



## ***Lessons from Kenya***

Using Behavioral Science to Enhance  
the Impact of Social Protection  
Programs During COVID-19

## | About ideas42



We're a non-profit looking for deep insights into human behavior—into why people do what they do—and using that knowledge in ways that help improve lives, build better systems, and drive social change. Working globally, we reinvent the practices of institutions, and create better products and policies that can be scaled for maximum impact.

We also teach others, ultimately striving to generate lasting social impact and create a future where the universal application of behavioral science powers a world with optimal health, equitable wealth, and environments and systems that are sustainable and just for all.

For more than a decade, we've been at the forefront of applying behavioral science in the real world. And as we've developed our expertise, we've helped to define an entire field. Our efforts have so far extended to 40 countries as we've partnered with governments, foundations, NGOs, private enterprises, and a wide array of public institutions—in short, anyone who wants to make a positive difference in peoples' lives.

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## Summary

Cash transfer programs are widely recognized as an effective tool for social protection, and ideas42's past work has shown that light-touch, low-cost behavioral interventions can improve their outcomes and enhance their impact on the livelihoods of recipients.<sup>1</sup> In response to the COVID-19 pandemic, the coverage of cash transfer programs has expanded, making it crucial to understand how behavioral interventions can help governments make the most of their limited resources to support populations in a context of high uncertainty. In this brief, we share evidence that behavioral interventions created prior to the COVID-19 pandemic were still effective during the pandemic. We also provide recommendations for ways policy makers can incorporate insights from behavioral science into their programs during the pandemic and in the post-pandemic era.

<sup>1</sup> ideas42. 2019. *Cash and Change: Using Behavioral Insights to Improve Financial Health in Three Cash Transfer Programs*. Retrieved from [https://www.ideas42.org/wp-content/uploads/2019/09/142-1160\\_CashTransfers\\_paper\\_final-4.pdf](https://www.ideas42.org/wp-content/uploads/2019/09/142-1160_CashTransfers_paper_final-4.pdf)

## »» **Cash transfers and their role during the COVID-19 pandemic**

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**R**esearch over the past several decades has shown that cash transfers promote better livelihoods, improve social outcomes, and strengthen local economies.<sup>2</sup> Their flexibility and ease of delivery prompted governments around the world to adopt or adapt cash transfer programs in response to the COVID-19 pandemic that affected the lives of billions. By the end of 2020, cash transfer benefits grew by about 240% compared to pre-COVID times, targeting nearly 14% of the world's population and accounting for 62% of the social protection global responses to COVID-19.<sup>3</sup>

### How do behavioral interventions enhance the impact of cash transfers?

Optimal impacts from cash transfer programs depend on a complex set of decisions and actions recipients must take to save or spend the cash support they receive, all requiring significant cognitive bandwidth. Yet, research has shown that living in a state of chronic scarcity, such as poverty, can make these decisions and actions particularly challenging.<sup>4</sup> In such contexts, insights from behavioral science can be employed to create low-cost, light-touch interventions that support recipients in undertaking the complex decision-making required, therefore increasing the impact of such programs at little additional cost.

With support from the Global Innovation Fund, ideas42 has been partnering with the World Bank's Social Protection and Jobs practice and governments from 10 countries in sub-Saharan Africa (including Madagascar, Kenya, Tanzania, Ethiopia, Ghana, Nigeria, South Sudan, Sierra Leone, Democratic Republic of Congo, and Sudan) to design and test scalable behavioral solutions to increase the effectiveness of cash transfer programs.

As part of this initiative, we have been working with the government of Kenya since 2018 to design and test a package of behavioral interventions for Kenya's National Safety Net Programme (NSNP). In Figure 1, we present key behavioral barriers identified and solutions aimed to address them.

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<sup>2</sup> Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T., and Pellerano, L. 2016. *Cash transfers: what does the evidence say. A rigorous review of programme impact and the role of design and implementation features*. London: ODI,(7).

<sup>3</sup> Gentilini, U., Almenfi, M. B. A., Iyengar, T. M. M., Okamura, Y., Downes, J. A., Dale, P., Weber, M., and Aziz, S. 2022. *Social protection and jobs responses to COVID-19*. The World Bank.

<sup>4</sup> Mullainathan, S., & Shafir, E. (2013). Scarcity. *Social Policy*, 46(2), 231-249.

**Figure 1: BEHAVIORAL BARRIERS AND SOLUTIONS**

#### BEHAVIORAL BARRIER IDENTIFIED

##### **Social norms:**

The visible behavior of peers is a potent influence on people's decisions and actions. In rural villages, spending is a highly visible, public act, while saving typically takes place at home. This may lead to the belief that saving is not "the norm."

#### SOLUTION



##### **Visual of descriptive norms:**

To make social norms around savings more visible, we designed posters aimed at changing recipients' notions of how they could spend their cash. These posters made the true norms, that many recipients do use some of their cash for their future, visible.

#### BEHAVIORAL BARRIERS IDENTIFIED

##### **Total earnings not salient:**

Recipients get their cash transfer in installments, once every two months. Without a comprehensive overview of total earnings over the course of months or a year, recipients tend to consider only the purchases and investments made possible by each individual payment, overlooking options available if money from several payments were accumulated.

#### SOLUTION



##### **No decision support:**

The program did not usually offer any decision-making tools or orientation towards financial goals, leaving recipients to pursue an unfamiliar and potentially challenging financial planning exercise on their own.

##### **Goal setting & planning:**

Activities that first help people set a realistic goal, then identify how much they will save from each transfer, and finally calculate how many cash payments it will take to reach their goal, can help people achieve those goals. These activities help participants consider and identify a goal they can work toward over multiple transfers, and also provide a chance to mentally allocate money into saving and spending "accounts" which makes it more likely that they will stick to their plan.

#### BEHAVIORAL BARRIER IDENTIFIED

##### **No way to separate cash for different purposes:**

Payments are often received as a single stack of paper bills. This format fosters a perception that the payment is meant for a single, immediate purpose rather than encouraging people to allocate the money to multiple purposes, including savings.

#### SOLUTION



##### **Money pouch:**

A pouch was designed that participants could use to separate the cash they planned to save from the cash they planned to spend on consumption needs immediately upon cash receipt.

#### BEHAVIORAL BARRIER IDENTIFIED

##### **Salience and ease of making consumption purchases:**

Even when recipients have savings goals, they face many immediate needs (debt repayment, medical expenses, food, and transportation expenditures) that may be more salient than future productive goals. Furthermore, at the time that recipients receive their cash, the presence of a plethora of market vendors makes it easy and tempting to spend on instant purchases.

#### SOLUTION

##### **Text message reminders:**

Messages sent at opportune times, such as when recipients are able to pick up their cash, can ensure that their goals and plans stay top-of-mind if they completed the goal-setting and planning activity some time before cash disbursement. These texts also reinforced the norms and habits they were introduced to through the other designs, which were delivered in person.

## Relevance of behavioral barriers during the pandemic

Given the increased financial uncertainty during the pandemic, we hypothesized that some of the behavioral barriers that make it difficult for anyone, including cash recipients, to make optimal use of their cash had likely been further exacerbated. We thus hypothesized that even though the designs were created to address behavioral barriers identified in the pre-pandemic context, the designs could still be effective during the pandemic.

In conversations with the recipients, we learned that they faced pandemic-related challenges that affected their livelihoods. Many reported that COVID-19 caused an increase in food prices, loss of livelihoods, and change in lifestyle, for example requiring additional purchases they had not planned for such as masks and sanitizer. Overall, these challenges all add to the scarcity recipients face, making it even more challenging to make the necessary trade-offs to spend the cash they receive in ways that are in line with future goals. For example, we found that salience and ease of purchases for immediate consumption made it difficult to save before the pandemic, and the need for additional items such as masks and sanitizer added to the immediate needs participants had, requiring some of their limited attention and making it more challenging to avoid potentially unnecessary instant purchases. In addition, total earnings from the transfer were not salient before the pandemic, however payment dates were even more uncertain during the pandemic, which made it difficult for recipients to predict how much they would get and when and thus even more challenging to plan for when they could reach their goals. With evidence that some of these key barriers may have been exacerbated during the pandemic, it became crucial to assess if behavioral designs could still address the barriers in the context of COVID-19 to help participants spend their cash in line with their goals.

## **>> Pivoting an evaluation: How we made the most of a trial halted due to COVID-19**

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**A**n initial one-month pilot test in 2019 yielded positive results. The full package of intervention helped participants set goals, save, and repay debt, thus setting them on a path to better livelihoods.<sup>5</sup>

In 2019-2020, we planned to implement a large-scale cluster randomized controlled trial (RCT) to evaluate the effectiveness of behavioral interventions developed for the NSNP. The RCT was rolled out and baseline data was collected between October 2019 and March 2020. End-line data was planned to be collected six months after implementation, beginning in April 2020. However, in March 2020 the trial was halted due to the onset of the global pandemic. Given that it was not possible to conduct in-person endline data collection safely or to predict when it could be done safely, we shifted the evaluation and designed a Computer Aided Telephone Interview (CATI) survey to be conducted with a random subset of the participants. The content of the questionnaire was developed to take minimal time (15-20 minutes) and understand the impact of the pandemic on recipients' lives. In addition, we hypothesized that key behavioral barriers such as scarcity were likely exacerbated by the pandemic. Therefore, we also aimed to test this hypothesis and assess if the designs were still able to support recipients in increasing their savings and productive investments, which they were designed to do before the pandemic.

In June and July 2020, we carried out phone interviews with 62 randomly selected recipients who participated in the baseline survey, which included 24 men (39%) and 38 women (61%). The gender ratio reflects the national average of program recipients (60% women, 40% men). 27 respondents had received the behavioral interventions (treatment group), while 35 had not received them (control group).

### Results

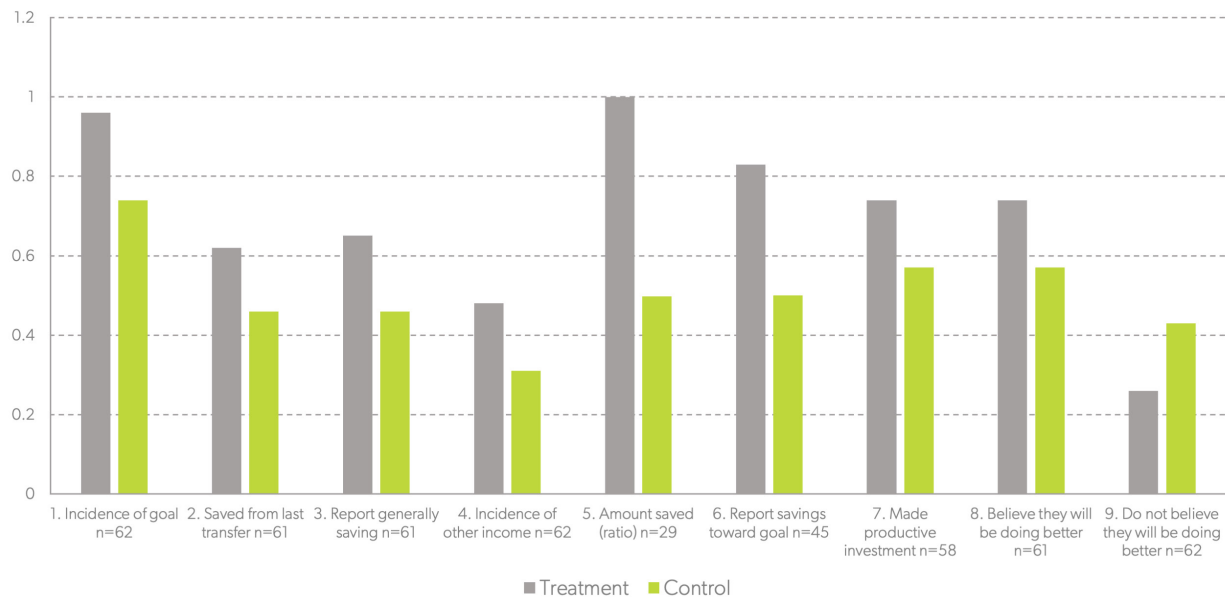
Though our package of interventions were not developed for contexts of extreme volatility, such as that brought on by the COVID-19 pandemic, we found evidence that the behavioral additions to cash transfer programs helped recipients work towards their goals even during the pandemic.

The key outcomes we investigated are described in the following sections, and a figure displaying main results can be found below.

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<sup>5</sup> Ideas42. 2019. *Cash and Change: Using Behavioral Insights to Improve Financial Health in Three Cash Transfer Programs*. Retrieved from [https://www.ideas42.org/wp-content/uploads/2019/09/I42-1160\\_CashTransfers\\_paper\\_final-4.pdf](https://www.ideas42.org/wp-content/uploads/2019/09/I42-1160_CashTransfers_paper_final-4.pdf)

**Figure 2: IMPACT OF BEHAVIORAL DESIGNS**



## Goals and planning behaviors

We found that recipients in the treatment group were 30% more likely to have a productive goal (such as starting a livestock farming venture). The treatment group was also more likely to report planning for and taking steps toward their goals—they were 66% more likely to report having some savings toward their goal.

## Savings and productive investments

Participants in the treatment group were more likely to report regularly saving and making productive investments: they were 61% more likely to report consistently saving, and 30% more likely to report having made a productive investment in the past six months. Those who saved reported that having a business or farming as another source of income made it easier to save. Many recipients reported using their savings to provide a cushion against uncertainties and increased prices during the pandemic, resulting in delays in purchasing the productive investment they wanted to purchase, however, they were optimistic that they would be back on track to achieve these goals in the coming months.

## Optimism about the future

Recipients in the treatment group were 30% more likely to predict that their lives would be better in the next six months, often citing that this was because they would make productive investments that would help them secure their livelihoods. This may suggest an increase in their feeling of agency over their life and future. Comparatively, those in the control group were more likely to report that if their lives would be better, it would be due to something beyond their control (e.g. ‘I hope the government comes to help us’).

## **Policy recommendations for implementing behavioral interventions in government programs during the pandemic and beyond**

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**L**earnings from this evaluation have provided evidence that the pandemic exacerbated some of the behavioral barriers cash transfer recipients were facing before the pandemic, and that behavioral designs created previously are therefore still useful. The COVID-19 pandemic reversed progress on poverty alleviation for the first time in a generation, disproportionately negatively affecting those already experiencing poverty. Given this bleak outlook, practitioners should utilize all the tools at their disposal to support citizens living in poverty and reverse such trends. Here, we provide actionable recommendations on how to use behavioral science to improve program outcomes during COVID-19 and beyond, in Kenya and similar contexts:

- ▶ **Complete a behavioral audit of program processes and materials.** Behavioral audit tools provide practitioners with simple, actionable guidance to ensure their programs and messaging account for common contexts that may cause behavioral barriers. The audit tools package insights from academic literature and practitioner experience in checklists that guide users to scan program processes and communications for contexts that may affect participants' decisions and actions along multiple dimensions, including communication, process steps, or physical environments, and provides actionable tips to redesign those contexts. Practitioners can find these tools [here](#).
- ▶ **Integrate proven behavioral interventions into program design.** As the evidence suggests in this brief, behavioral interventions can be an effective and low-cost way to increase program impact. Based on the insights from this study, practitioners should consider if the behavioral barriers these interventions were designed to address are relevant in their programs and consider adapting the designs for the context of their program. To incorporate such interventions in a scalable way, we recommend integrating interventions as seamlessly as possible into existing program design. This includes considering a subtractive approach: that is, doing away with any existing program elements that are covered through the behavioral interventions to reduce costs and minimize bandwidth constraints for implementers. To ensure designs are implemented, we also recommend incorporating the designs into program budgets at the planning level. Given that such designs have proven impact, when creating the program budget practitioners should prioritize using them against untested program elements serving similar purposes.



## **Conclusion**

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**T**he CATI study conducted in Kenya provides evidence that behavioral interventions can still be useful to participants in contexts of extreme scarcity and volatility, such as a global pandemic. By providing cash recipients with additional scaffolding in the form of behavioral interventions to help them plan to spend their money in a way that can improve their livelihoods in the long term, recipients gain a greater ability to mitigate the effects of scarcity they may face, and in many cases are able to continue working toward their longer-term goals. The next steps for this work in Kenya cash transfer programs includes scaling behavioral interventions to reach more recipients across the country.

