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van Dongen, Elisa Maria Angela ; Lensink, Robert; Mueller, Annika

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Effects of Cash-Transfer Programs New Evidence From Uganda

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Elisa van Dongen¹ , Robert Lensink¹  and Annika Mueller¹ 

¹Department of Economics, Econometrics and Finance, Faculty of Economics and Business, University of Groningen, Groningen, The Netherlands

Abstract

Purpose: We explore the impact of a unique universal, unconditional cash-transfer project, the LIFE-project, in Welle, Uganda.

Study Design: Employing mixed methods with difference-in-differences estimates and interviews, we focus on the effects of the LIFE-project on economic, health and well-being, as well as social cohesion outcomes.

Findings: We find that the LIFE-project has positive effects on the residents of Welle along several dimensions, including sustainable livelihoods, total consumption, physical health, emotional well-being, and social cohesion.

Contributions: The unique combination of features of the LIFE-project enables us to explore challenges outlined in the literature, as well as some novel questions, including those related to the inclusion of minors in cash-transfer programs and changes in social cohesion resulting from cash transfers.

Implications: Local institutional incentives and enforcement mechanisms for tackling communal challenges and emerging conflicts, as well as community-managed funds, are of key importance for cash transfers to succeed.

Keywords

unconditional cash transfer, universal cash transfer, basic income, community fund, public goods, poverty alleviation, economic impact, health and well-being, social cohesion, Uganda

Introduction

To advance the Sustainable Development Goals (SDGs; [United Nations, 2015](#)), particularly ‘No Poverty’ (SDG1), governments and development organizations pursue multiple approaches, including in-kind transfers, microloans, and conditional cash transfers. However, challenges such as high administrative costs (associated with, e.g., eligibility assessment and repayment monitoring), and limited coordination between programs ([Gentilini et al., 2020](#)) have led to a recent shift of policy focus toward universal unconditional cash transfers (universal UCTs). Such UCTs provide support to all residents within target communities, without any conditions, thereby greatly reducing the administrative burden.

The existing literature on the impact of UCT programs on economic, health and well-being, as well as social cohesion outcomes, is however limited and controversial.

The literature highlights a range of positive outcomes. Theoretical work that considers market imperfections,

such as credit rationing, suggests that UCTs enhance household liquidity, enabling investments in productive assets ([Daidone et al., 2019](#); [Karlan et al., 2014](#); [Phimister, 1995](#)) and high-risk, high-reward activities, as well as job search ([Baird et al., 2018](#)). From a neoclassical economic perspective, UCTs are furthermore particularly appealing as they provide recipients freedom over their consumption choices, avoiding distortions and allowing for utility-maximization ([Cunha, 2014](#); [Currie & Gahvari, 2008](#)). Empirically, cash transfers have been found to reduce financial stress and yield (modest) improvements in mental health ([McGuire et al., 2022](#)). Moreover, analyses based on non-unitary household bargaining models

Corresponding author:

Annika Mueller, Department of Economics, Econometrics and Finance, Faculty of Economics and Business, University of Groningen, Nettelbosje 2, Groningen 9747 AE, The Netherlands.
Email: a.m.mueller@rug.nl

predict that an increase in women's income—whether earned or received as cash transfer—can reduce intimate partner violence (IPV) by enhancing women's bargaining power (Farmer & Tiefenthaler, 1997; Tauchen et al., 1991). The few studies that investigate the link between cash transfers and social cohesion predict increased informal transfers, community-sharing arrangements, and engagement in local networks of reciprocity (Fisher et al., 2017).

However, the literature also suggests that, e.g., UCTs decrease labor supply due to diminishing marginal returns to income (Baird et al., 2018; Cesarini et al., 2017; Daidone et al., 2019; Moffitt, 2002; Saez, 2002); do not change long-term savings or consumption (Daidone et al., 2019; Friedman, 1957); increase IPV when men feel threatened and try to reassert control (Eswaran & Malhotra, 2011) or try to seize resources targeted to women (Bloch & Rao, 2002); decrease self-esteem and increase feelings of dependency and inferiority (Fisher et al., 1982; Nadler & Fisher, 1986; Wydick et al., 2018), and increase the risks of jealousy among non-recipients (Della Guardia et al., 2022), and of rent-seeking behavior, elite capture, and the patronage of local leaders (Alatas et al., 2012).

More empirical evidence is thus needed regarding the precise mechanisms through which cash transfers work, and how specific program features impact economic, health and well-being, and social cohesion outcomes, all of which are important determinants of development, as identified by the United Nations (2015).

This paper aims to inform theory by studying the impacts of a 7-year universal UCT program, the 'LIFE basic income project', abbreviated as 'LIFE-project', which was set up in August 2020 by the Dutch foundation 'INclusion' and its local partner, the implementing organization 'Agency For Accelerated Regional Development' (AFARD), in the village of Welle, Uganda.¹

The study of this project allows us to not only outline propositions regarding a number of contentious questions concerning economic, health and well-being and social cohesion outcomes previously outlined in the literature, but also regarding novel ones, as it has a unique combination of three program features: the inclusion of all household members, i.e., both adults and minors, with everyone receiving identical cash transfers, in the program; a democratically elected project steering committee; and a village fund, i.e., community-managed funds.

First, the project's cash transfers apply equally to all who were residents of Welle at the time of the project's launch, including children. For children under 16, who are not yet eligible for a national ID or SIM-card, the project makes these payments to the phone of their

primary female caregiver, or, in the absence of such, to the phone of their primary male caregiver. More commonly, cash-transfer programs in developing countries solely target adults (e.g., GiveDirectly projects in Kenya; see Haushofer & Shapiro, 2016; Banerjee et al., 2020) or provide children with a lower amount (e.g., the cash-transfer program in Madhya Pradesh, and the BIG-project in Namibia; see Davala et al., 2015; Haarmann et al., 2009). Second, the project uses a steering committee to guide the project and mobilize the recipients. The steering committee consists of village residents democratically chosen in a project launch meeting, to which all adult community members were invited. Third, the cash transfers are provided in the form of both a direct transfer to individual recipients as well as a village fund that is taken out of the overall pot of all recipients' cash transfers. Specifically, 73–97% of the total transfer is transferred to recipients' mobile money wallets,² along with an additional 2060 UGX, as reimbursement of the transaction costs of withdrawing mobile money. 0–24% is wired to the project's village fund. The proportions of the direct transfer and village fund are determined by a simple majority vote at an annual meeting open to all adult community members. The direct transfers consisted of a monthly pay-out of 72,060 Ugandan shilling (UGX) per person per month (pppm) in the first two years³ (i.e., 59.10 international dollar at 2017 purchasing power parity (PPP)⁴), and 60,000 UGX ppm in the third and fourth year (i.e., 49.21 international dollar at 2017 PPP). The community can use the money in the village fund to finance public goods.

The evaluation takes a mixed-methods approach to strengthen the study's internal validity and to better understand the impacts of the LIFE-project. We first establish whether the LIFE-project positively impacts outcomes such as consumption and emotional well-being as found in prior research, by quantitatively comparing the development of economic as well as health and well-being variables from recipients of the cash-transfer program in Welle, with that of non-recipients in a control village without the cash-transfer program, Nyakumba.⁵ To safeguard the internal validity of our results, the project carefully selected Nyakumba as the comparison village based on AFARD's assessment of its similarity to Welle, mainly in terms of poverty and accessibility, as well as its distance to Welle, to prevent spillovers.⁶ To corroborate these quantitative findings (via triangulation), and provide a deeper understanding of how these impacts come about, we concurrently conduct interviews with inhabitants of Welle who receive the cash transfer, and with recent migrants to Welle, who do not receive the cash transfer. Second, we explore how the specific

combination of features of the LIFE-project impacts, e.g., livelihood and social cohesion, including inter-partner dynamics, of inhabitants of Welle, outcomes that are relatively understudied in the literature. Here, the interviews informed quantitative testing (i.e., retrospective questions in the follow-up survey), and the focus of the second round of interviews in June 2024. Thus, our mixed-methods approach is primarily guided by Creswell's (2009) 'transformative strategy', with both concurrent and sequential elements. See [Supplemental Material, Section SM.1](#), for a more detailed discussion.

We find that the LIFE-project has had mostly positive effects on the residents in Welle (including via the provision of public goods), yet also some (temporary) negative effects along several dimensions, with many of the latter being successfully mitigated by the steering committee. Overall, it appears that programs such as the LIFE-project have great potential for success if local institutional incentives and enforcement mechanisms for tackling communal challenges and emerging conflicts, as well as community-managed funds, both guided by inclusive, transparent leadership, are in place.

The rest of the paper proceeds as follows: Section 2 outlines the data and methods we use; Section 3 presents our results; Section 4 discusses our findings and concludes.

Data and Methodology

Ethical Approval and Informed Consent

Ethical approval for this study in the form of a "Certificate of clearance" was obtained from the Institutional Review Board of the Faculty of Economics and Business at the University of Groningen (Reference number FEB-20191209-10364). Informed consent for the villages to be included in our study was obtained from all relevant leaders. In addition, we sought informed consent from respondents for each survey and interview round. We refer the interested reader to the [Supplemental Material, Section SM.3](#), for a more detailed write-up on informed consent, as well as a discussion of ethical considerations related to the principle of equipoise in the context of selecting a control village for our study.

Surveys and Interviews

For this study, data was collected via two quantitative surveys ("survey(s)" henceforth) (van Dongen et al., 2025) and two qualitative semi-structured in-depth interviews ("interview(s)" henceforth). All of the

surveys and close to all of the interviews (see [Supplemental Material, Section SM.1](#), for details) were conducted in the local language of Alur (hence quotes from interviews are generally presented in translation). All survey and interview respondents were adults (aged 18 years or older).

A baseline survey was conducted before the start of the LIFE-project, in December 2019, and a follow-up survey in December 2022. For the baseline survey in 2019, at most one adult respondent per household was randomly selected, stratified by gender (i.e., the gender ratios in the intended samples from Welle and Nyakumba were the same as those in their respective adult populations). Total intended sample size per village was determined on the basis of the survey budget. The realized baseline sample for the survey consisted of 97 recipients of the cash transfer in Welle, and 107 residents of the control village, Nyakumba. A random subsample, keeping the gender ratio the same, of the baseline sample (50 respondents in Welle and 49 respondents in Nyakumba) was interviewed in the follow-up survey in 2022.⁷ On average, this subsample appears to be representative of the full baseline sample (see [Tables 1 and 2](#)). [Table 6](#) summarizes and compares the baseline demographic information of the respondents of both the baseline and follow-up survey.

Two waves of interviews were conducted in Welle. Given budget constraints, we prioritized conducting interviews in Welle over including interviews with Nyakumba residents to focus on mapping the various ways the cash transfer impacted recipients' lives.⁸ The participants were selected using a theoretical sampling strategy (Corbin & Strauss, 2008). Specifically, for each interview round, we began by interviewing the steering committee members and the project's field coordinator, as their roles positioned them to provide a bird's eye view of the project's effects on Welle residents. Subsequently, we analyzed the concepts that emerged from their responses, and identified the next interviewees based on their relation to those concepts. In this case, to obtain a broad overview of how recipients spent the direct cash transfer, and project impacts, we eventually sampled recipients with a variety of major cash-transfer investments and experienced impacts from the project using concepts that emerged from the steering committee members' and field coordinator's responses as our guide (see [Supplemental Material, Section SM.1](#), for an in-depth discussion on the collection and analysis of the qualitative data). 19 respondents were interviewed in May 2022 (see [Table 3](#)). These interviews inquired about respondents' use of their cash transfer, what respondents identify as major impacts of the LIFE-project, and their future aspirations.

Table 1. Welle Baseline Characteristics of Baseline Sample Versus Follow-Up Sample.

	Welle Final Sample				Welle Baseline Sample				Difference				
	N	Mean	SD	Min	Max	N	Mean	SD	Min	Max	Diff.	SE	p-Value
Socio-Demographics													
Age	50	37.94	14.29	18	79	97	38.07	15.86	18	80	-0.13	2.67	0.961
Married	50	0.72	0.45	0	1	97	0.75	0.43	0	1	-0.03	0.08	0.671
Household size	50	5.52	2.43	2	11	97	5.26	2.41	1	11	0.26	0.42	0.534
Highest education	50	4.44	2.76	0	11	97	4.11	2.99	0	12	0.33	0.51	0.521
Main income source farming	50	0.72	0.45	0	1	97	0.70	0.46	0	1	0.02	0.08	0.812
Productive assets													
Owens cattle	50	0.22	0.74	0	4	97	0.24	0.66	0	4	-0.02	0.12	0.886
Owens small livestock	50	2.36	2.62	0	12	97	2.66	5.68	0	50	-0.30	0.85	0.724
Consumption													
Total consumption	50	561,640	538,215	12,910	3,093,714	96	578,912	654,462	12,911	4,041,822	-17,273	107,671	0.873
Non-food consumption	50	129,814	108,471	6,700	398,500	96	162,799	223,880	0	1,349,600	-32,985	33,579	0.328
Food consumption	50	98,050	114,935	900	627,200	97	93,445	125,176	900	825,000	4,605	21,207	0.828
Food insecurity	44	2.84	2.34	0	7	88	2.66	2.22	0	7	0.182	0.42	0.66
Consumption of temptation goods	50	1,329	2,675	0	13,000	97	1,588	3036	0	14,000	-259	508	0.611
Health													
Days being ill	43	5.67	7.44	0	28	86	4.76	6.92	0	28	0.92	1.33	0.49
Emotional well-being													
Worry basic needs	50	3.78	0.55	2	4	97	3.79	0.48	2	4	-0.01	0.09	0.875
CESD-score	45	18.11	7.50	8	37	90	18.58	7.39	6	39	-0.47	0.136	0.731
Optimistic life orientation	49	12.02	3.55	7	22	96	12.43	3.54	7	22	-0.41	0.62	0.515
Self-esteem	47	27.81	5.05	14	36	94	27.87	4.59	14	36	-0.06	0.85	0.940
Locus of control	49	28.61	7.30	13	42	96	28.77	7.66	9	47	-0.16	1.32	0.905
Aspirations score	50	14.46	3.03	5	18	97	14.25	3.08	5	18	0.21	0.53	0.691

Notes: 'Welle final sample' summarizes the baseline characteristics based on data from the 2019 baseline survey, only including participants who participated in both the 2019 baseline and the 2022 follow-up surveys. 'Welle baseline sample' summarizes the baseline characteristics based on data from the 2019 baseline survey, only including participants who participated in that survey. See Table 5 for the variable definitions of the outcome variables. 'Difference' reports the results from unpaired t-tests.

Table 2. Nyakumba Baseline Characteristics of Baseline Sample Versus Follow-Up Sample.

	Nyakumba Final Sample					Nyakumba Baseline Sample					Difference		
	N	Mean	SD	Min	Max	N	Mean	SD	Min	Max	Diff.	SE	p-Value
Socio-Demographics													
Age	49	43.45	15.57	20	83	107	39.21	14.87	19	83	4.24	2.60	0.11
Married	49	0.53	0.504	0	1	107	0.64	0.48	0	1	-0.10	0.08	0.217
Household size	49	6.25	-2.59	1	12	107	6.09	2.62	1	13	0.15	0.45	0.737
Highest education	49	3.88	-3.49	0	12	107	3.90	3.19	0	12	-0.02	0.57	0.972
Main income source farming	49	0.67	0.47	0	1	107	0.68	0.47	0	1	-0.01	0.08	0.914
Productive assets													
Owns cattle	49	0.06	0.317	0	2	107	0.12	0.65	0	5	-0.06	0.10	0.542
Owns small livestock	49	0.47	0.915	0	4	107	0.89	1.87	0	8	-0.42	0.28	0.141
Consumption													
Total consumption	49	274,945	263,362	14,625	1,245,976	106	331,445	459,796	14,625	4,203,947	-56,500	70,562	0.425
Non-food consumption	49	83,453	100,100	3,500	546,000	106	124,583	337,016	1,000	3,347,500	-41,130	49,193	0.404
Food consumption	49	43,592	48,092	2,100	239,400	107	45,881	43,857	2,100	239,400	-2,289	7,800	0.770
Food insecurity	47	3.51	2.031	0	7	102	3.45	2.20	0	7	0.06	0.38	0.875
Consumption of temptation goods	49	478	1,220	0	5,500	107	1605	6560	0	60,000	-1,127	946	0.235
Health													
Days being ill	46	5.78	8.56	0	24	101	5.26	7.74	0	25	0.53	1.42	0.713
Emotional well-being													
Worry basic needs	49	3.84	0.37	3	4	107	3.82	0.38	3	4	0.01	0.07	0.828
CESD-score	48	19.13	6.96	8	42	103	19.70	7.63	6	45	-0.57	1.30	0.659
Optimistic life orientation	49	12.61	4.42	7	20	107	12.93	4.36	7	27	-0.32	0.75	0.670
Self-esteem	49	28.25	4.25	19	37	106	27.56	4.31	18	37	0.69	0.74	0.355
Locus of control	49	29.98	6.02	16	44	107	29.99	6.70	10	44	-0.01	1.12	0.992
Aspirations score	49	14.20	3.42	3	18	107	13.60	3.78	3	18	0.61	0.63	0.34

Notes: 'Nyakumba final sample' summarizes the baseline characteristics based on data from the 2019 baseline survey, only including participants who participated in both the 2019 baseline and the 2022 follow-up surveys. 'Nyakumba baseline sample' summarizes the baseline characteristics based on data from the 2019 baseline survey only including participants who participated in that survey. See Table 5 for the variable definitions of the outcome variables. 'Difference' reports the results from unpaired t-tests.

Table 3. Interview Sample – May 2022.

Respondent	Gender	Reason for Selection
Steering committee members		
1	Male	Chairperson
2	Female	Treasurer
3	Male	Secretary
4	Male	Chairperson local council
5	Male	Member
Recipients		
6	Female	Invested cash transfer in semi-permanent house
7	Female	Invested cash transfer in semi-permanent house
8	Male	Owns building on which project's solar-panel is installed
9	Male	Invested cash transfer in shop/kiosk
10	Male	Invested cash transfer in education
11	Male	Invested cash transfer in secondary school
12	Female	Invested cash transfer in tailor shop
13	Female	Widowed, invested cash transfer in livestock and education of children
14	Female	Invested cash transfer in medical treatment, education of children and semi-permanent house
15	Female	Interviewed about her use of the borehole
16	Male	Invested cash transfer in traditional house
17	Male	Invested cash transfer in education
18	Male	Invested cash transfer in farm
19	Male	Project's main field coordinator from AFARD

Notes: This table provides an overview of the gender and reason for selection of the respondents interviewed in May 2022.

In June 2024, 15 interviews were conducted in Welle about how the cash transfer impacted intra- and inter-household relationships in Welle, and relationships with residents from nearby villages. Besides the steering committee members, we interviewed the chairperson and the caretaker of the borehole committee, recipients with different marital statuses, non-recipient returnees, female non-recipients who married into the village, and a former recipient who was excluded from the program because he moved out of the village for two months for work-related purposes (see [Table 4](#)).

Outcome Variables

As outlined in the introduction and in line with the relevant literature, our outcome variables fall into three categories: economic outcomes, health and well-being outcomes, and social cohesion outcomes. Below, we discuss the two categories analyzed using quantitative data, economic outcomes and health and well-being outcomes, in turn. Given the multifaceted and tacit nature of interpersonal relationships, we believe that the social cohesion dimension is better captured through interviews rather than through a survey.

The economic outcomes are based on survey data (see [Table 5](#), where we provide full variable names and definitions). We partially capture livelihood changes through

the number of cattle and small livestock owned by the household. Consumption outcomes include: total monthly consumption, as well as its constituents: monthly non-food consumption, weekly food consumption, and weekly consumption of temptation goods; as well as an index that captures household food insecurity.

For health and well-being outcomes, we first use a variable measuring the number of days missed at school or work due to illness as an indicator of physical health outcomes. Second, we assess emotional well-being by incorporating several psychometric variables based on survey data (see [Table 5](#)): perceived stress regarding financial insufficiency to meet basic needs; the respondent's optimism about their future; the Centre for Epidemiologic Studies Depression Scale (CES-D); and Rosenberg's Self-Esteem Scale. Other emotional well-being variables include Rotter's Locus of Control index ([Rotter, 1954](#)) to capture whether individuals attribute control over events and outcomes in their lives to internal or external factors, and an aspiration index to measure the extent to which respondents set and pursue (financial) goals.

[Figure 1](#) presents our tentative model, based on the literature outlined in the introduction.

To summarize, drawing on the literature outlined in the introduction, economic theory predicts an increase in productive assets and changes in livelihood activities, though the nature of these changes may vary

Table 4. Interview Sample – June 2024.

Respondent	Gender	Year of Birth	Reason for Selection
Steering committee members			
1	Male	1940	Chairperson
2	Male	1973	Chairperson local council
3	Male	1984	Member
4	Female	1974	Treasurer
5A	Male	1996	Secretary
5B	Male	1988	Vice secretary
Recipients			
6	Male	1988	Divorced
7	Female	1982	Married
8	Female	1993	Married
9	Male	1997	Married
Borehole committee members			
10A	Male	1982	Chairperson
10B	Female	±1986	Caretaker and key keeper
Non-recipients			
11	Male	2005	Single, returnee
12	Female	1983	Divorced, returnee
13	Female	2006	Recently married into Welle
14	Female	2002	Recently married into Welle
15	Male	2004	Single, previous recipient

Notes: This table provides an overview over the gender, birth year, marital status and reason for selection of the respondents interviewed in June 2024.

significantly by context (Daidone et al., 2019; Karlan et al., 2014; Phimister, 1995). While views diverge on long-term effects on savings and consumption (Daidone et al., 2019; Friedman, 1957), short-term increases are generally expected (e.g., Haushofer & Shapiro, 2016), assuming that cash transfers increase income at least in the short run.

Health and well-being are also predicted to be affected by basic income, with some theories pointing to reduced financial stress and greater dignity (e.g., McGuire et al., 2022), while others suggest increased feelings of dependency and lower self-esteem (e.g., Fisher et al., 1982; Nadler & Fisher, 1986; Wydick et al., 2018).

Based on findings from the literature on targeted cash transfers (e.g., to women or low-income households), it can further be expected that basic income will influence social cohesion, though the direction remains unclear (e.g., Della Guardia et al., 2022; Eswaran & Malhotra, 2011; Fisher et al., 2017; Tauchen et al., 1991). Universal cash transfers may have similar effects, but these remain underexplored.

Methodology and Data

To measure the impact of the cash transfer on economic, and health and well-being outcomes, we use a

quantitative difference-in-differences (DID) methodology (Wooldridge, 2010), comparing the change in each outcome variable between 2019 and 2022 for survey respondents in Welle to the change in the same outcome variables between 2019 and 2022 for survey respondents in the control village, Nyakumba: $E(Y_{i,2022}(T_i) - Y_{i,2019}(T_i)|T_i = 1) - E(Y_{i,2022}(T_i) - Y_{i,2019}(T_i)|T_i = 0)$, where i denotes individuals, Y_i refers to an outcome variable, and T_i represents the assignment to the intervention. The DID is implemented by estimating the following specification using Ordinary Least Squares for each outcome variable Y_{it} :

$$Y_{it} = \beta_0 + \beta_1 T_i + \beta_2 d_{it} + \beta_3 T_i * d_{it} + u_{it}, \quad (1)$$

where t denotes time ($t = 0$ indicates “before the intervention”, i.e., the 2019 baseline survey, and $t = 1$ “after the intervention”, i.e., the 2022 follow-up survey), d_{it} is a dummy variable taking on a value of 0 for the period before the intervention and 1 after the intervention, and $T_i * d_{it}$ is an interaction term. The DID coefficient β_3 captures the average treatment effect of the cash transfer by comparing the change in outcome variables between 2019 and 2022 in the treatment village, Welle, to that in the control village, Nyakumba. The third set of columns in Tables 7 and 10 display this

Table 5. Outcome Variables.

Outcome Variable	Explanation	Value
Assets		
Owns cattle	The number of cattle (e.g., cows, bulls, and calves) that the household owns.	Positive integer
Owns small livestock	The number of small livestock (e.g., goats, sheep, and pigs) that the household owns.	Positive integer
Consumption		
Total consumption	Sum of the corresponding monthly value of non-food, food and temptation goods consumption. The value for food and temptation goods consumption in the week prior to the survey is divided by seven days times 30.4 ays (length of average month).	≥0
Non-food consumption	The household's consumption of products and services other than food in the month prior to the baseline survey, expressed in UGX, including: airtime, internet, and other phone expenses; travel, transport and hotel costs; lottery tickets; clothing and shoes; costs related to recreation and entertainment; personal items; household items; firewood, kerosene and charcoal; electricity; water; house rent; expenses for home repair or expanding the home; religious expenses; charitable donations; weddings and funerals; school fees, school uniforms, books and other supplies; medical expenses; household durables; bride price; and other expenses.	≥0
Food consumption	The household's consumption of food in the week prior to the baseline survey, expressed in UGX, including cereals; roots and tubers; pulses; vegetables; meat; fish; dairy and eggs; other animal products; oil and fat; fruit; sugars; jam and sweets; nonalcoholic drinks; spices; prepared foods; and other food.	≥0
Food insecurity	Index ranging from 0 (the lowest food insecurity score) to 7 (the highest food insecurity score), capturing whether both adults and children in the household skipped meals, ate less than 2 meals a day, had experienced days without any meal, or went to bed hungry.	0–7
Consumption of temptation goods	The household's consumption of alcohol and tobacco in the week prior to the baseline survey, expressed in UGX.	≥0
Health		
Days being ill	Number of days missed from work due to illness in the 28 days prior to the survey.	0–28
Emotional well-being		
Worry basic needs	A variable for perceived stress over having insufficient money to meet basic needs (e.g., food and clothing), ranging from 1 (not at all worried) to 4 (very worried).	0–4
CESD-score	20-item centre for epidemiologic studies Depression scale, covering the major components of depression including depressed mood, feelings of guilt, feelings of helplessness and worthlessness, psychomotor retardation, loss of appetite, and sleep disorders in the week prior to the interview. Question scores are summed and provide an overall score ranging from 0 to 60. A higher score indicates greater depression.	0–60
Optimistic life orientation	Modified version of Scheier's life orientation test, ranging from 6 to 35. The higher the score, the more optimistic one is about their future.	6–35
Self-esteem	Rosenberg self-esteem scale, ranging from 10 to 40. The higher the score, the greater the respondent's self-esteem.	10–40
Locus of control	Rotter's locus of control index, ranging from 8 to 56. The higher the score, the more people think external factors matter. Respondents with a low score, thus high internal locus of control, perceive themselves as having much personal control over their behavior and are, therefore, more likely to take responsibility for how they behave. In contrast, a person with a high external locus of control perceives their behavior to be a result of external influences.	8–56
Aspirations score	Index measuring the extent to which respondents actively set and pursue their own (financial) goals. Its value is the sum of binary scores of 18 survey questions. The higher the score, the more likely one is to set and pursue their aspirations.	0–18

Notes: This table presents the outcome variables used in the quantitative analyses, including their definitions and corresponding score ranges.

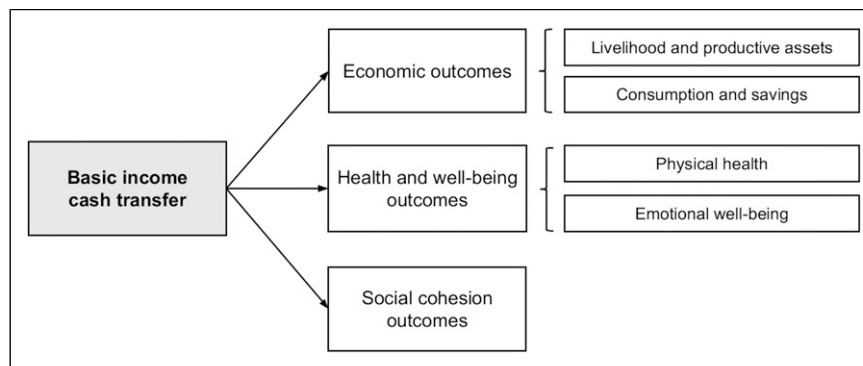


Figure 1. Tentative model.

coefficient β_3 and corresponding statistics (while, in contrast, the first two sets of columns provide simple t-test-based comparisons of the changes of the outcome variables between 2019 and 2022, in Welle and Nyakumba, respectively). The DID methodology is designed to address biases caused by pre-existing trends in Welle that are not related to the treatment, or time-invariant differences between Welle and Nyakumba, and is appropriate when the treatment (the cash transfer in our case) is not randomly allocated at the individual level. We discuss DID in more detail in the [Supplemental Material, Section SM.4](#).

Comparability between Nyakumba and Welle is also key to the success of our DID approach, enhancing the internal validity of our results. Hence, great care was taken in selecting Nyakumba, and we discuss the process in detail in the [Supplemental Material, Section SM.2](#). We also present in [Table 6](#) below comparisons between Nyakumba and Welle using summary statistics of the baseline values of key variables. Furthermore, when presenting our regression results, in addition to the DID coefficient of interest β_3 , we report statistical comparisons of outcome variables of recipients in Welle and Nyakumba before and after the intervention (2019 vs. 2022) using t-tests. These results are meant to further reassure the reader that positive DID estimates for outcome variables are not driven by, e.g., trend decline in those variables in the control village.

The baseline data presented in [Table 6](#) indicates that respondents in Welle are similar to respondents in Nyakumba in several respects. The two groups of respondents appear to be similar in terms of average age (between 38 and 43), average household size (around six), average highest completed education level (i.e., fourth class in primary school), and main type of income source (i.e., subsistence farming). Furthermore, the respondents in Welle are similar to the respondents

in Nyakumba in their baseline scores of physical health and emotional well-being outcome variables. However, in terms of baseline consumption levels and the number of small livestock owned by households, Nyakumba scores lower compared to Welle.

The small sample size of survey participants (50 recipients and 49 non-recipients) presents potential power issues, possibly leading us to incorrectly conclude that the cash transfer does not significantly affect some outcomes. Furthermore, since the LIFE-project was rolled out in only one village, the standard errors used in t-tests cannot be adjusted for possible village-level clustering effects. The interviews are meant to complement our statistical analysis and partially address the above-mentioned limitations in our evaluation.

It is relevant to consider some baseline characteristics of our subsample of Welle in more detail. Considering education, the majority of respondents in Welle have not completed primary education.

Approximately 12% have not had any schooling. 88% have completed at least one grade in primary school but none in secondary school. Only 10% have completed at least one grade in secondary school and none of the respondents have completed a grade in tertiary education. Similar to the rest of the West-Nile region in which Welle lies, subsistence farming is the main income source for the large majority of respondents. Specifically, about 70% indicate that their main income source is ‘farming own land’, and most farm in both agricultural seasons (37 in April-June and 30 in August-November). The most commonly grown crop type is tubers, followed by maize. A substantial share of cultivators indicates growing only one type of crop in either season (44% in April-June and 53% in August-November).

Most of the respondents in Welle live in or near poverty. First, consider the average value of household food consumption in the week before the baseline

Table 6. Balance Test on Baseline Characteristics.

	Welle						Nyakumba						Difference		
	N	Mean	SD	Min	Max	N	Mean	SD	Min	Max	Diff.	SE	p-Value		
Socio-Demographics															
Age	50	37.94	14.29	18	79	49	43.45	15.57	20	83	-5.51	3.00	0.070		
Married	50	0.72	0.45	0	1	49	0.53	0.504	0	1	0.19	0.10	0.052		
Household size	50	5.52	-2.43	2	11	49	6.25	-2.59	1	12	-0.72	0.50	0.153		
Highest education	50	4.44	-2.76	0	11	49	3.88	-3.49	0	12	0.56	0.63	0.376		
Main income source farming	50	0.72	0.45	0	1	49	0.67	0.47	0	1	0.05	0.09	0.619		
Productive assets															
Owns cattle	50	0.22	0.74	0	4	49	0.06	0.317	0	2	0.16	0.11	0.168		
Owns small livestock	50	2.36	2.62	0	12	49	0.47	0.915	0	4	1.89	0.40	0.000		
Consumption															
Total consumption	50	561,640	538,215	12,910	3,093,714	49	274,945	263,362	14,625	1,245,976	286,695	85,439	0.001		
Non-food consumption	50	129,814	108,471	6,700	398,500	49	83,453	100,100	3,500	546,000	46,361	20,989	0.030		
Food consumption	50	98,050	114,935	900	627,200	49	43,592	48,092	2,100	239,400	54,458	17,773	0.003		
Food insecurity	44	2.84	2.34	0	7	47	3.51	2.031	0	7	-0.67	0.46	0.148		
Consumption of temptation goods	50	1,329	2,675	0	13,000	49	478	1,220	0	5,500	851	419	0.045		
Health															
Days being ill	43	5.67	7.44	0	28	46	5.78	8.56	0	24	-0.11	1.71	0.950		
Emotional well-being															
Worry basic needs	50	3.78	0.55	2	4	49	3.84	0.37	3	4	-0.06	0.09	0.548		
CESD-score	45	18.11	7.50	8	37	48	19.12	6.96	8	42	-1.01	1.50	0.501		
Optimistic life orientation	49	12.02	3.55	7	22	49	12.61	4.42	7	20	-0.59	0.81	0.467		
Self-esteem	47	27.81	5.05	14	36	49	28.24	4.25	19	37	-0.44	0.95	0.647		
Locus of control	49	28.61	7.30	13	42	49	29.98	6.02	16	44	-1.37	1.35	0.314		
Aspirations score	50	14.46	3.03	5	18	49	14.20	3.42	3	18	0.26	0.65	0.694		

Notes: The data presented is derived from the 2019 baseline survey, only including participants who completed both the baseline and follow-up survey. The unit of age is years. Married equals one if the respondent is in a monogamous or polygamous marriage, and equals zero if he/she is single, separated, divorced or widowed. Household size is the number of individuals who have spent at least 1 month out of the last 12 living in the same house/structure and ate out of the same kitchen, including those now deceased and the respondent him/herself. Education equals 0 if the respondent had no schooling, 1-7 if the last completed level was the first-seventh class in primary school, 8-11 if the last completed level was the first to fourth class in secondary school, and 12 if the last completed level was in a tertiary institution. Main Income Source: Farming is a dummy for whether farming land is the main income source of the respondent, equaling 1 if the respondent's main income source is farming, and 0 otherwise. For more detailed information on the outcome variable definitions, see Table 5. The values displayed in the last three columns, labeled 'difference', are estimates from t-tests, comparing means in Welle with means in Nyakumba.

survey. This is 98,050 UGX (i.e., approximately 80 international dollars at 2017 PPP), and 20,222 UGX (17 international dollars) in household per capita terms for our subsample. The average total consumption per day per capita equals 3905 UGX (3.20 international dollars), which is above the 2019 international poverty line of 2838.8 UGX per day per capita (2.15 international dollars). Yet, the distribution of total consumption per capita is skewed to the right: 28 respondents out of the 50 had a value below the 2019 international poverty line, and 33 below 1.25 times this poverty line.

Results

Economic Outcomes

Livelihood Activities and Productive Assets. The interviews conducted in May 2022 and June 2024 revealed striking structural changes in livelihood activities within the community due to the LIFE-project.

Respondents noted that, prior to the project, charcoal burning (and the associated tree cutting) was a common livelihood activity that required little upfront investment but lacked economic and environmental sustainability. As one respondent explained, there was *“economic hardship that was forcing the community to tap into natural resources like tree cutting without replacement”* (Respondent 7, 2024). Similarly, another respondent reflected, *“Before the project I used to do charcoal burning and digging for money”* (Respondent 14, 2022).

The LIFE-project enabled recipients of the transfer to transition to more sustainable livelihood activities that require greater upfront investment, such as starting businesses and farming, including livestock rearing. As one respondent explained, *“In the past, many women relied on charcoal burning as their major source of income, but with this fund women are able to get capital and do some small businesses, with which they are able to multiply the money. So, they are not only depending on the fund, but they are having other sources of income through the money they’ve received. For instance, women are now more able to go and sell produce at the market”* (Respondent 2, 2022). Another respondent noted, *“There is development in the village now. People acquired land, animals like goats, pigs and even chicken, and other assets”* (Respondent 5, 2024). The same shift toward more productive, sustainable activities was also evident among the local youth: *“It can be seen with the youth especially, many of them are very active in farm work ever since we started to receive the benefits. Some have even bought land, goats, pigs and even cows, and opened up kiosks at the trading center”* (Respondent 9, 2024).

The survey data supports these observations: From December 2019 to December 2022, ownership of cattle and small livestock in Welle increased more than in Nyakumba (statistically significant at the 1% level, see [Tables 7 and 8](#)),⁹ and a considerable number of people purchased land for cultivation (see [Table 9](#)).

Proposition 1. *Basic income enables structural change in livelihoods by providing the capital needed for individuals to transition from subsistence activities to more sustainable and productive work.*

While the basic income was necessary for enabling these structural changes, as, for example, Respondent 10A (2024) noted: *“The money from this project has changed our lives, we are now able to build good houses, afford basic needs, and we no longer burn charcoal as we used to”*, these shifts were further encouraged by the steering committee, which actively enforced a pre-existing by-law prohibiting tree-cutting for charcoal production: *“The committee has used the by-law to control charcoal burning, but there are some people who continue to cut trees and burn charcoal. The committee has encouraged people to get more involved in agriculture and other income generating activities. All these are aimed at reducing poverty”* (Respondent 4, 2024).

Another respondent also emphasized the importance of these measures: *“The level of tree-cutting and charcoal burning has greatly reduced. This is because the recipients are scared of the fines imposed on violators and of having part of their LIFE basic income cut to pay for damages. The committee has done a lot in guiding the village dwellers to invest the money they receive in productive assets like land and livestock, and in education”* (Respondent 9, 2024).

Proposition 2. *Basic income, in combination with local institutional incentives and enforcement mechanisms, leads to a more pronounced structural change in livelihoods.*

Importantly, the village fund also played an important role in enabling this structural change in livelihood activities. At baseline, access to drinking water was severely limited in Welle, with households relying on water sourced from a river or seasonal stream. 86% of respondents took over an hour to fetch water. Out of these, close to half (44% of respondents) took over 2 hours. The amount of time needed for drinking water collection was consistently emphasized by villagers during interviews conducted in 2022 and 2024. For example, Respondent 15 (2022) notes: *“We used to share streams, 3-4 miles distant [...]. Due to how crowded it was it took us over 5 hours to fetch a jerrycan of water”*.

Table 7. Economic Impacts of Cash Transfer (December 2022-December 2019).

	Impact									
	$E(Y_{i,2022}(\mathbf{T}_i) - Y_{i,2019}(\mathbf{T}_i) \mathbf{T}_i = 1)$			$E(Y_{i,2022}(\mathbf{T}_i) - Y_{i,2019}(\mathbf{T}_i) \mathbf{T}_i = 0)$			Difference-in-differences estimate (estimate of β_3 from equation (1))			
	Coefficient	p-value	N	Coefficient	p-value	N	Coefficient	p-value	N	Adjusted R-squared
Productive assets										
Owns cattle	1.04	(0.001)	100	0.04	(0.669)	98	1.00	(0.003)	198	0.142
Owns small livestock	2.94	(0.000)	100	0.18	(0.401)	98	2.76	(0.000)	198	0.356
Consumption										
Total consumption	731,474	(0.000)	100	357,195	(0.000)	98	374,279	(0.077)	198	0.194
Non-food consumption	537,160	(0.001)	100	235,100	(0.001)	98	302,060	(0.071)	198	0.123
Food consumption	43,576	(0.036)	100	28,221	(0.017)	98	15,355	(0.517)	198	0.148
Food insecurity	-1.31	(0.005)	88	0.06	(0.901)	94	-1.38	(0.047)	182	0.098
Consumption of temptation goods	1,143	(0.314)	100	-122	(0.620)	98	1,265	(0.279)	198	0.027

Notes: These results are based on data from the 2019 baseline survey and the 2022 follow-up survey, only including participants who answered the corresponding questions in both surveys. The first and second sets of columns present estimates from t-tests capturing the temporal change of the corresponding outcome variables among respondents in Welle and respondents in Nyakumba, respectively. The third set of columns presents the difference-in-differences coefficient β_3 from equation (1), estimated using an OLS regression, and the p-value of the estimated coefficient β_3 . For more detailed information on the outcome variable definitions, see Table 5.

Table 8. Economic Impacts of Cash Transfer (December 2022-December 2019).

	Outcome Variables						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Owens cattle	Owens small livestock	Total consumption	Non-food consumption	Food consumption	Food insecurity	Consumption of temptation goods
T_i	0.159 (0.235)	1.891*** (0.519)	286,694* (148,817)	46,361 (117,728)	54,458*** (16,720)	-0.670 (0.489)	851.4 (824.6)
d_{it}	0.0408 (0.236)	0.184 (0.521)	357,195** (149,567)	235,100** (118,321)	28,221* (16,804)	0.0638 (0.481)	-122.4 (828.8)
T_i*d_{it}	0.999*** (0.333)	2.756*** (0.733)	374,279* (210,459)	302,060* (166,493)	15,355 (23,646)	-1.382** (0.691)	1,265 (1,166)
Constant	0.0612 (0.167)	0.469 (0.369)	274,945** (105,760)	83,453 (83,666)	43,592*** (11,882)	3.511*** (0.340)	477.6 (586.0)
N.o. observations	198	198	198	198	198	182	198
Adjusted R-squared	0.142	0.356	0.194	0.123	0.148	0.098	0.027
F-statistic	11.82	37.35	16.80	10.20	12.43	7.52	2.81
F-test p -value	0.000	0.000	0.000	0.000	0.000	0.000	0.041

Notes: These results are based on data from the 2019 baseline survey and the 2022 follow-up survey, only including participants who answered the corresponding questions in both surveys. Standard errors are in parentheses. *** $p < .01$, ** $p < .05$, * $p < .1$.

Table 9. Purchase of Land for Crop Cultivation.

Size of Purchased Land	Number of Respondents	
	Welle	Nyakumba
1 Hectare	10	4
2 Hectares	2	2
3 Hectares	1	1
>3 Hectares	1	0
Total	14	7

Notes: This table provides count data, sourced from the 2022 follow-up survey, only including respondents who participated in both the 2019 baseline and the 2022 follow-up survey ($N_{Welle} = 50$ in and $N_{Nyakumba} = 49$). 15 respondents out of the 50 respondents in Welle indicated they or their household members had purchased land for crop cultivation after the baseline survey in December 2019, compared to only 7 out of the 49 respondents in Nyakumba. Note that one of the 15 respondents from Welle, who purchased land for crop cultivation but reported an extreme outlier value for its size, likely due to enumerator error, is excluded from the count.

Thus, the community decided to invest the money accumulated in the program’s village fund in two boreholes. The first and second boreholes were completed in September 2021 and March 2024, respectively (see below). These boreholes now serve as the primary sources of water for those residing in Welle.

In December 2022, all survey respondents reported using the borehole. 96% noted that it now takes their household less than an hour to fetch water. Interviews from 2022 and 2024 underscore these findings. One respondent noted: “One important effect of the project is

that before, the women used to go and fetch water from a far distance. Sometimes you even go and sleep there, and come back the next day. One of the most important impacts is that with the water source now, they save a lot of time to do other things, compared to before, when they had to look for water” (Respondent 2, 2022). Another stated: “The boreholes have brought water closer for us, people no longer move many kilometers to find water, it’s now easy to fetch water and this gives us more time for work and socialization” (Respondent 10A, 2024). A third mentioned: “There was water scarcity as people had to travel long distances in search of water, but now with boreholes in place, people can fetch water close to their homes” (Respondent 1, 2024).

Proposition 3. Basic income, when allocated to community-managed funds, enhances structural change in livelihoods by reducing time poverty through investment in public goods.

Consumption and Savings. Total consumption in Welle has increased considerably since the start of the project. On average, a household’s total consumption for the month prior to the survey increased by 731,474 UGX, which is greater than the increase in total monthly consumption in Nyakumba over the same period (see Tables 7 and 8).

The increase in total monthly consumption appears to be primarily driven by a large increase in consumption of non-food products and services, such as firewood, cellular phone airtime, clothing and shoes, and other personal items, the consumption of which

grew significantly more in Welle than in Nyakumba, at the 10% level. Note that these increases in consumption indicate an increase in purchasing power rather than inflation. In the interviews conducted in 2022 and 2024, respondents mention an increase in quantities of items and services purchased. For instance, Respondent 1 (2024) notes: *“We are able to afford many things that we could hardly afford previously”*. None of the respondents mention any offset in their consumption due to inflation, caused by the cash transfer, besides incidental price discrimination in other villages (see Section 3.3.3).

Proposition 4. *Basic income has a positive impact on total consumption.*

In fact, weekly food consumption in Welle increased by an average of 43,576 UGX. Food consumption in Nyakumba increased as well, albeit to a lesser extent. While the difference-in-differences estimate does not indicate a statistically significant increase in food consumption in Welle compared to Nyakumba, the size of this relative difference is still noteworthy.

Without further information, this increase in food expenditures could be attributed to changes in the quantity or quality of food consumed, as well as to inflation. To partly rule out inflation as the primary cause, we examine a food insecurity index, capturing, e.g., whether adults and children in the household skipped meals, or went to bed hungry (see Table 5).

The analysis of the food insecurity index score reveals a notable reduction in food insecurity within Welle. When comparing the temporal change of food insecurity between villages, Welle exhibited a statistically significant decline compared to Nyakumba at the 5% level (see Tables 7 and 8).

Our point estimate showing an increase of relative food consumption in Welle and the statistically significant decline in relative food insecurity are consistent with other evidence: (i) In interviews, many recipients highlighted the project’s impact on access to food: *“The more extensive agricultural practice has increased crop production, leading to food security”* (Respondent 8, 2024) and (ii) half of the respondents in Welle ranked food as their primary expenditure category out of their basic income, with 46 out of 50 respondents listing food among the top five item categories when asked to: *“Please indicate five items on which you have spent the most LIFE money in the last six months, ranking them in order of the amount spent starting with the largest amount.”* These pieces of evidence, taken together, let us conclude that the project has had a positive impact on food security/consumption.

Proposition 5. *Basic income has a positive impact on food security.*

Weekly consumption of alcohol and tobacco increased slightly but the increase is statistically insignificant. Regarding another temptation good, gambling, only one respondent, the Chairperson of the Local Council (Respondent 2, 2024) mentioned that some children growing up with the LIFE-project have been using the money for betting: *“Parents are able to send their children to school, although there are children who don’t want to study because they are so much into gambling. [...] Betting has become a major challenge in many homes and this can be said to have negatively affected the relationship between parents and their children”*. Overall, we conclude that the results of this study are inconclusive in this regard, highlighting the need for further research.

On a more positive note, participation in saving groups¹⁰ has increased among both recipients and non-recipients, while participation in revolving funds,¹¹ which, according to, e.g., Respondents 4 and 5B (2024), appears to be predominantly reserved for recipients of the cash transfer in Welle, increased as well. The high participation of recipients relative to non-recipients is not attributed to any exclusionary practices but rather to more limited funds of the latter: *“I don’t have money to save”* (Respondent 14, 2024); *“Yes [I want to join a savings group], however I am still faced with hardship to get money”* (Respondent 13, 2024); *“No, it is easy to join, only that I don’t have enough to participate in the group activities”* (Respondent 12, 2024); and *“The saving is open for everyone, only that those who are non-recipients fear to join and participate due to the fact that they might fail to repay loans and this might lead to the confiscation of their properties”* (Respondent 7, 2024).

Proposition 6. *Basic income has a positive impact on savings.*

Health and Well-Being Outcomes

Physical Health. Before the LIFE-project, households relied on untreated water sourced from a river or seasonal stream for drinking and cooking. For example, Respondent 15 (2022) notes: *“We used to share streams [...] with animals [...]”*. Only one survey respondent reported treating the water prior to use.

Thus, the community decided to invest the money accumulated in the program’s village fund in two boreholes. These boreholes now serve as the primary sources of clean water for residents of Welle. In December 2022, all survey respondents reported using the borehole, with 96% indicating that their households fetch more than half of their drinking and cooking water from it. Respondents explicitly commented on improved hygiene: *“The borehole water that is clean for*

consumption has improved our hygiene” (Respondent 8, 2024). Government training on borehole usage and village leaders have further encouraged residents to maintain cleanliness when handling jerrycans used for fetching and storing drinking water.

Considering the reduced food insecurity (see Section 3.1.2) and improved access to clean drinking water, it is not surprising that health among respondents in Welle appears to have improved. In the interviews, a recipient noted *“Expenditure on buying drugs has reduced due to clean water consumption, and food being readily available”* (Respondent 8, 2024). The steering committee’s chairperson (Respondent 1, 2022) highlighted that: *“Every home is now using clean water, both for cooking and even for washing clothes. The level of sanitation has improved, and the occurrence of other illnesses that were related to the use of unsafe water has now reduced”*.

In line with these qualitative findings, the survey data indicates a decline in the number of respondents being ill. While 38 respondents in Welle reported being sick or suffering from an illness in the four weeks preceding the baseline survey, only 18 respondents did so in the follow-up survey. This decline is mirrored in the survey data on the number of days missed at work or school due to illness during the 28 days prior to the survey. At baseline, the average number of days missed by respondents from Welle was 6, equivalent to over a week of school, or nearly a full workweek, within a 4-week period. Such a high rate of absenteeism could substantially impede income generation and educational attainment. Notably, at the follow-up survey, the number of days missed by the average person from Welle due to illness declined (see Tables 10 and 11), though not statistically differently compared to Nyakumba.

Proposition 7. *Basic income, when allocated to community-managed funds, has a positive impact on health outcomes through investment in public goods.*

Emotional Well-Being. Emotional well-being appears to have improved in Welle since the baseline. Respondents have indicated perceiving less stress about having insufficient money to meet basic needs, and report a more optimistic life orientation (see Tables 10 and 11). These changes are statistically significantly larger than in Nyakumba.

The Centre for Epidemiologic Studies Depression Scale (CES-D), however, has remained roughly the same over time and also compared to Nyakumba.

Interestingly, the positive and significant difference-in-differences coefficient for Rosenberg’s index for self-esteem in Tables 10 and 11 suggests that while self-esteem slightly declined in Welle, it did so to a considerably smaller extent than in Nyakumba.

According to Rotter’s locus of control scale, a slight shift toward an external locus of control is observed over time, plausibly because respondents perceived that a factor beyond their own actions—namely the LIFE-project—was significantly impacting their lives.

In addition, through interviews conducted in May 2022, we tried to gain insight into the strength and type of aspirations held by respondents in Welle after being part of the LIFE-project for some time. At baseline, respondents from Welle scored quite high on the aspiration scale, suggesting most are actively setting and pursuing (financial) goals. Since the baseline, the total score for the aspirations index among respondents in Welle has remained more or less constant, while the score for Nyakumba considerably declined over time (see Tables 10 and 11). Assuming respondents from Welle would be on a similar trend as respondents from Nyakumba in the absence of the LIFE-project, the cash transfer seems to have led to recipients continuing to actively set and pursue their aspirations.

Note that, when taken together with the results above on self-esteem, it is conceivable that the LIFE-project had a buffering effect on emotional well-being in the face of the pandemic.

In the interviews inhabitants mentioned pursuing a wide range of aspirations. Most aspirations relate to education, occupation, long-term income, and housing. One 18-year-old male reported aspiring to obtain higher grades in secondary school and to become an engineer or medical doctor. Another male respondent aspired to continue his education in a tertiary institution, located in Kampala. Multiple respondents were aspiring to invest in their farm/business with a view towards a higher and more stable income-stream in the long-run. Most interviewed elderly mentioned they aspire to have a semi-permanent house that would save them the costs and effort needed to replace roofs in the longer run.

Proposition 8. *Basic income has a positive impact on emotional well-being.*

Social Cohesion Outcomes

Intra-Household Relationships. Recall that one distinctive feature of the LIFE-project is that all household members, including children, were eligible to receive cash transfers and transfers allocated to children were directed to the mobile phones of their primary female caretakers. Notably, this aspect of the program resulted in a substantial increase in the proportion of women’s income relative to men’s within a household, particularly for women who are primary caretakers of multiple children.

Table 10. Health and Well-Being Impacts of Cash Transfer (December 2022–December 2019).

	Impact						Difference-in-differences estimate (estimate of β_3 from equation (1))			Adjusted R-squared
	$E(Y_{i,2022}(T_i) - Y_{i,2019}(T_i) T_i = 1)$			$E(Y_{i,2022}(T_i) - Y_{i,2019}(T_i) T_i = 0)$			Coefficient	p-value	N	
	Coefficient	p-value	N	Coefficient	p-value	N				
Health										
Days being ill	-3.93	[0.0026]	86	-2.54	[0.104]	92	-1.39	(0.493)	178	0.045
Emotional well-being										
Worry basic needs	-1.44	[0.000]	100	-0.67	[0.000]	98	-0.77	(0.000)	198	0.470
CESD-score	1.49	[0.442]	90	4.23	[0.017]	96	-2.74	(0.292)	186	0.034
Optimistic life orientation	11.31	[0.000]	98	7.80	[0.000]	98	3.51	(0.000)	196	0.687
Self-esteem	-0.98	[0.264]	94	-3.91	[0.000]	98	2.94	(0.014)	192	0.111
Locus of control	3.24	[0.012]	98	-0.24	[0.832]	98	3.49	(0.043)	196	0.022
Aspirations score	-0.76	[0.167]	100	-3.12	[0.000]	98	2.36	(0.011)	198	0.137

Notes: These results are based on data from the 2019 baseline survey and the 2022 follow-up survey, only including participants who answered the corresponding questions in both surveys. The first and second sets of columns present estimates from t-tests capturing the temporal change of the corresponding outcome variables among respondents in Welle and respondents in Nyakumba, respectively. The third set of columns presents the difference-in-differences coefficient β_3 from equation (1), estimated using an OLS regression, and the p-value of the estimated coefficient β_3 . For more detailed information on the outcome variable definitions, see [Table 5](#).

Table 11. Health and Well-Being Impacts of Cash Transfer (December 2022–December 2019).

	Outcome Variables						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Days being ill	Worry basic needs	CESD-score	Optimistic life orientation	Self-esteem	Locus of control	Aspirations score
T_i	−0.108 (1.426)	−0.0567 (0.128)	−1.014 (1.833)	−0.592 (0.666)	−0.436 (0.835)	−1.367 (1.209)	0.256 (0.648)
d_{it}	−2.543* (1.402)	−0.673*** (0.129)	4.229** (1.803)	7.796*** (0.666)	−3.918*** (0.827)	−0.245 (1.209)	−3.122*** (0.651)
$T_i * d_{it}$	−1.387 (2.016)	−0.767*** (0.182)	−2.740 (2.593)	3.510*** (0.942)	2.940** (1.181)	3.490** (1.710)	2.362** (0.917)
Constant	5.783*** (0.991)	3.837*** (0.0913)	19.13*** (1.275)	12.61*** (0.471)	28.24*** (0.585)	29.98*** (0.855)	14.20*** (0.461)
N.o. observations	178	198	186	196	192	196	198
Adjusted R-squared	0.045	0.470	0.034	0.687	0.111	0.022	0.137
F-statistic	3.76	59.23	3.17	143.72	8.96	2.48	11.40
F-test p -value	0.012	0.000	0.026	0.000	0.000	0.062	0.000

Notes: These results are based on data from the 2019 baseline survey and the 2022 follow-up survey, only including participants who answered the corresponding questions in both surveys. Standard errors are in parentheses. *** $p < .01$, ** $p < .05$, * $p < .1$.

Proposition 9. *When basic income for dependents is transferred to their primary female caregivers, it strengthens women’s role in household financial decision-making, shifting intra-household bargaining power in their favor.*

Multiple recipients stated that the cash transfers incentivized household members, including themselves, to gather with their spouses and other family members to jointly discuss household finances. Respondent 8 (2024) highlighted: “The income has greatly improved communication and planning together. [...] I and my husband used to not sit down to discuss or decide on any major family investments; since the coming of the income, everything has changed”. Respondent 9 (2024) similarly remarked: “I usually sit down with my wife to come up with plans on how to use the money, and this has eliminated the possibility of conflicts”. Thus, the cash-transfer program appears to have shifted the responsibility for financial decision-making from men to a more joint effort involving all household members.

However, these shifts led to some unintended consequences for some recipients. Accounts from interviews in June 2024 with multiple steering committee members and recipients noted the emergence of conflict within households, especially at the onset of the program. According to respondents, disputes arose between spouses regarding the utilization of funds

designated for children. For instance, the chairperson of the steering committee (Respondent 1, 2024) states: “When the money had just started to come in, it brought a lot of disputes within households, especially among husbands and their wives concerning money for the children.” Few recipients also highlight more severe consequences, including divorce: “The relationships between people of the different households were a little bit strained at the start of the project as there were some cases of misunderstandings, especially with men demanding that the money meant for the children, which is sent to the accounts of their wives, be given to them and that brought some conflicts in homes. For some it even broke their marriages. Some women reported such cases of violence to the village and committee leaders and that has since been resolved and changed for the better” (Respondent 4, 2024), and “This money caused conflicts between me and my wife leading to divorce. [...] My wife burned our house with intention of burning me inside the house. But fortunately, I was outside the house. Just simply because I want the money to be budgeted properly for the rest of our household” (Respondent 6, 2024).

Proposition 10. *The way basic income is distributed—such as directing dependents’ transfers to their primary female caregivers—can lead to intra-household conflict.*

While the latter case might be an extreme one, it emphasizes the importance of effective on-the-ground

conflict management, especially in the first years of such cash-transfer projects as emphasized by the Chairperson of the Local Council (Respondent 2, 2024): “At the start of the project, there were disputes here and there in the households, which was due to how to use the money, especially the money for the children which was sent to their mothers’ mobiles, but this was later ironed out.”

Proposition 11. *Intra-household conflict arising from basic income distribution is mitigated when local institutions actively mediate disputes and support adaptation.*

Improved access to drinking water since the installation of boreholes has positively affected intra-household relationships among recipients, primarily by reducing time poverty. Several recipients have noted that fetching water now takes their households much less time than before, allowing household members to spend more time with one another. The steering committee’s chairperson (Respondent 1, 2024) emphasized: “Ever since the borehole was drilled, the relationships among different household members and project beneficiaries have greatly improved, this is because water can now be fetched from the boreholes which are not far from their homes, and thus has allowed people to take more time to socialize with each other”. Furthermore, tensions within households caused by not having sufficient (clean) water for drinking, cooking, and washing, also reduced.

Proposition 12. *Basic income, when allocated to community-managed funds, strengthens intra-household cohesion between recipients through investment in public goods.*

Importantly, the positive effects of these investments also extend to intra-household relationships between recipients and non-recipients within the community:

Members of the steering committee indicated that Welle’s population has substantially increased since the start of the project. They attribute a large part of this increase to returnees—people who had moved out of Welle before the project’s inception and returned afterward. Most of these returnees are, at least initially upon their return, members of recipient households.¹²

According to members of the steering committee, the main factors motivating returnees to come back were the improved access to clean water and the hope of being enrolled in the program, even though, in practice, only few returnees received the cash transfer. Respondent 5A (2024) explained, “Some people had left the village in search of water and better lives, but after they learned that there are boreholes now in Welle, they came back.” The Chairperson of the Local Council (Respondent 2, 2024) stated: “Many returnees came back hoping to get enrolled in the LIFE-project and also after learning that boreholes have been drilled which solved the water scarcity problem, they decided to come back to enjoy the benefits and be part of it”.

Although few returnees received transfers themselves, their integration into recipient households appears to have been socially smooth, suggesting that access to shared public goods reduced potential sources of tension. The two returnees we spoke to directly, explicitly mentioned that they were warmly welcomed back.

The socially harmonious nature of the increase in Welle’s population size, despite limited new

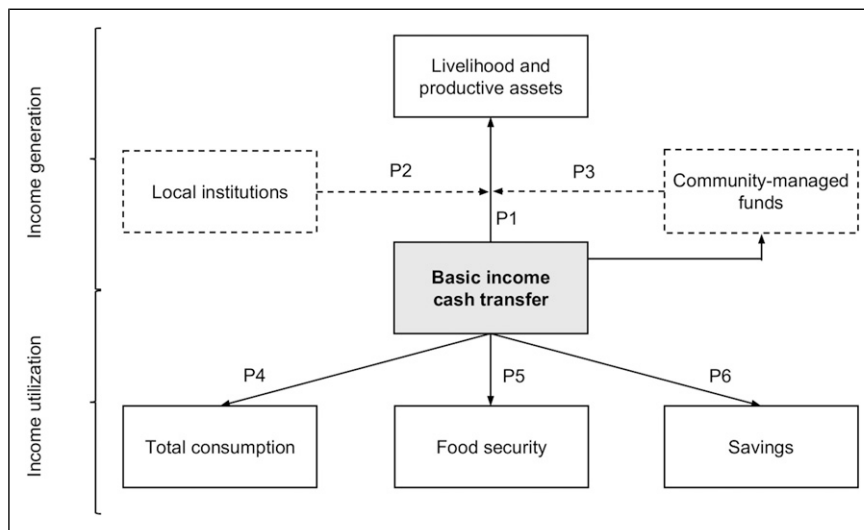


Figure 2. Model of changes to economic outcomes.

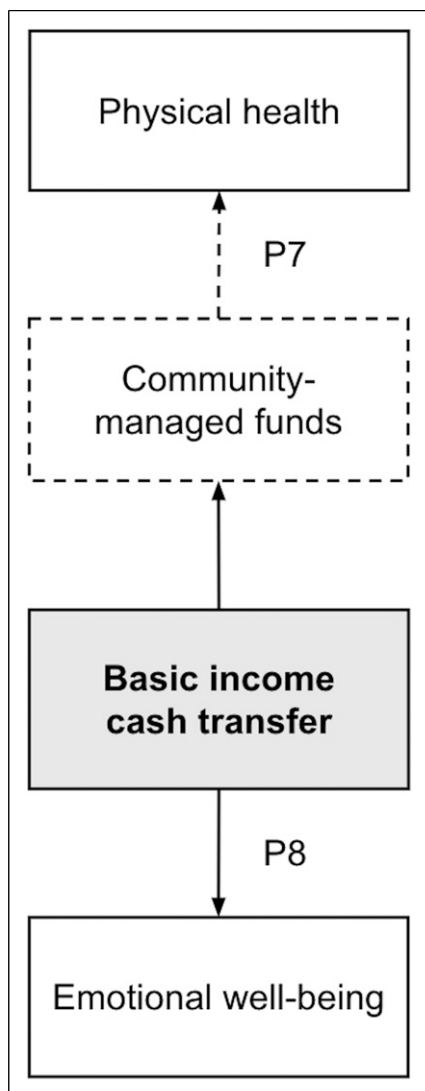


Figure 3. Model of changes to health and well-being outcomes.

enrollments to the cash-transfer program, shows how investments in public goods can generate community-wide benefits that foster intra-household cohesion between recipients and non-recipients.

Proposition 13. *Basic income, when allocated to community-managed funds, strengthens intra-household cohesion between recipients and non-recipients through investment in public goods.*

Inter-household Relationships within the Treatment Village. More generally, the interviews reveal that the LIFE-project has had a considerable positive influence on inter-household personal relationships among both recipients and non-recipients within Welle.

Respondents consistently noted improved social cohesion and enhanced communal decision-making. According to Respondent 7 (2024): “It has eased the relationship amongst the community members, both recipients and non-recipients. We easily sit together and decide for the betterment of the village”. This sentiment was echoed by multiple other respondents who, in addition, highlighted the increase in sharing of resources as a significant benefit. The Chairperson of the Local Council (Respondent 2, 2024) stated: “The project money has really brought people closer, and people get time to socialize more often, and share drinks, food, they work together more often, etcetera”. Similarly, Respondent 4 (2024) noted: “People can now share many things among themselves and also help one another in times of need, including on the farms”. Additionally, improvements in livelihoods have been linked to an overall reduction in domestic and communal conflicts, particularly among the youth, who now socialize more frequently and enjoy communal activities like listening to music together (Respondent 1, 2024). The program’s positive ripple effects are also felt by non-recipients, as evidenced by a young non-recipient’s remark that his recipient friends often cover his expenses when they gather socially (Respondent 11, 2024).

Further, the project appears to have encouraged people to help those in need and make contributions for significant life events, such as weddings and funerals. As Respondent 6 (2024) noted: “Relationships improved through the increased time spent together socializing, caring, and supporting each other in times of hard time and happy times/social events”. This enhanced sense of community is further illustrated by Respondent 1 (2024), who shared that the village members collectively financed the transportation and treatment of a sick individual to Arua Referral Hospital, demonstrating a collective responsibility towards the vulnerable, particularly the elderly and the sick. Respondent 3 (2024) emphasized the unity and trust fostered by the program, recounting the generous contributions received from community members during his wedding. These findings suggest that the LIFE-project has not only improved individual financial stability, but has also strengthened communal ties and social solidarity in Welle.

Proposition 14. *Basic income has a positive impact on inter-household cohesion in recipient communities.*

The boreholes also reduced inter-household conflicts in Welle. The steering committee’s Chairman (2024) stated: “The relationship among the people of Welle has greatly improved ever since the boreholes were drilled, women get more time to sit together to socialize, people share a lot of things like food and other things, visiting each other

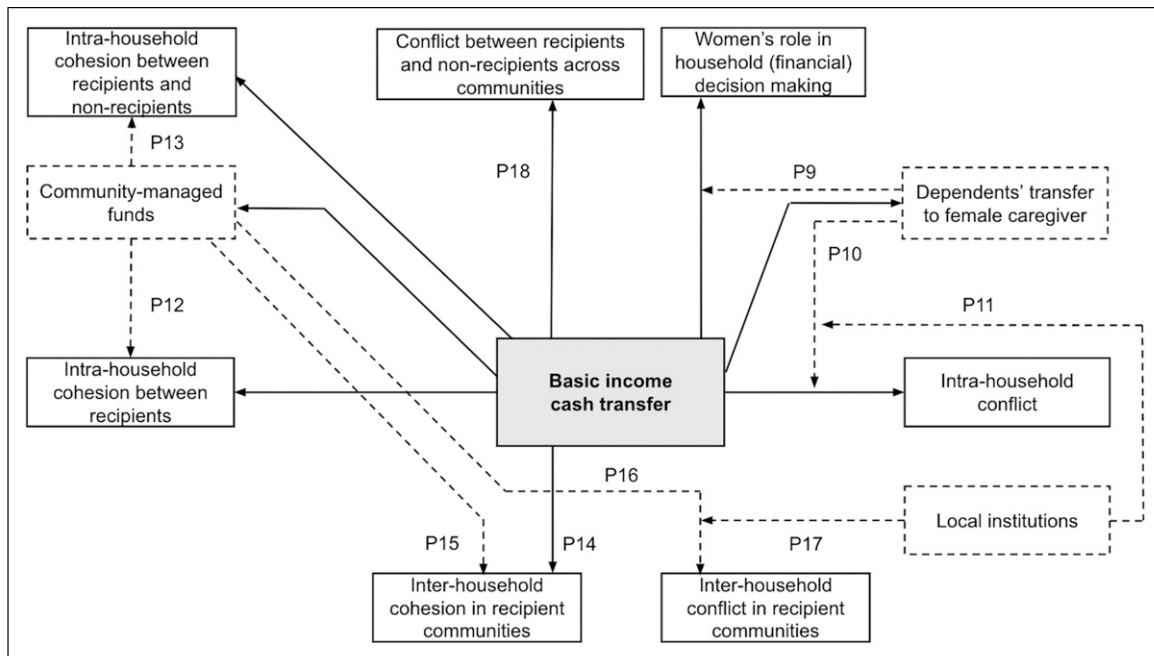


Figure 4. Model of changes to social-cohesion outcomes.

more often, and more importantly, tensions due to water scarcity have greatly reduced among people". Besides, the boreholes function as gathering places for women, as Respondent 10A (2024) noted: "The boreholes also serve as meeting points for many people, especially the women", and Respondent 6 (2024) indicated: "It has promoted togetherness since women spend time together socializing at the water point, sharing cans, and food or bites, and are helping each other."

Proposition 15. *Basic income, when allocated to community-managed funds, strengthens inter-household cohesion in recipient communities through investment in public goods.*

Note that initially only one borehole was planned. However, as the first borehole was insufficient to serve the entire village, conflicts emerged, prior to the village fund being used for the installation of a second borehole.

Proposition 16. *The way public goods that are financed by community-managed funds derived from basic income are provided can lead to inter-household conflict in recipient communities.*

Subsequent interviews in June 2024 indicated that this resolved the conflicts. For instance, Respondent 11 (2024) noted: "We used to hide water for ourselves, but all this ended since we had the second

borehole drilled"; and "When there was still one borehole, the water was not sufficient for every household to fetch, and this created some tensions about who fetches first and who had to wait, but that has since changed with the coming of the second borehole, and there is enough water for everyone to use" (Respondent 10A, 2024). This finding highlights the need for effective communal conflict management mechanisms at the start of projects to smooth out temporary frictions that may arise.

Proposition 17. *Inter-household conflict (see Proposition 16) is mitigated when local institutions actively mediate disputes and adapt public good provision to community needs.*

Inter-Household Relationships with People from Other Villages. Finally, we discuss here what respondents said regarding how the LIFE-project influenced relationships with people from nearby villages. Some respondents noted that they have been asked how Welle secured the project. The steering committee's chairperson (Respondent 1, 2024) stated: "The relationships between the people of Welle and those from nearby villages have not really been affected or changed much. Occasionally, people from nearby villages comment on how fortunate Welle Village is to have received the project and express a desire for similar projects in their own villages. It's not a bad thing, though. We still live harmoniously together with them". However, another respondent mentioned: "Some people from other villages far from Welle are not very friendly with

us sometimes, perhaps because they think we are enjoying a lot of benefits and they are not” (Respondent 5B, 2024). Relatedly, a few respondents mentioned price discrimination in nearby markets: “When you go to the market to buy things and they realize you are from Welle, they tend to charge you highly” (Respondent 12, 2024). Similarly, other respondents observed: “Everyone from Welle feels free to express themselves and identify as people from Welle. However, sometimes people from neighboring villages tend to sell animals expensively to us” (Respondent 3, 2024), and “To some extent, I think people from the nearby villages discriminatively charge higher prices for the things we buy from them like goats, on assumption that the people of Welle have a lot of money, and it’s not fair at all” (Respondent 10).

Proposition 18. *Basic income may increase tensions between recipients and non-recipients across communities.*

In contrast, within Welle, both recipients and non-recipients state that price discrimination based on being a recipient of the LIFE-project is not taking place. “Prices charged for watching TV and for goods at the trading center are the same for everybody in the village and even for those that may come from outside the village” (Respondent 4).

Robustness Checks

Our main conclusions are robust to the inclusion of control variables and sample restrictions. These results are provided and discussed in the [Supplemental Material Section SM.5](#) in the interest of space.

Discussion and Conclusion

We investigate the impacts of a unique universal UCT—the LIFE-project—in the village of Welle, Uganda, on economic, health and well-being, as well as social cohesion outcomes and provide new evidence on the precise mechanisms through which cash transfers impact these outcomes, which are all critical markers of development. The combination of certain features in the LIFE-project (i.e., the inclusion of all household members, with everyone receiving identical cash transfers, in the program; a democratically elected project steering committee; and community-managed funds), allows us to explore novel dimensions of these effects.

Our study contributes to theory by adopting a mixed-methods approach, using key insights to formulate theoretical propositions that bridge empirical findings with theory development. Empirical findings are derived from survey data analyzed using difference-in-differences estimates, and qualitative insights from semi-structured, in-depth interviews. Notably, we took

great care to ensure that the control village, Nyakumba, is comparable to Welle in key dimensions, thereby enhancing the internal validity of our findings. The survey data were collected at baseline and 2.5 years after project initiation, while the two rounds of interviews were conducted 3 and 4 years after the start of the project.

We find, based on both survey data and interviews, that the LIFE-project had largely positive effects on the residents of Welle, in terms of sustainable livelihoods, consumption, food security, savings, physical health, emotional well-being, and various dimensions of social cohesion.

Drawing on our rich data, we are able to offer a more nuanced understanding of effects known to exist, primarily on economic, and health and well-being outcomes, and to develop a set of detailed models (see [Figures 2–4](#), respectively) that also address more novel, exploratory questions. These include, for example, the role of the steering committee and community-management funds in shaping the cash transfer’s effects on economic, health and well-being, and most notably, social-cohesion outcomes. In doing so, the models add significant complexity to the tentative model presented in [Figure 1](#) (see Section 2.3).

[Figure 2](#) captures our findings, as reflected in our propositions, regarding economic outcomes: First, we observe positive impacts on investments in productive assets (e.g., livestock) and, extending the limited literature on labor reallocation (e.g., [Covarrubias et al., 2012](#); [Daidone et al., 2019](#)), we find that the improved ability to purchase productive assets allows recipients to shift from subsistence activities to more sustainable, higher-return economic activity (Proposition 1; hereafter P1, with subsequent propositions labeled accordingly). In addition, our qualitative findings emphasize that this effect is strongly shaped by local institutions (P2) and community-managed funds (P3). Local institutions can support recipients in identifying promising investment or business opportunities that are able generate a more sustainable income. Investments in public goods through community-managed funds, e.g., the construction of boreholes, can, for example, lead to reductions in time poverty, benefiting predominantly women by enabling them to find additional time for income-generating activities and social interactions.

We further document increased total consumption (P4) and food security (P5), consistent with previous studies (e.g., [Bastagli et al., 2016](#); [Daidone et al., 2019](#); [Haushofer & Shapiro, 2016](#)). Moreover, our findings on savings (P6) echo the results reported by [Fisher et al. \(2017\)](#), who documented increased engagement in local

reciprocity networks and savings groups in a targeted (i.e., non-universal) cash-transfer context. Building on this, our results underscore the critical role of income regularity in facilitating participation in savings groups.

Figure 3 captures our findings regarding health and well-being outcomes: Our findings contribute to the literature by showing that basic income programs have the potential to significantly improve health outcomes through public goods investments via community-managed funds, i.e., when those funds are directed toward addressing community-wide health challenges (P7). Consistent with the growing evidence on the impact of cash transfers on emotional well-being (e.g., Bastagli et al., 2016; McGuire et al., 2022), we find that overall emotional well-being slightly improved in Welle (P8). Participants reported reduced stress and increased optimism, while indicators of depression and self-esteem showed slight declines, though seemingly to a lesser extent than in Nyakumba. We interpret this as a buffering effect of the LIFE-project against the negative emotional impact of the COVID-19 pandemic. The basic income further led recipients to attribute control over events and outcomes in their lives slightly more to external factors. Taken together, these findings suggest that this shift toward attributing control to external factors is not necessarily associated with lower self-esteem or reduced agency, which has been shown to be the case in the context of targeted UCTs (e.g., Fisher et al., 1982; Nadler & Fisher, 1986; Wydick et al., 2018), suggesting that increased feelings of dependence under universal UCTs may be less psychologically detrimental.

Figure 4 captures our findings regarding social cohesion outcomes: Our qualitative findings on intra-household dynamics suggest a nuanced effect of cash transfers. Despite reduced financial stress, some households experienced increased backlash and rent-seeking behavior from male partners. This led to heightened short-term conflict, a finding that contrasts with some empirical evidence on reduced IPV, but aligns with studies documenting increased emotional abuse in response to shifts in financial power (e.g., Angelucci, 2008; Bastagli et al., 2016; Bobonis et al., 2013; Buller et al., 2018; Green et al., 2015). Respondents linked this conflict to men reacting to their wives' larger average increase in income, and hence in decision-making power (P9), as female caregivers received not only their own transfers but also those for their children. Whereas the handful of studies that use a randomization set-up to compare the effects on IPV across male and female recipients find no differential impact (e.g., Haushofer & Shapiro, 2016), our findings, consistent with Angelucci (2008), highlight the importance of

considering transfer size (P10). Importantly, collaborative efforts with democratically elected project leaders appear to have mitigated these tensions over time, normalizing women's participation in household financial decision-making (P11).

Interestingly, our findings suggest that universal UCTs also enhance inter-household cohesion (P14) in recipient communities, extending insights from the limited literature available on social-cohesion impacts of targeted (i.e., non-universal) transfers (e.g., Daidone et al., 2019; Della Guardia et al., 2022; Fisher et al., 2017).

Moreover, our results present novel evidence for the potential of community-managed funds to enhance intra-household cohesion between recipients and between recipients and non-recipients (P12 and P13, respectively), as well as between households within the recipient community more generally (P15). However, our findings also indicate that inadequate provision of public goods can generate new tensions between households (P16), which—at least in the case of the LIFE-project—could be (fully) mitigated by local institutions (P17). Furthermore, our results build on the findings of studies such as Della Guardia et al. (2022), which document tensions between recipients and non-recipients within the same community in the context of targeted cash transfers, by showing that, under universal UCTs, similar tensions can arise between recipients and non-recipients across communities (P18).

While our study was able to make meaningful contributions to theory by adopting a mixed-methods approach, which led to the rich models presented above (see Figures 2, 3, and 4) and also strengthened the study's validity, thereby supporting the credibility of our theoretical propositions, several study limitations remain that warrant further investigation.

First, as noted, our research design compares only two villages, Welle and Nyakumba. Our findings on, e.g., consumption, food security, and emotional well-being, and the associated propositions, align with existing literature. This is reassuring and increases confidence in the external validity of our study. However, some other findings, particularly those on social cohesion, introduce novel insights that require further empirical testing. Future studies should combine RCTs with qualitative approaches to assess whether similar interventions yield comparable outcomes. The role of pre-existing social cohesion, governance structures, and cultural norms in shaping these program outcomes warrants further exploration. For example, while project governance mechanisms helped mitigate intra-community conflicts,

their scalability and applicability in different contexts remain open questions.

Second, as our respondents were all 18 or older, future research should delve deeper into how younger recipients allocate funds, with a particular focus on financial decision-making, gambling, and education. While survey instruments can capture causal relationships for certain outcomes such as educational attainment, youth-specific spending behavior may be better understood through in-depth qualitative research and lab-in-the-field experiments.

Finally, the long-term sustainability of these impacts remains uncertain. Given the seven-year duration of the LIFE-project, ongoing research can track its long-term impacts. Longitudinal studies will be valuable in assessing the sustainability of observed changes and identifying unintended effects, such as potential reductions in willingness to work or increased school dropout rates linked to cash transfers directed to children. Future research should further examine post-intervention effects and explore complementary policies that could reinforce the observed positive changes.

This study provides several lessons and insights for policymakers and development agencies implementing universal UCTs:

First, universal UCTs can facilitate structural changes in livelihoods. However, this transition is not automatic; recipients may lack familiarity with investment opportunities or face constraints. Collaborating with local leaders to design supportive institutional frameworks can enhance long-term economic change. Additionally, public goods investments using community-managed funds can address common constraints that recipients face.

Second, universal UCTs improve consumption, food security, and savings, physical health and emotional well-being, reinforcing their role in development. Including children in such programs may amplify these benefits.

Third, the potential impact of universal UCTs on youth (financial) behavior warrants close monitoring. In the case of Uganda, given its young population (in 2023, about 43.94% were aged 0–14 years), and given that more serious economic decisions are likely made after middle childhood, it is entirely conceivable that a 7-year universal basic income scheme can lead to a substantial fraction of the adult population having come to age under such a regime, with little to no experience in earning income or handling expenses prior. Therefore, a key advice is to track any unintended effects on the (financial) decision-making of young cohorts that may be affected by long-term basic income projects.

Finally, while universal UCTs enhance financial autonomy, they can also exacerbate intra-household tensions, particularly when financial control shifts. Some conflicts arose over transfers allocated to children, underscoring the

need for on-the-ground conflict resolution mechanisms. The steering committee, and the village fund, played key roles in managing disputes and fostering social cohesion. Policymakers should thus consider embedding universal UCTs within democratically elected local institutional structures and implementing commonly governed funds to effectively mitigate social disruptions.

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Author Contributions

Elisa van Dongen: Conceptualization, Project administration, Investigation, Data curation, Methodology, Formal analysis, Writing – original draft, Writing – review & editing. **Robert Lensink:** Conceptualization, Supervision, Project administration, Methodology, Writing – original draft. **Annika Mueller:** Conceptualization, Supervision, Project administration, Methodology, Writing – original draft, Writing – review & editing.

Use of AI

No AI tools were used in the preparation and/or write-up of this manuscript.

Ethical Statement

Ethical Approval

Ethical approval for this study in form of a “Certificate of clearance” was obtained from the Institutional Review Board of the Faculty of Economics and Business at the University of Groningen (Reference number FEB-20191209-10364).

Informed Consent

This study was conducted with the written informed consent of all participants. Participants were informed about the study’s purpose, procedures, risks, benefits, and their right to withdraw. Confidentiality was ensured. All procedures performed in this study were in accordance with the 1964 Helsinki declaration and its later amendments.

ORCID iDs

Elisa van Dongen  <https://orcid.org/0000-0001-8418-2806>

Robert Lensink  <https://orcid.org/0000-0001-6448-5164>

Annika Mueller  <https://orcid.org/0000-0002-6158-9272>

Data Availability Statement

The quantitative data underlying this article are publicly available in DataverseNL at <https://doi.org/10.34894/TAIRQM>. The replication code and documentation are included in the same repository. Interview transcripts contain sensitive information and are not publicly accessible. Researchers may request access, which will be considered in accordance with ethical guidelines and participant consent (van Dongen et al., 2025).

Supplemental Material

Supplemental material for this article is available online.

Notes

1. Welle was selected for its representativeness of poor, rural villages in the West-Nile sub-region (for a detailed discussion, see [Supplemental Material Section SM.2](#)).
2. The project provided simple mobile phones and SIM-cards for setting up mobile wallets with MTN, a mobile telephone network provider. In addition, the project provided a village solar panel to enable recipients to charge their phones.
3. The direct transfer amounted to approximately 73% of the 2019 international poverty line in Uganda, which was 2838.8 UGX per day per capita ([World Bank, 2023](#)).
4. Ugandan shillings are converted into “international dollars” using the PPP conversion factor for private consumption (LCU per international \$) for Uganda ([World Development Indicators database, 2024](#); <https://data.worldbank.org/indicator/PA.NUS.PRVT.PP?locations=UG>). Converting Ugandan shillings to international dollars using this conversion factor takes into account the nominal exchange rate between Ugandan shillings and U.S. dollars, as well as price level differences between Uganda and the U.S., such that 72,060 UGX in 2017 – equivalent to 59.10 international dollars at 2017 PPP – bought in Uganda a comparable amount of goods and services as 59.10 U.S. dollars would have bought in the United States.
5. For comparability Nyakumba residents also received mobile phones, SIM-cards, and a village solar panel.
6. For details on the selection process, see the discussion in the [Supplemental Material, Section SM.2](#).
7. The smaller sample is due to budget constraints.
8. Additionally, we sought to avoid repeatedly increasing salience of the cash-transfer program to Nyakumba’s inhabitants, which could have, e.g., raised feelings of jealousy or false expectations (see [Supplemental Material, Section SM.3](#)).
9. As noted in Section 2.4, our DID coefficient of interest is β_3 . We present our empirical estimates of β_3 for various outcome variables in the form of [Tables 7 and 8](#), as well as [Tables 10 and 11](#), for two reasons.

First, we want to facilitate comparison of the DID effect with the difference in mean of the outcome variables between the two years (2022 and 2019) for the treatment village (the first set of columns of [Tables 7 and 10](#)) and the control village (the second set of [Tables 8 and 11](#)). This comparison is helpful for understanding the source of the DID effect, e.g., whether a positive effect arises from a relative increase in the outcome measure in the treatment village or a relatively lower decline in the outcome measure in the treatment village. While this information could have been presented by performing statistical t-tests on linear combinations of the coefficients from [Tables 8 and 11](#), the format above is adopted for ease of exposition. The full sets of coefficients are in [Tables 8 and 11](#) for completeness.

10. With savings groups, the respondents refer to a Village Savings and Loans Associations (VSLAs), where its members contribute on a weekly basis, for a period of one year, and then disburse the money. Further, its members can borrow from the fund against interest.
11. With revolving funds, the respondents refer to Rotating Savings and Credit Associations (ROSCAs).
12. At the start of the project, the steering committee and staff of AFARD counted 345 inhabitants and 64 households in Welle. By May 2024, during the national census conducted by the Ugandan Bureau of Statistics, a total of 550 individuals and 103 households were counted. We intend to explore the exact details and underlying reasons behind this increase further in future research.

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