# Table of Contents

Does Aid Reduce Anti-refugee Violence? Evidence from Syrian Refugees in Lebanon 2  
The short-lived effects of unconditional cash transfers to refugees ............................... 3  
The impact of cash transfers on Syrian refugees in Lebanon: Evidence from a multidimensional regression discontinuity design ........................................................... 5  
Multi-purpose cash transfers and health among vulnerable Syrian refugees in Lebanon: a prospective cohort study ........................................................................................................ 7  
The impact of cash transfers on Syrian refugee children in Lebanon ............................ 9  
Children on the move: Progressive redistribution of humanitarian cash transfers among refugees .................................................................................................................. 11  
Cash-like vouchers improve psychological well-being of vulnerable and displaced persons fleeing armed conflict ........................................................................................................ 13  
The freedom to choose: Theory and quasi-experimental evidence on cash transfer restrictions .......................................................................................................................... 15
Does Aid Reduce Anti-refugee Violence? Evidence from Syrian Refugees in Lebanon

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Lebanon, a country with a population of 4.5 million, has received more than a million refugees since the outbreak of the Syrian civil war in 2011. Most Syrian refugees live in individual accommodation in Lebanese towns. This paper examines the effect of aid to refugees, in the form of cash transfers, on anti-refugee violence.

Between November 2013 and March 2014, UNHCR provided cash assistance program to Syrian refugees in Lebanon to help them get through the colder winter months. Refugee households were targeted for cash assistance if they lived in a location at or above 500 meters altitude. The authors exploit this quasi-random assignment of benefits to compare eligible refugee households slightly above 500 meters altitude (treatment group) to similarly poor refugee households living in communities slightly below 500 meters altitude (control group). The analysis was based on survey data from over 1,300 Syrian refugee households living between 450 and 550 meters altitude. To measure hostility towards refugees, researchers asked whether refugee households had experienced physical aggression or verbal abuse from Lebanese in the community during the previous six months.

Key findings:

- **Over 5 percent of survey respondents reported verbal assault and over 1 percent reported physical assault** by Lebanese community members. Most respondents (56 percent) attributed anti-refugee violence to economic factors, including the perceptions that refugees were taking local jobs or increasing prices, while 17 percent of respondents attributed anti-refugee violence to refugee households receiving humanitarian assistance.

- The number of refugees in a community is indeed negatively correlated with the daily wage rate for agricultural labor. A one percent increase in the size of the refugee population is associated with a 0.05 percent decrease in local wages. Additionally, a refugee’s labor supply (hours worked) is a statistically significant predictor of violence in the survey data.

- Cash transfers to refugees did not increase anti-refugee violence and may have reduced it. Cash transfers appear to have reduced physical violence by an estimated
2.7 percentage points and reduced verbal assault by an estimated 7.5 percentage points.

- Survey data provides evidence of possible mechanisms including that aid allows recipients to: (a) indirectly compensate locals through higher demand for local goods and services; (b) directly benefit locals by offering help and sharing aid; and (c) reduce contact with potential aggressors.

The authors note that local economies adjusted well to refugees receiving cash transfers with large positive effects on food consumption of recipients and no effects on local prices. In other contexts, widespread programming could cause inflation (if market supply is unable to accommodate large shifts in demand) and may thereby increase hostility toward refugees.

The short-lived effects of unconditional cash transfers to refugees

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This paper examines the effect of two large-scale cash transfer programs on the welfare of Syrian refugee households in Lebanon. Lebanon hosts approximately 1.5 million Syrian refugees.

The authors quantify the effect of the multipurpose cash assistance program, which provides US$175 per month to eligible households, and the “food e-card”, which provides a voucher for food items of US$27 per person per month. During the period of study, the cash program supported around 55,000 households per annum, while the food e-card program assisted over 120,000 households per annum. Households were means tested using proxy measures drawn from the Vulnerability Assessment of Syrian Refugees (VASyR) survey.

The authors exploit the discontinuity in eligibility across otherwise-comparable households to assess the impact of the assistance programs on household welfare. They draw on several data sources including: (i) predicted family expenditure per capita from VASyR, which determined eligibility for cash assistance; (ii) information on the type, amount, and duration of assistance a family received from the Refugee Assistance Information System (RAIS);
Main findings:

- **Transfers comprised a large share of beneficiary families’ monthly expenditures and income and were allocated to essential consumption goods.** Eligible families received on average US$144 per month from the food e-card program, equivalent to 33 percent of monthly expenditure, or 161 percent of monthly labor income. Families eligible for multipurpose cash received on average US$153 per month, equivalent to 35 percent of monthly expenditure, or 172 percent of monthly labor income. Families allocated additional income to essential consumption goods such as rent, food, and energy.

- **Programs provided temporary relief and improved economic wellbeing in the short term,** generating higher household consumption, improved child welfare, increased food security, and reduced harmful coping strategies. The food e-card program increased food expenditure, improved food security, and reduced livelihood coping strategies. The multipurpose cash program had immediate positive effects on expenditure and child wellbeing and reduced adverse livelihood coping strategies. Overall, beneficiary families were less likely to borrow, reduce expenditure, downgrade their housing, or have children engaged in exploitative work.

- **The substantial increase in consumption during the program dissipated within six months of the end of the assistance cycle.** Within six months following the conclusion of the program, families that received either of the year-long assistance packages appeared no different than otherwise similar non-beneficiary families.

- **Even though beneficiaries were better able to save and purchase durable goods during the program, they tended to spend savings and liquidate assets soon after the program ended.** Receiving multipurpose cash increased the likelihood of having cash savings by 7 percentage points beyond the non-beneficiary rate of 31 percent. Beneficiaries were also 9 percentage points more likely to use savings to cope with insufficient liquidity during the same period. These results indicate an intention to save, but a lack of capacity to build an asset stock during the transfer period and maintain it afterwards.

- **Families reengaged in coping strategies after the programs ended.** Following the conclusion of the programs, families increased begging and borrowing, child labor, buying food on credit, and selling household goods.

- **Program features do not explain the lack of sustained effects.** In addition to the transfer values being larger than most unconditional cash transfer programs studied in

and (iii) outcomes measured during the program cycle and after the program ended from VASyR.
the literature, the modality (cash versus food voucher) or duration (one versus two years) of the transfers did not affect the ability of beneficiaries to smooth consumption over a longer time horizon.

- **Beneficiaries exhibited forward-looking behavior.** There wasn’t any evidence that beneficiaries increased consumption of “temptation goods” (entertainment, tobacco, or alcohol). Beneficiaries also removed children from work and reenrolled them in school and built up savings in the form of cash and durable goods.

The authors conclude that **cash-based humanitarian aid programs effectively provide temporary relief but are unlikely to achieve longer-term poverty alleviation.** Program features are unlikely to explain the lack of persistent effects. Rather, economic, and legal impediments faced by refugees constrain their ability to save and claim the returns on investments.

**The impact of cash transfers on Syrian refugees in Lebanon: Evidence from a multidimensional regression discontinuity design**

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This paper **examines the impact of multipurpose cash assistance (MPC) provided to Syrian refugee households in Lebanon.** Approximately 1.5 million Syrian refugees lived in Lebanon in 2018, of whom almost a million were registered with the United Nations High Commissioner for Refugees (UNHCR).

Since 2017, UNHCR and WFP have provided multipurpose cash assistance to eligible refugee households over a 12-month period, equivalent to around US$175 per household per month. Households are selected annually based on their score on a proxy means testing (PMT) formula that predicts household expenditures using a set of socio-demographic characteristics from UNHCR registration data.

The authors evaluate the effects of two year-long cash cycles beginning in November 2017 and November 2018. They consider the effects on four groups of households: (1)
discontinued recipients (households received cash for 12 months but were not included in the next cash cycle); (2) short-run cash recipients (households received cash for 12 months or less); (3) long-run recipients (households received cash for more than 12 months); and (4) non-beneficiary households. The impact of cash assistance was measured by comparing: (a) beneficiaries to non-beneficiaries; (b) beneficiary groups with varying durations of receipt of cash assistance; and (c) beneficiaries to groups discontinued from the program.

The analysis is based on data from: (i) two waves of household survey data collected in 2019 from economically vulnerable Syrian refugee households in Lebanon covering MPC receipt from 2017 to 2018; and (ii) UNHCR registration data, including households’ PMT scores in 2017 and 2018 and access to other assistance programs.

Main findings:

• **Multipurpose cash improves total household expenditures for all groups.** Long-run cash recipient households spend significantly more than other groups. The results are especially large when comparing long-run to short-run cash recipients and long-run to discontinued cash recipients. However, even short-run cash recipients spend significantly more than non-recipients.

• **Multipurpose cash increases spending on food.** Food expenditures increased significantly with any duration of assistance and remained higher even (up to) ten months after a household was taken out of the program. Similarly, food expenditures increased in the short-run cash recipient group compared to non-recipients, but if a household remained in the program for a second cycle (long-run), their food expenditures increased even further, suggesting cumulative improvements over time.

• **Multipurpose cash tends to increase spending on health.** Long-run cash recipients spent more on health, and some of these improvements materialized before the long-run. Spending on health was higher for short-run cash recipients than for non-recipient households.

• **The receipt of MPC in the long-run significantly improved shelter.** Compared to the control group and short-run cash recipients, long-run cash recipients were more likely to live in residential housing, as opposed to living in non-residential housing or informal tented settlements.

• **The long-run receipt of MPC reduced labor market participation and reduced unemployment among adults,** compared to short-run and non-recipients. Only in the long-run, and only in comparison to non-recipients, was there any effect of MPC on labor market status. The decline in labor market participation may be due to recipients opting
out of low-paid, dangerous, or undesirable labor activities (such as begging, theft, commercial sex, etc.) or out of low-risk but poorly remunerated activities. The results also suggest that the decrease in labor force participation could have been partly due to unemployed workers leaving the workforce.

- **There were positive effects of the multipurpose cash program on enrollment in formal education**, especially for long-run recipients compared to non-recipients. Girls’ enrollment improved for all treatment groups, and the improvement was significant for discontinued and long-run groups compared to non-recipients. The effects on boys’ enrolment were also positive, but smaller in magnitude. There was also a shift from non-formal schooling (run by NGOs and international organizations and not recognized by the Lebanese government) to formal schooling for both girls and boys in the long run compared to non-recipients. The improvement in school enrollment is most likely due to students who were previously enrolled in non-formal education.

- **Receipt of MPC lowered rates of child labor for both boys and girls.** This protective effect was lasting, as there were lower rates of child labor even in households who were discontinued from MPC, and it was cumulative, as long-run receipt offered significantly more protection than short-run receipt.

The authors conclude that there may be substantial benefits to increasing the length of a cash cycle or only revising eligibility every other year since: (1) for most improved outcomes, there were significant improvement in the long-run cash recipients compared to non-recipients; (2) there was frequently cumulative improvement between the short- and long-runs; (3) significant short-run improvements were far less frequent; and (4) while there isn’t any evidence to suggest that discontinuation could hurt the household more than never having received MPC, the beneficial effects of cash rarely outlasted the program duration for discontinued recipients.

**Multi-purpose cash transfers and health among vulnerable Syrian refugees in Lebanon: a prospective cohort study**

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[https://doi.org/10.1186/s12889-021-11196-8](https://doi.org/10.1186/s12889-021-11196-8)
This paper evaluates the impact of multipurpose cash transfers (MPCs) on health-seeking behavior, health service utilization, and health expenditures by Syrian refugees in Lebanon. At the beginning of 2020, there were nearly 1 million registered refugees in Lebanon, although government estimates the actual number closer to 1.5 million.

Syrian refugees, regardless of whether they have been registered, can access primary health care at subsidized rates at more than 100 health facilities across Lebanon. Secondary and tertiary health care for refugees is supported through a UNHCR cost-sharing program. Approximately a quarter of refugee households receive MPCs from either or both UNHCR (monthly cash transfers of US$173.5) or WFP (US$27 per person for food). Due to funding constraints, not all economically vulnerable households receive MPCs.

Data was collected from a sample of households from UNHCR’s registration lists from May 2018 to July 2019. Households receiving MPCs from UNHCR (intervention group) were compared to households not receiving MPCs from UNHCR or WFP (control group).

Main results:

- **MPC households reported needing health care more frequently.** While baseline levels of care-seeking for child illness and acute adult illness were high for all households, MPC households reported needing care more frequently for child illness, acute adult illness, and chronic adult illness at baseline and endline. However, adjusted differences in change in care-seeking rates over time were not statistically significant for child illness and only marginally significant for acute adult illness.

- **For both MPC and control households, cost was the primary barrier to seeking care or receiving all recommended care.** An increasing proportion of both MPC and control households that sought care reported not receiving all recommended care due to cost. Among adults with chronic health conditions, MPCs were marginally associated with an increased ability to afford all recommended services.

- **MPC recipients reported fewer hospitalizations for child illness.** Receipt of MPC was associated with consistent hospitalization rates for child illness compared to an increasing rate of hospitalization among controls. No significant differences in change in emergency room visits or hospitalizations were observed for acute or chronic adult illnesses.

- **MPCs did not enhance household ability to obtain all needed medications for child and acute adult illnesses, but they may have been beneficial for obtaining medications for chronic adult illness.** Among adults with chronic health conditions,
MPCs were marginally associated with fewer difficulties in obtaining and affording medication for chronic disease.

- **MPC recipients reported higher monthly household expenditures on health care.** The proportion of MPC recipients reporting expenses for the most recent child and acute adult illness increased significantly, as did the total visit cost.

- **MPCs did not protect recipients from resorting to borrowing and asset sales to pay for health expenses, despite the relatively large transfer size** (38 percent of monthly household expenditures on average). Both MPC and control households reported significant increases in borrowing to pay for health expenses over the study period. Differences between the two groups in change in borrowing or asset sales were not significant.

The authors conclude that **unconditional cash transfers may improve access to health services and medication for chronic diseases and reduce hospitalizations among children but may be insufficient on their own to address health utilization and expenditures.** They suggest that transfer values may not have been sufficiently large to increase access to more costly services or reduce the economic impacts on households of larger health expenses given increasingly high poverty levels.

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The impact of cash transfers on Syrian refugee children in Lebanon

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*World Development*, Volume 150, Article number 105711 (2022)


This paper **evaluates the impact of a large-scale multi-purpose cash (MPC) transfer program on a sample of Syrian refugee children in Lebanon.** Lebanon hosts an estimated 1.5 million Syrian refugees, over half of whom are children 18 years and younger.

Since 2017, UNHCR and WFP have provided direct cash assistance to eligible refugee households over a 12-month period, amounting to US$175 per household per month. Households are selected for the program on a yearly basis based on their score on a proxy means testing (PMT) formula that predicts household expenditures using a set of socio-demographic characteristics from UNHCR registration data.
The research covers two cash cycles beginning in November 2017 and November 2018 to determine whether the MPC benefits children in recipient households. The analysis is based on data from two waves of household survey data collected in 2019 from Syrian refugee households, matched to UNHCR registration data (including households’ PMT scores in 2017 and 2018 and household access to other assistance programs). The sample was restricted to individuals under the age of 19 years and their households.

The analysis distinguishes between four groups of households: (1) households who did not receive MPC in either of the two cash cycles; (2) households who received MPC in the first period but not in the second period; (3) households who did not receive MPC in the first period but did in the second period; and (4) households who maintained eligibility for MPC benefits throughout both cycles. The analysis controls for child’s age and gender, and at the household level, controls for household size, and the gender, age, marital status, and educational attainment of the household head.

Main results:

- **Cash transfers improved health outcomes for pre-primary and school-aged children.** Households receiving MPC reported a reduced incidence of acute illness in children (under 5 years of age) by 10 percentage points in the short run compared to children in non-recipient households, and by 8 percentage points in the long run compared to children in discontinued households. Consistent with the lower incidence of acute illness, all treatment groups reported a decreased need for primary health care (PHC) for young children compared to non-recipient households. Among households who report requiring PHC for children aged 0 to 5 years, MPC improved access to PHC across all treatment groups, but especially for households that receive long-run assistance. The results are qualitatively similar for children aged 6 to 14.

- **MPC led to improved educational outcomes compared to children in non-recipient households, including transitioning from non-formal to formal schooling.** Compared to children in non-recipient households, MPC assistance increased enrolment rates in formal education by 7.6 percentage points for children in discontinued households and children in long-run recipient households and 8.8 percentage points for children in short-run recipient households. There were also significant decreases in enrolment in non-formal education among MPC recipients in the discontinued and long-run groups, indicating that MPC assistance is associated with a shift from nonformal to formal education.
- **MPC led to decreases in child labor.** Higher enrolment rates for MPC beneficiaries where also coupled with significant decreases in child labor among all treatment groups, by 3.3 percentage points in the discontinued group and 3.7 percentage points in the long-run group.

- **Cash transfers reduced the likelihood of early marriage for girls aged 15–19 years.** The estimated effect of MPC is negative for all treatment groups, ranging between 2.4 and 6.6 percentage points (but only significant for girls in discontinued households compared to non-recipients).

The authors conclude that the barriers to educational access are not necessarily a result of learning deficiencies but are also economic in nature. While favorable health effects of MPC on pre-primary children tend to diminish in the absence of continued or sustained cash assistance, MPC effects on health, education, child labor, and early marriage tend to persist even after MPC has been discontinued.

**Children on the move: Progressive redistribution of humanitarian cash transfers among refugees**

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This paper examines the causal effects of the Emergency Social Safety Net (ESSN) program, which was launched in November 2016 and currently supports around 1.7 million refugees in Turkey.

The analysis is based on a pre-assistance baseline survey (PAB) undertaken by telephone between February and May 2017 and covering a sample of 8,690 applicant households. Three phone-based, post-distribution monitoring (PDM) surveys were undertaken at 6-month intervals covering all PAB households. There was a high rate of attrition from the study sample in each of the PDM surveys. The surveys collected information on household demographics (including school attendance), expenditures, diversity of foods consumed, strategies to cope with lack of resources, main income sources, debt levels and repayments, and remittances.
The researchers calculated aggregate per capita household expenditures, share of school-aged children attending school regularly, and indices for a Food Consumption Score (FCS), Reduced Coping Strategies (rCSI), and Livelihood Coping Strategies (LCSI). The FCS is an index of the diversity and frequency of foods consumed at the household level, the rCSI is a measure of the level of stress faced by a household due to food shortages, and the LCSI assesses the stress and severity of coping mechanisms used by households and their implications for longer-term productive capacity.

Main findings:

- **The program increased household expenditure due to increased spending on food and education.** After 6-12 months, average household expenditure was 5-7 percent higher in beneficiary households compared to non-beneficiary households, but this effect appears to dissipate after 18 months. The increase in consumption is driven by increased food and education expenditures.

- **The program reduced debt levels among beneficiary households.** Beneficiary households made larger debt repayments leading to a reduction in their debt level of 18-24 percent compared to non-beneficiary households.

- **The size of the consumption effect was substantially smaller than the transfers received by beneficiary households.** The authors posit that beneficiary households may have purchased durable goods which were not captured in the surveys, or underreported their food expenditures.

- **Unexpectedly, per capita expenditure in beneficiary households fell below that of non-beneficiary households.** Per capita expenditure levels in beneficiary households were about 6-10 percent lower than in non-beneficiary households. This effect is attributed to changes in refugee household size and composition, leading to a 0.8-person difference between beneficiary and non-beneficiary household sizes.

- **There was a net movement of individuals, primarily school-aged children, from non-beneficiary households towards beneficiary households.** The overall number of children in beneficiary households increased, while the number of children in non-beneficiary households decreased.

- **Total consumption and per capita consumption also increased among non-beneficiary households.** After 18 months, total consumption had increased by 10 percent and per capita income had increased by 16 percent among non-beneficiary households.

- **The program increased the food consumption score and reduced the frequency of negative coping strategies among beneficiary households, especially in the short term.** Beneficiary households ate fruit, vegetables, and meat more frequently than non-
beneficiary households. After six months, adults in beneficiary households were less likely to forgo meals or reduce portion size so that children could eat, but after 18 months they were equally or even more likely to use these coping strategies. After six months, beneficiary households were also less likely to resort to livelihoods-based coping strategies (such as selling assets, borrowing, using savings, reducing food consumption, or returning to the country of origin), but this effect disappears after 12-months, and after 18 months beneficiary households were more likely to reduce food consumption.

- **On average, there was no change in the proportion of school-aged children attending school, despite increased expenditure on education among beneficiary households.** However, children in the most vulnerable beneficiary households were more likely to attend school.

- **The program led to a decline in poverty and inequality in the entire study population.** Per capita consumption for beneficiary households ended up being lower than per capita consumption for non-beneficiary households, while poverty and inequality declined substantially across the entire study population. This is likely due to the movement of children from non-beneficiary to beneficiary households.

Overall, **ESSN had positive effects on beneficiary households, especially for food consumption and coping strategies to deal with shortages of food, and school attendance increased for the most vulnerable households.** Unexpectedly, the program led to a net movement of children from larger and worse-off non-beneficiary households into smaller and better-off beneficiary households, leading to a substantial decline in poverty and inequality in the entire study population. The author concludes that **refugees may respond to eligibility status by altering their household structure and living arrangements.** The authors suggest that if the program was extended to a larger group of households, but offered a smaller cash transfer per individual, some of this churn in household composition could be avoided.

**Cash-like vouchers improve psychological well-being of vulnerable and displaced persons fleeing armed conflict**

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[https://doi.org/10.1093/pnasnexus/pgac101](https://doi.org/10.1093/pnasnexus/pgac101)
This paper assesses the effectiveness of the United Nations’ Rapid Response to Movements of Population (RRMP) program, the largest humanitarian assistance program targeting vulnerable displaced, returnee and host households in eastern Democratic Republic of Congo. Between 2004 and 2018, the program provided humanitarian relief to over a million people each year, including vouchers for essential non-food items, such as pots, pans, cloth, and mattresses.

The analysis is based on a within-village randomized field experiment with 976 vulnerable households, across 25 villages, including internally displaced and host households. Assessments of household vulnerability were based on ownership and quality of water containers, pans, buckets, farm tools, mattresses, sheets, and women’s and children’s clothing, as well as the number of household members with physical disabilities and children raised by a single parent. Households were randomly assigned to either a treatment group, which received vouchers worth US$55 to US$90, or a control group, which received no vouchers. Vouchers could be used to obtain essential household items (EHI) at a one-off fair organized by the program. Outcomes were measured at 6 weeks and after one year.

Main findings:

- **The vouchers led to large improvements in psychological well-being.** Vouchers led to a 0.32 standard deviation unit (SDU) improvement in psychological wellbeing at 6 weeks, and a 0.18 SDU improvement at 1 year.
- **There was no improvement in child health.** This suggests that larger or different transfers may be needed to improve child health.
- **There is no evidence that the program undermined social cohesion within the village.** This suggests that targeting some households and not others within the same community did not undermine local community relations.
- **The program increased asset ownership and dietary diversity,** suggesting that household resilience may be a mechanism via which economic assistance improves psychological well-being.
- **Economic assistance also increased debt and the consumption of alcohol or tobacco.**

The authors conclude that economic transfers can reduce the psychological harm caused by conflict and forced displacement, and these can be delivered at a low cost (US$21 per beneficiary or about US$137 per household).
The freedom to choose: Theory and quasi-experimental evidence on cash transfer restrictions

Jade Siu, Olivier Sterck, and Cory Rodgers

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This paper *studies the effect of cash transfer restrictions on the welfare of recipients in the Kalobeyei refugee settlement in Kenya*, a context in which restrictions matter because cash transfers are extra-marginal (they are greater than the amount a household would have otherwise spent on food), and the resale of unrestricted goods (i.e., food items) is costly. The authors assess whether restrictions affect consumer choices, whether recipients comply or circumvent restrictions, and whether restrictions increase or decrease the welfare of recipients.

The Kalobeyei settlement was established in 2016 with the objective of promoting a model for refugee assistance that promotes self-reliance among the refugee and host communities. In 2019, when the research was undertaken, the settlement accommodated around 36,000 refugees. Extreme poverty and food insecurity are widespread in the settlement (73 percent of households in the study were severely food insecure) and dietary diversity is very low.

Since 2016, the World Food Programme (WFP) has been providing a monthly cash transfer to each refugee in the settlement of US$14, restricted to the purchase of food items (excluding alcohol, tobacco, and non-food items). In June 2019, the restriction was lifted for 1,050 households living in one area of the settlement. The authors exploit this quasi-random policy change to assess the impact of cash transfer restrictions.

The analysis is based on a representative survey conducted in November 2019 of a randomly selected sample of 896 South Sudanese refugee households, five months after the first unrestricted cash transfer was made. 525 households received unrestricted cash transfers, and 371 households received restricted cash transfers. The survey collected information on food and non-food expenditure, food consumption, asset ownership, income, remittances, savings and loans, subjective well-being, women’s participation in household decision making, and preferences between the two cash transfer modalities.
Main findings:

- **A sizeable resale market exists in Kalobeyei.** 70 percent of households receiving restricted cash transfers resold food and 78 percent exchanged food for other goods. Buyers are either the minority of refugees who have an income or the host population.

- **Reselling food in the resale market entails a substantial loss for recipient households.** Median prices in the resale market are 18 to 38 percent lower than retail market prices, implying that households selling goods incur large losses.

- **Households receiving unrestricted cash transfers are less likely to resell food items in the resale market.** Households receiving unrestricted cash transfers are 10 percentage points less likely to have resold food items in the month preceding the survey compared to households receiving unrestricted transfers.

- **Households receiving restricted cash transfers do not have better nutrition outcomes, but they do have lower non-food expenditure and lower expenditure on temptation goods** (alcohol, tobacco, and restaurants). There is also suggestive evidence that households receiving restricted transfers have lower levels of asset ownership and asset purchases.

- **Households receiving unrestricted cash transfers report moderately higher levels of subjective wellbeing** compared to those receiving restricted cash transfers.

- **Household indebtedness attenuates the positive effects of lifting restrictions on the use of cash transfers.** Almost 90 percent of refugee households in the sample are indebted, usually because they’ve had to buy food on credit. Effects of lifting the cash transfer restrictions are larger for households that are not indebted to their food retailer enabling them to access cash more easily.

The authors conclude that the switch from restricted to unrestricted cash transfers was welfare enhancing for refugee households. The authors point out that addressing indebtedness is essential to realizing the full potential of unrestricted cash transfers.