(Digital) cash transfers, privacy and women's empowerment: Evidence from Uganda

Extended Abstract *

Giulia Greco
London School of Hygiene and Tropical Medicine

Selim Gulesci
Trinity College Dublin

Pallavi Prabhakar
BRAC Institute of Governance and Development

Munshi Sulaiman
BRAC Institute of Governance and Development

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1 Introduction

In patriarchal societies, the allocation of resources within households often reflects entrenched gender norms and power asymmetries Kabeer (2016). Men often exert coercive control over women, not just through violence but also through economic decisions, limiting women's access to and autonomy over resources Gupta et al. (2024). Coercive control operates as a deliberate strategy to maintain dominance, restricting the ability of women to make independent choices. In contexts of poverty, these dynamics are particularly acute, as resource scarcity intensifies intra-household tensions and reinforces existing inequalities.

Cash transfer programs, widely adopted as tools for poverty alleviation, have been promoted for their potential to empower women and disrupt entrenched power hierarchies (Baird et al. (2013); Ambler and De Brauw (2017); Duflo (2012)). Recently, digital transfers via mobile money have gained prominence for their potential to improve women's economic and decision-making outcomes, particularly in settings where male control over resources is high (Aker et al. (2016); Riley (2024)). Privacy in financial transactions, especially through digital modalities like mobile money, is often viewed as a key mechanism for enhancing women's agency by reducing male monitoring and interference (Riley (2024); Aker et al. (2016); Ashraf (2009); Bastian et al. (2018)). Previous studies argue that by enabling women to receive and manage funds directly on their mobile devices, mobile money not only minimizes the need for physical cash transactions but also offers women greater control over resources, potentially reducing their economic dependence on male partners.

Shifts in power structures through enhanced financial autonomy can also contribute to reductions in intimate partner violence (IPV). Empowering women economically may weaken coercive control by reducing male partners' leverage over household resources. Improved financial security and decision-making power can lower IPV by mitigating economic stress,

fostering women's bargaining power, and increasing their ability to leave abusive relationships (Buller et al. (2018); Baranov et al. (2021)). However, the extent to which privacy in digital transfers disrupts or reinforces coercive control—and its implications for IPV—remains underexplored. This study explicitly tests whether privacy through digital cash transfers serves as a causal mechanism for improving women's resource control, decision-making power, and protection against IPV in contexts characterized by high male control.

Specifically, we investigate how the mode of delivery (cash versus digital) and the level of information privacy affect intra-household dynamics and women's empowerment in contexts of high coercive control exerted by men. Using data from a randomized controlled trial (RCT) conducted in Uganda, we analyze the effects of one-off cash transfers delivered either in physical cash or via mobile money, with transfers disclosed either privately to the wife or jointly to both spouses. Uganda provides a relevant context for this investigation, characterized by conservative gender norms, significant male control, and widespread adoption of mobile money technologies. By disentangling the effects of delivery modality and privacy, this study provides new insights into the design of (digital) cash transfer programs in settings where male control persists, challenging assumptions about their automatic empowerment benefits.

2 Methodology

We present evidence from a cluster RCT over 2000 women from 250 communities in Uganda. The study participants were all married women, aged 20-45 years old, living with their spouses in refugee and host communities in Kyegegwa and Kiryandongo districts. All participants owned a mobile phone and had a mobile money account registered under their name at baseline.

The participants were randomly divided into four treatment arms and a control group. Women in all treatment groups received a transfer of UGX 175,000 (USD 50) in cash or via mobile money transfer, provided by the NGO BRAC. The transfer was labelled as an unconditional one-off cash grant as part of a research on economic development in their community. The information about the transfer was revealed either to the couple (public information treatment) or to the respondent alone (private information treatment). As such, the experiment had a 2x2 design whereby the mode of delivery of the transfers (cash vs mobile money) and privacy of information (public vs private) was cross-randomized. In the public information treatment, the information about the transfer was revealed to women and their spouse during a field visit by BRAC staff. In the private information treatment, women were privately informed about the transfer. They were assured that the research team members would not inform their spouse or anyone else about this transfer and they could use the money as they liked. Hence, it was up to them to inform their spouse or anyone else on their own. Using survey data from a follow-up surveys 6-months after the transfers were delivered, we study differences among the treatment groups in women's economic outcomes (engagement in earning activities and income), control over personal and household finances, marital trust, women's agency, and IPV.

3 Results

We find that the mode of cash transfers affect women's economic independence and empowerment. Switching the mode of cash transfers to digital payments enabled women to engage in their own, independent income-generating activities. Women who received mobile money transfers increased their individual earnings by 31%, leading to enhanced autonomy as reflected in a 0.17 standard deviation (SD) increase in their involvement

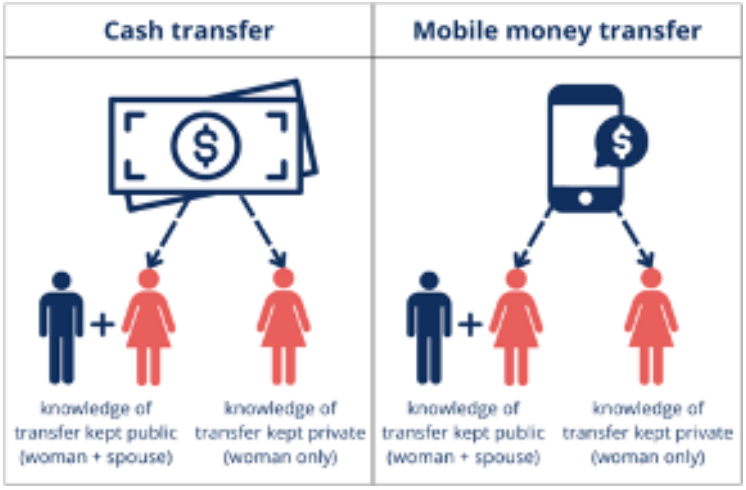


Figure 1: Study design

in household decision-making. This includes greater control over decisions related to labor market participation, children's schooling and health, household purchases, financial planning, and family planning. These gains in decision-making power suggest that mobile money transfers enhance women's bargaining power within the household by allowing them to independently manage and allocate resources.

In contrast, cash-based payments increased engagement in income-generating activities conducted jointly with spouses, thereby boosting joint earnings. This approach lowered income-related stress for both partners and avoided threatening male bargaining power, as men retained joint ownership over these earnings. Consistent with this dynamic, we find that cash transfers paid in cash are more effective in reducing IPV compared to digital payments, particularly when husbands are informed about the transfer. Women who received transfers in cash with joint disclosure were 12 percentage points (ppt) less likely to report experiencing any form of IPV in the past year, including an 8.4 ppt reduction in physical IPV and a 4.1 ppt reduction in sexual IPV. None of the other treatment arms yielded significant effects on IPV, and we reject the null hypothesis of equality between the joint cash treatment and all other arms. These findings highlight the

importance of public, joint cash transfers in reducing IPV.

At the same time, the results reveal a trade-off between the empowerment effects of digital transfers and IPV prevention through cash-based transfers. Digital payments, while enhancing women's financial independence and decision-making power, appeared to strain trust between spouses. Husbands whose wives received digital payments were more likely to engage in controlling behaviors, consistent with a male backlash effect. This dynamic likely counteracted the positive effects of digital transfers on IPV reduction observed in other treatments. In contrast, cash-based transfers with joint disclosure fostered shared economic ventures and avoided triggering coercive responses, making them more effective in reducing IPV.

Importantly, we find no significant differences in terms of the privacy of transfer information, suggesting that the effects are not driven by whether husbands were informed about the transfers. These results underscore the nuanced relationship between transfer modalities and household dynamics: while digital transfers can effectively empower women economically, cash-based transfers delivered with public transparency are better suited for reducing IPV. These findings provide critical insights into the design of cash transfer programs, highlighting the need to balance the goals of economic empowerment and IPV prevention in contexts characterized by male control.

4 Mechanisms

One of the key contributions of this study is testing whether privacy of information is the primary mechanism through which mobile money transfers improve women's outcomes. We find no significant differences between private versus public mobile money transfers in their effects on women's engagement in independent income-generating activities or decision-making power. This suggests that privacy is not the main driver of mobile

money's effectiveness. Instead, several alternative mechanisms may explain these results.

First, mobile money may allow women to retain more control over funds, even when transfers are publicly disclosed. This could be due to the digital nature of mobile money, which provides women with greater autonomy in managing their finances and enables more discretion in how funds are used. Our findings suggests that in the mobile money arm, men's reports of how the transfers were used often differ from women's self-reports, particularly for categories like land cultivation and women's personal expenses. This indicates that mobile money gives women some additional room to make independent financial decisions, even when their husbands are aware of the transfer.

Second, mobile money reduces the risk of theft compared to cash transfers. At midline, women in the cash arm were significantly more likely to report theft incidents, with a 9 percentage point (ppt) higher prevalence compared to the control group. In contrast, theft was less common in the mobile money arm, though any incidents involved higher financial losses. This reduction in theft risk likely contributed to the observed benefits of digital payments by providing women with a more secure means of accessing and managing their resources.

Other potential mechanisms, such as reduced transaction costs or lower temptation to spend funds frivolously, do not appear to drive the results in our context. Since cash payments were delivered directly to households by NGO workers, beneficiaries did not face significant transaction costs. Additionally, we find no evidence that the effects of mobile money transfers were stronger for individuals with lower baseline self-control.

In summary, while privacy does not appear to be the main channel, mobile money's effectiveness in improving women's economic empowerment likely stems from its ability to grant women greater autonomy over resources and reduce the risks associated with cash handling.

5 Conclusion

This study underscores the importance of delivery mechanisms in shaping the outcomes of cash transfer programs in settings where male coercive control persists. Digital payments via mobile money enhance women's economic independence by granting greater autonomy over resources, even when men are aware of the transfers. However, privacy alone does not appear to drive these effects. On the other hand, cash-based transfers with joint disclosure prove more effective in reducing IPV, as they foster collaboration and reduce household tensions. These findings challenge the assumption that targeting women automatically leads to greater empowerment outcomes, emphasizing instead the need to carefully design programs that account for the complexities of household power dynamics and balance the trade-offs between economic empowerment and IPV reduction.

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