.0326	0.0291	0.0501**
Group 2: 400/400/400 without FHE	0.0730	-0.0272	0.0711*	0.0660*	-0.000928
Group 3: 200/200/800 with FHE	0.0460	0.0528	0.0463	0.0671*	0.0406*
Group 3: 200/200/800 without FHE	0.0686	0.0260	0.0978***	0.0361	0.0183

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

**Table 11:** Regression output: Attitudes towards the use of violence at endline

	Extent to which respondents feel it is the duty of Iraqi citizens to protect their families and communities against other communities when their interests are threatened, including using violence if necessary	Extent to which respondents feel that the use of violence is never justified, even if your interests are being threatened
	Neutral/Agree	Neutral/Agree
Full Treatment	-0.0410	0.0205
Marginal Effect of FHE	0.0199	0.0655**
Overall Group 1: Lump-sum	0.0242	0.0331
Overall Group 2: 400/400/400	-0.0344	-0.000667
Overall Group 3: 200/200/800	-0.115*	0.0304
Group 1: Lump-sum with FHE	0.0653	0.0709
Group 1: Lump-sum without FHE	-0.0183	-0.00793
Group 2: 400/400/400 with FHE	-0.0452	-0.0235
Group 2: 400/400/400 without FHE	-0.0261	0.0193
Group 3: 200/200/800 with FHE	-0.115	0.114*
Group 3: 200/200/800 without FHE	-0.120*	-0.0499

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

## Psychosocial Well-being

**Table 12:** OLS regression output: Treatment on overall human insecurity scale at endline

	Human Insecurity Scale
	Endline
Full Treatment	-0.178*
Marginal Effect of FHE	-0.168**
Overall Group 1: Lump-sum	-0.0436
Overall Group 2: 400/400/400	-0.273**
Overall Group 3: 200/200/800	-0.203*
Group 1: Lump-sum with FHE	-0.166
Group 1: Lump-sum without FHE	0.0847
Group 2: 400/400/400 with FHE	-0.275**
Group 2: 400/400/400 without FHE	-0.272**
Group 3: 200/200/800 with FHE	-0.354***
Group 3: 200/200/800 without FHE	-0.0524

Note: Statistically significant results are highlighted where \*\*\* > 99% level \*\* > 95% levels of confidence \* > 90% levels of confidence

# Endnotes

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## About the Cash Consortium for Iraq (CCI):

The CCI is a multi-donor, multi-programme partnership that has implemented over USD 160 million in humanitarian and recovery funding since its formation in 2015. The CCI is comprised of the Danish Refugee Council (DRC), the International Rescue Committee (IRC), the Norwegian Refugee Council (NRC), Oxfam and Mercy Corps as lead.

The CCI focuses on harmonised implementation at scale to meet basic needs and support the resilience of vulnerable populations with cash- and market-based approaches across the nexus.

