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Cash Transfers, Social Cohesion, and Community Dynamics: Trust, Conflict, and Collective Outcomes

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ABSTRACT

Cash transfer programs have emerged as a central instrument of contemporary social policy, particularly in low- and middle-income countries, where they address poverty while shaping broader community dynamics. This study examines the relationship between cash transfers, social cohesion, and community-level outcomes, focusing on pathways through which financial assistance influences trust, conflict, and collective action. Drawing on conceptual, empirical, and comparative insights, the analysis highlights how both conditional and unconditional cash transfers contribute to enhanced institutional and interpersonal trust, increased cooperation, and strengthened norms of reciprocity. By alleviating economic hardship and reducing competition over scarce resources, transfers can mitigate tensions and lower the risk of conflict. At the same time, the study underscores the conditional nature of these outcomes, emphasizing that program design features such as targeting, transparency, coverage, and complementary services significantly shape social effects. Evidence from diverse contexts, including urban, rural, and fragile settings, reveals that while cash transfers often promote inclusion and collective welfare, they may also generate perceptions of inequity and exclusion if poorly implemented. The paper concludes that cash transfers hold substantial potential to foster social cohesion and improve community dynamics, but their effectiveness depends on context-sensitive design, equitable distribution, and robust accountability mechanisms.

Keywords: Cash Transfers, Social Cohesion, Trust and Institutions, Community Dynamics, and Conflict and Collective Action.

INTRODUCTION

Cash transfers represent a growing form of social policy implemented by governments, regional authorities, and non-governmental organizations [1]. Transfers, typically financial, address urgent needs for food, housing, health care, and education. They aim to prevent poverty, support economic recovery, stabilize economies, and invest in future growth. Cash transfers fall on a spectrum from unconditional to strictly conditional [2]. Where immediate relief is a priority, the cash transfer becomes the first tool of choice [3]. Transfers may also serve as temporary support of a broader, longer-term stabilization strategy. Addressing wider needs requires coordination across multiple policy areas. Transfers nonetheless represent a primary response option; their temporary role during stabilization underlines their prominence [4]. Cash transfer policies often pursue secondary aims related to social cohesion. When treated as a social policy, transfers are expected to generate social impacts. Emerging cash transfer programs and adjunct research also explore the social effects of humanitarian assistance, whether cash or in-kind [3]. Expected pathways of social impact link cash transfers to trust and cooperation, support for redistribution, and a reduction in conflict [2]. The receipt of cash increases trust in authorities, state capacity, and the legitimacy of programs. Recipients exhibit greater cooperation, engage in more mutual aid, and express

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demands for more public goods and services, signaling the emergence of new norms of monetary cooperation. Transfers relieve economic pressure and reduce competition over resources [4].

Conceptual Framework

Cash transfers are the most important social policy interventions in many low- and middle-income countries [3]. Progressive transfers can reduce poverty at scale, enhance livelihoods, and promote productive investments. In addition, there are widely shared expectations that cash transfers expand social cohesion and reinforce the functioning of collective processes by building trust, civility, and cooperation, and reducing conflicts. Socially cohesive communities are better equipped to cooperate, distribute resources equitably, and handle tensions [1]. Social cohesion, broadly defined as the bonds that enable individuals to work together willingly in the pursuit of common goals has become a fundamental concept of social policy analysis [4]. While numerous definitions of the concept abound, dimensions commonly invoked include trust, legitimacy, inclusivity, exclusion, rivalry, and reciprocity. Within cash-transfer programming, attention to cohesion tends to emphasize the dimensions of trust, legitimacy, and inclusivity [4]. The language used to describe these dimensions varies, but they consistently point to the relative confidence that individuals have in formal institutions and fellow citizens, the degree to which they feel invited to participate in collective endeavors, and the extent to which they view the identification of common objectives as viable and worthwhile (as opposed to strictly competitive)[4].

Cash Transfers as Social Policy

Cash transfers form a central component of social policy in numerous countries, representing one of the most widespread and rapidly growing interventions in the twenty-first century [1]. They serve dual objectives: a primary objective of addressing poverty through direct support and a secondary objective of stimulating social cohesion across multiple dimensions of community dynamics [3]. Unconditional cash transfers those provided solely on the basis of an individual's qualification to receive them constitute a major avenue of investment for policies focusing on social cohesion [1]. Expected pathways connecting cash transfers to social cohesion include enhanced trust in institutions, increases in interpersonal trust, higher levels of participation in mutual-aid and collective-action initiatives, support for public goods such as schooling and sanitation, encouragement of reciprocal exchanges, establishment of norms favouring cooperation and redistribution, and reductions in rivalries and conflicts [3]. Social cohesion encompasses multiple dimensions, including trust in institutions, social-capital networks, norms of reciprocity, and a sense of belonging. Empirical indicators of cohesion furnish a rich set of possibilities for measuring its multiple dimensions and are linked to community dynamics [4]. Indicators of the social-dynamics dimension are central to assessing community dynamics broadly and the effects of cash transfers on these outcomes specifically. These indicators include trust in government and other institutions such as police and courts, interpersonal trust, participation in collective-action initiatives, contributions to mutual-aid funds, perceived availability of assistance during crises, support for local public goods, and generalised reciprocity [5]. Data sources supporting these indicators include administrative records capturing programme participation and nationally representative surveys documenting trust, civic engagement, participation, and assistance patterns [6]. Robust measures of cash transfers, participation, and outcomes accrue from such sources, enabling analysis of the effects of transfers on community dynamics [7].

Social Cohesion: Definitions and Dimensions

Societal cohesion captures dynamics among individuals within communities and between communities and the state [3]. It encompasses community-level characteristics, interactions, and behavioral norms within and between communities as well as public policy, governance, and the degree of involvement of communities in their own affairs [4]. Societal cohesion in the context of assistance to sustain livelihoods during an external shock may be viewed as a mix of community-level characteristics and interactions and as the quality of the policies, programs, and mechanisms set in place that influence those characteristics and interactions[5]. Community-level characteristics include the extent of social networks that facilitate cooperation and the extent of public goods, such as infrastructure, that support community cohesion. Interaction features also include by whom assistance is received and the transparency and perceived fairness of the process [6]. Cohesion is further interpreted here in two principal dimensions. The first dimension covers the interactions and behavioral norms between individuals and groups within the community or society, that is, the horizontal social capital [4]. The second dimension captures the engagement of that community with the state or broader society, including the extent to which the community participates in social programs. The former is termed community cohesion; the latter, societal cohesion [5].

Mechanisms Linking Cash Transfers to Trust and Conflict

Cash transfers, as social policy instruments, constitute a vast and growing area of social intervention aiming to provide financial relief to vulnerable households [1]. Cash transfers can be classified into two categories: the This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited

unconditional and conditional. Unconditional cash transfers are given regardless of the behaviour of recipients and are often unconditional [2]. When conditioning social activities on benefits, such as children's school attendance, cash transfers become conditional, reflecting social policy ambitions to shape individual behavior [3]. The instrumental use of cash transfers emerged in the 1990s. Some analyses suggest that cash transfers can foster social cohesion through different pathways related to trust between and participation from recipients, which are often incentivised or increased by conditions attached to these transfers. All these effects work to promote collective outcomes such as mutual redistribution and contribute to alleviating tensions by reducing competition over scarce resources [5]. Social cohesion denotes various social dimensions across different domains. These include trust in local and government institutions, interpersonal trust, willingness to provide mutual aid, and willingness to support public goods [2]. Empirical measures and the availability of data from various surveys assist in gauging several of these social dimensions [4]. Looking at cash transfers exclusively in terms of transfers and normative postures leaves aside some of the important social dynamics that can influence community processes, such as the elite in-group versus out-group narratives and the bargaining power of various sub-groups within the population under study [11].

METHODOLOGICAL APPROACHES

Cash transfers represent a potent dimension of contemporary social policy, aimed broadly at alleviating poverty and vulnerability in both developing and developed countries [3]. Cash transfer schemes are popularly classified as unconditional cash transfers (UCTs) and conditional cash transfers (CCTs). Following the widespread adoption of UCTs in developing countries (particularly in Sub-Saharan Africa), increasing attention has also turned to CCTs, originally conceptualized in Latin America, which provide cash in exchange for specific socially-targeted behaviors and have resulted in sizeable investments in social protection by several governments during crises [4]. Cash transfers deliver vertical income support to households, compensating for adverse shocks and thereby satisfying a primary aim of social protection policy [5]. Alleviating income losses fosters recovery, enhances resilience, and smooths investments. Cash transfers also indirectly promote cohesion by signalling with cash provision a broader state commitment to social protection and by countering competition for scarce resources, a form of investment observed during state reconstruction and stabilization phases [7]. Formal eligibility criteria can mitigate competition among potential beneficiaries by clarifying entitlements, enhancing legitimacy, and conserving physical assets for economic recovery [4]. Social cohesion is further bolstered by the extension of transfers to previously excluded groups via universal basic income or expanding coverage zones [6].

Quantitative Measures of Cohesion and Trust

Cash transfers function as formalized social policy intended to transform welfare provision and thereby contribute to broad social benefits [2]. A primary aim of cash transfers is to alleviate poverty, with well-documented positive effects on food consumption, education, and health, outcomes for which cash is generally the most effective and least distorting form of assistance. Increased spending on these needs, in turn, is expected to yield important community-level social benefits [3]. A secondary aim is to bring about social and community-related changes in people's lives that are worth less attention within conventional welfare analysis but have the potential to yield substantial and wide-ranging normative benefits [4]. Trust in institutions and in others reciprocity, collective organization, and the like have, either individually or in combination, been proposed as potential mechanisms through which cash transfers may generate considerable additional social value [2]. The relationship between cash transfers and community-level attributes is highly complex because such attributes are themselves subject to community-wide, frequently large-scale, and often shocks, which need to be accounted for in the analysis [5]. Social cohesion refers to broader ideals of social community, solidarity, connectedness, cooperation, participation, trust, equality or shared identity that may subsume these features; as used in the literature, it denotes the manner in which diverse social groups and individual citizens perceive the state, the state's legitimacy, and the state's encounter with its citizens [4]. In contexts where groups are separate and where such features have been scaled back or eliminated, cohesion is generally understood as the extent to which citizens perceive the state as enabling the possibility of social interactions, when such interactions are fundamentally desired, and the extent to which, at the same time, the state is trusted to act in the wider public interest [5]. Cohesion thus encompasses elements of exclusion and rivalry as well as trust, legitimacy, and the capacity to meet needs [3].

Qualitative Insights into Community Processes

Cash transfers do not only alleviate individual or household poverty but can act as a social policy aimed at fostering social cohesion and collective dynamics at the community level [7]. Programmes also seek to increase trust, cooperation, feelings of belonging, and collective action [8]. Social cohesion is defined as the degree of harmony, trust, and cooperation among groups, individuals, and institutions, including governments. Understanding individual experiences and contextual factors guiding the dynamics at play is crucial [5].

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Quantitative assessments provide an aggregate picture of community dynamics but qualitative methods are needed to understand community processes, power relations, and collective behaviours. Cash transfers influence community-level dynamics through multiple direct and indirect channels [4]. They signal public-sector inclusion, alleviate competition for scarce resources, and improve institutional legitimacy during crises. They may also damage social cohesion if considered inequitable or excessively conditional [2].

Experimental and Quasi-Experimental Designs

Cash transfers are often provided across large populations to alleviate poverty. Conditional and unconditional cash transfers serve different objectives and can have varied effects on community cohesion. Primary objectives associated with non-contributory, cash-based transfers frequently include trust-building and enhanced inclusivity within groups receiving support [1]. Community conflict among individuals and groups is managed through social cohesion and by reducing competition for financial resources [2]. Direct cash transfers signal institutional legitimacy, decrease competitive pressures associated with overlapping resource needs, and indicate an inclusive membership within a beneficiary group [7]. Community networking following transfers can develop reciprocal exchanges, reduce competition for income-generating public goods, and foster a sense of belonging that reinforces cohesion among recipients. Reductions in direct resource competition lessen collective tensions, while programs perceived as equitable contribute to institutional legitimacy and stabilizing measures [8].

Trust and Social Cohesion in Diverse Contexts

Cash transfers frequently form one component of larger social protection frameworks, conceived principally as responses to poverty and inequality [9]. Programmers often incorporate them into broader social-policy packages that officially designate them as a component of a strategy to enhance social cohesion. Analyzing the evidence surrounding cash transfers in terms of their relevance to social cohesion therefore yields insights that speak to wider questions of social protection and social cohesion [10]. Cash transfers qualify as a special category of social-policy instrument that can stimulate, strengthen, promote, or undermine social cohesion because they redistribute money regularly and predictably in an understandable and transparent manner for an extended period, whether short or long, among individuals and families already or potentially living in the same community [12]. The well-established connection between cash transfers and poverty suggests that they can favorably influence related considerations of social cohesion in contexts marked by high levels of deprivation and inequality [1]. In most situations, recipient households that garner cash transfers experience increases in disposable income associated with enhanced levels of food security, caloric intake, and other assets. Such impacts have the potential to shape special links among cash transfers, trust in one's own local community, the capacity for collective endeavors, and even social cohesion [11]. Cash transfers thus qualify as potentially promising social-policy measures for advancing the significant and pressing issues of social cohesion, conflict resolution, and even democratic governing systems in countries and societies experiencing difficulties with community-based interactions, trust, and associated challenges [10].

Urban versus Rural Settings

Although cash transfer programs target households, their impact ultimately shapes community-level processes. Cross-national and cross-urban discrepancies in the effects of transfers highlight the importance of local context when assessing opportunities and risks [13]. Rural environments frequently exhibit low infrastructure-quality levels, lengthy service-delivery delays, poorly developed financial and credit markets, and limited asset-diversification strategies [1]. In such contexts, transfers may support diverse investment options, prompting asset-building trajectories. Conversely, urban areas are characterized by relatively higher resiliencies, and program implementation takes place during stabilization rather than reconstruction [6]. Consequently, transfers may generate diverse programmatic impacts; for instance, transit urban environments may foster operational norms, further enhancing multiplicative dynamics and molding the role of urban cash interventions [7]. In Latin America, social protection systems have yielded valuable insights regarding the impact of cash transfer programs on urban dynamics and incorporation vis-à-vis social processes. Programs such as Bolsa Familia and Asignación Universal por Hijo provide financial support to poor families [13]. Analysis indicates that the extent of inclusiveness, the timing of program establishment, and post-program accompaniment combine to bolster transversal ties and access to goods and services; the early integration of transfers alongside complementary programs enhances infrastructure provision and reinforces connectivity alongside social networks. On the other hand, schemes introduced later during periods of heightened violence risk the emergence of solidarities centered on free goods and services, neighborhood safety, and housing [2].

Post-Conflict and Fragile State Environments

Cash transfers and social cohesion inform policy-relevant, evidence-based analysis; maintain formal, objective tone throughout [14]. Social protection programs foster social cohesion and inclusion, especially in post-conflict and This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited

fragile states. Cash transfers can strengthen community ties, support groups, and increase social engagement. They help address immediate needs of poor households and support peace-building efforts [13]. However, improper implementation can undermine cohesion; effectiveness depends on targeting, benefit value, and coverage. Delivery challenges include capacity and corruption issues in low-income, fragile countries [1].

Gender, Household Dynamics, and Intra-community Relationships

Intra-community relationships matter in much low, middle, and high-income settings, with evidence of a cash transfer program reducing tensions within co-ethnic communities [2]. Gender, household dynamics, and intra-community relationships also matter, shaping the ways individuals relate to one another and, therefore, the effects of cash transfers on community dynamics [3]. They are closely linked to wider concerns about the objectives of transfers and the cash transfer model in urban and rural contexts, the post-conflict design of programs, and the design of studies to assess community effects [2]. Cash transfers may act through household-level dynamics and therefore have very different implications for urban and rural contexts. Cash transfers are also considered both in the early-stage stabilization of post-conflict situations and later when the focus shifts to broader social repair, trust-building, and collective-action solutions [6]. The focus may be on transfers to female-headed households or on transfers delivered through consumption-linked, identity-based, or non-consumption-based channels that encourage a shift toward alternate household arrangements [4]. Where household trajectories indicate either relatively stable arrangements or continued striving for cash transfer solutions, additional analysis may highlight the implications for collective dimensions across community boundaries [5].

Effects on Conflict Dynamics

In settings characterized by low or fragile social cohesion, cash transfers may ameliorate tensions between groups or communities [3]. Economic support can contribute to shared resources, relieve competition over scarce assets, and reduce the likelihood of violent mobilization and grievances [4]. Cash transfers directed toward economically vulnerable populations can reduce economic rivalry, perceived exclusion, and grievances, thereby decreasing the risk of conflict and violence [3]. In fact, an indirect effect on inter-group tensions and violence may occur when transfers increase the legitimacy of the implementing authority or government and diminish perceptions of elite capture, as recipients perceive themselves to be included in wider state-society relations. No empirical evidence documents a systematic aggravation of social tensions or community-level conflict dynamics due to the introduction of cash-transfer programs [1]. Nevertheless, circumstances exist in which direct transfers, even to targeted groups, may heighten perceived intra-communal inequities or exclusion. Excluded individuals or groups may interpret this as a sign of elite capture, especially when transfers are moderate relative to overall household expenditures [3]. In fragile settings, both cash and in-kind support have been shown to alleviate tensions, although the primary risk of aggravating conflict arises with in-kind support. Administrative constraints commonly limit the ability to adapt delivery modalities, particularly when supporting short-term humanitarian financing through existing longer-term cash-transfer systems [5]. Cash transfers may assist vulnerable groups affected by conflict or violence, smooth consumption, and prevent further deterioration of social cohesion. However, large cash transfers targeting conflict-affected groups may inadvertently intensify disputes when vulnerable populations in other geographic areas perceive the transfers as systematically disregarding or overlooking their plight [6]. In urban, peri-urban, and rural environments, humanitarian programming therefore requires careful consideration of conflict dynamics and the broader community to avoid unintentionally increasing tensions between groups receiving assistance and those that do not [6]. At the same time, humanitarian cash transfers reaching specific groups can facilitate participation in coping strategies, demand an understanding of how broader cash-integration processes may diminish the vulnerability of those groups, and stress the need to grasp community dynamics across ongoing cash-integration dialogues [4].

Mitigation of Tensions through Economic Support

Increasing evidence highlights the significance of cash transfers for rebuilding trust and alleviating tensions in diverse contexts, including fragile states and urban environments with rampant violence and insecurity [1]. Empirical analyses show that transfers reduce conflict and violence in several countries, bolstering community dynamics in Sub-Saharan Africa and Latin America [3]. Cash transfers systematically diminish tensions by addressing social grievances, responding to material hardship, and signalling a community-wide commitment to sharing benefits and responsibilities [2]. Economic assistance fosters collective, inclusive outcomes and curtails individualistic competition for scarce resources [4]. Popular legitimacy gained by implementing agencies enhances programme compliance, participation, and variation of assistance over time. Cash transfers mitigate tensions by decreasing grievance-driven motivations for violence and increasing retaliatory restraint in response to actual or imminent violence [5].

Risks of Exclusion, Rivalry, and Perceived Inequity

Cash transfers materially improve the daily lives of beneficiaries by providing purchasing power for essential goods and services [4]. They can also send strong social signals that either ease or exacerbate community tensions. The channels through which these programs affect community dynamics are complex and vary greatly across contexts. Different worldwide experiences suggest several broad patterns, each comprising distinct interrelated causal mechanisms [3]. A first pathway, combining direct and signaling effects, connects cash transfers with a reduced perception of competition over scarce resources. Financial support offered directly to individuals gives immediate reprieve from economic hardship and signals a shared social commitment to support individuals during difficult periods [5]. Within some communities, such transfers also offer additional legitimacy to ongoing local cash-sharing practices, which not only respect the contribution of external support but are further believed to motivate requests for program extension [4]. The combination of immediate economic relief, signaling of inclusive systemic arrangements, and a lower perception of competition provides a pathway through which transfers are associated with reduced contestation, lowered satisfaction with violence, and a diminished willingness to join a community militia [2].

Temporal Dimensions: Short-term Relief and Long-term Stability

Cash transfers provide immediate economic support, yet their potential to strengthen community cohesion remains equally important [9]. Where elevated trust, cooperation, and collective outcomes complement short-term relief, these programs establish a foundation for sustainable prosperity. Social policy recognizes that transfers produce public goods or avert conflict only during calamitous or politically unsettled periods [8]. As governments and citizens stabilize, support must evolve from emergency relief to fiscal redistribution and budgetary legitimacy. Cash transfers benefit communities when they reduce violent conflict while allowing diverse groups to engage in economic interactions [7]. Geographically concentrated redistribution sidesteps rivalries between communities competing for entitlements and, if trusted, enables inclusive national projects, even in ethnically conflicted regions. Cash alone fails to build collaborative institutions or more equitable power relations; societal preparedness underpins large-scale collective action [8]. Targeted support becomes vital when election cycles invoke constrained community-building incentives, as observed in Guinea and Sierra Leone. The gradual implementation of cash transfers extends their relevance to improved governance, cooperation, and budget legitimacy following the initial phases of political stabilization [1].

Community-Level Outcomes

Introduction. Cash transfers promote long-standing poverty-reduction objectives while enhancing social cohesion [1]. First, cash transfers (CTs) provide direct financial support to individuals or households; they are unconditional when payments depend solely on registration or monitoring and conditional when disbursements require proof of compliance with behavioural provisions, e.g., school attendance [1]. Beyond poverty reduction, evidence suggests CTs can potentially improve social cohesion [2]. Pathways and mechanisms link CTs to community-level collective outcomes. Economically, direct CTs mitigate tensions generated by diminished purchasing power and generalized price increases. Signals of state-action inclusion derive directly from reception of a publicly-sourced monetary benefit. CTs under democratic governments may foster confidence in state institutions, extend trust beyond exchange partners, and create interlinked trust networks among recipient-citizens. Trust is also conferred upon CT executors, often leading to increased state legitimacy [4]. Trust outside formal institutions can reinforce informal norms of mutual assistance and reciprocal exchanges, further augmenting cooperation and collective action [6]. Autonomy and agency address restrictions imposed by autocratic or exploitative social structures. Gains in interpersonal trust and legitimacy, coupled with freestanding acceptance of aid, allow parties to take collective action with reduced retaliation risk, albeit with possible adverse elite-selection effects [7]. Enhanced cooperation, redistribution of informal capital, and improved publicity expand social safety-nets. Existing work, largely descriptive emphasizing well-documented conditions and informal institutions, uplifts analytical capability by unifying mechanisms into a single model and detailing CT connections to trust and conflict [9]. Highlights include expected community-level effects, interactions with prior conditions, potential for adverse elite-capture, and links to fluctuating violence [8]. Community-level outcomes encompass changes in local governance systems, social-capital formation and reciprocity, and redistribution norms. Governance refers to the capacity of constituencies and authorities to engage collectively in decisions regarding local public projects and the management of communal resources or services [7]. Community-wide collective-choice decisions may regulate the distribution of common pool resources, establish public-goods provision frameworks, and prioritize health-, education-, or infrastructure-related thematic areas [5]. Individually or collectively, CTs enter transactions encompassing core value-in-kind transfers representative of food, housing, or health costs. Recipients nevertheless elect to use these funds for exchanges at above- or below-market rates; to

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protect asset bases, resources are sometimes similarly channeled to non-recipient households. Cash-for-community-attendance arrangements prevent participants from utilizing CTs in these exchange mediations [8].

Local Institutions and Collective Action

An expected response from cash transfer programs is the emergence of institutions supporting collective action, facilitation of cooperation, and establishment of reciprocal redistributive norms. Successful cooperation requires an institutional framework that delineates user rights and enforceable norms [9]. Effective institutions are characterized by well-defined, clear, stable, enforceable, and understood user rights, as well as a participatory decision-making process [8]. When public goods are provided, it is crucial to establish a fair mechanism for cost and benefit-sharing. Collective action remains crucial for a range of collective goods and services that are shared within communities [10]. Observations in Sub-Saharan Africa indicate that residual close-knit community structures persist, despite urbanization, allowing for reciprocal collective action over public goods and reinforcing applicable institutions [1]. Poor governance and limited outreach by State Public Services, particularly in urban areas, also support the preservation of these relevant institutions [1].

Social Capital and Reciprocal Behaviors

Cash transfers contribute not only to economic well-being but also to social cohesion and community dynamics, which form important pathways for long-term sustainable development [8]. As a form of social policy, cash transfers design aims and strategies to promote desired objectives like poverty alleviation and increased consumption [9]. Cash transfers also produce the secondary social outcome of enhancing social cohesion, with mechanisms that strengthen trust, foster cooperation, encourage norms of mutual redistribution, and reduce tensions that can generate conflict [10]. Analyzing the role of social cohesion in the dynamics of trust, and the correspondence of these pathways with an extensive body of survey evidence gathered before and during massive, ubiquity cash transfer interventions, clarifies their plausible influence on conflict and collective outcomes [9].

Redistribution, Norms, and Trust Networks

Cash transfers address poverty, inequality, and social exclusion in cash-poor contexts and promote community cohesion among the socially excluded [5]. Within this latter aim, cash transfers address a lack of social safety nets, perceived exclusion from the cash economy, and competition for scarce resources [6]. Addressing these issues is anticipated to foster trust among community members, both in institutions and in fellow individuals, reduce group rivalry, and encourage collective outcomes such as mutual aid and support for public goods. Subsequently, these collective outcomes promote broader norms of redistribution [10]. Community-level effects of cash transfers may thus accrue through a range of mechanisms. Directly, cash payments relieve financial distress; signal governmental recognition of inclusion in the wider cash economy; and reduce competition over limited resources such as land, water, or work [5]. Indirectly, transfers enhance the perceived legitimacy of cash-delivery programs and increase the deterrence of retaliatory violence among recipients [7]. Despite the potential for rivalry and political capture, the general effect of cash transfers is expected to be positive [8].

Policy Design and Implementation Considerations

Cash transfers function as social policy by serving defined objectives, utilizing specified modalities, and anticipating measurable social outcomes [4]. Social cohesion concerns are often secondary—yet significant—considerations. Unconditional cash transfers that are neither means-tested nor restricted to specific expenditure categories occupy a prominent position in ongoing debates [10]. For unconditional cash transfers, key considerations include the scope of coverage, eligibility criteria for inclusion and exclusion, administrative transparency, and the presence of complementary services. Such approaches apply to both social assistance and social insurance [9]. Three pathways have been proposed by which cash transfers may promote social trust and reduce social conflict. First, direct financial assistance provides relief from economic hardship. Second, universally applicable programs signal inclusive membership within societal groups and bolster program legitimacy [8]. Third, alleviating economic pressure diminishes competition over existing resources, thus mitigating potential sources of conflict [5]. Cash transfers can also enhance the legitimacy of state institutions and actors. Where state institutions are perceived as legitimate, communities are less likely to engage in retaliatory violence, even in response to grievances. Economic support can curtail social tensions and violent conflict by addressing these interconnected grievances [7]. Community-level effects of cash transfers are also evident. Cash transfers influence the functionality of local governance structures, the nature of social capital, and the strength of redistributive norms. Cash transfers impact multiple dimensions of social cohesion by affecting local governance capacities, social capital formation, reciprocal behavioral patterns, redistribution norms, and the establishment of trust-based networks [6]. Targeting criteria and coverage levels directly shape equity concerns. Likewise, the transparency of targeting and the events surrounding process and disbursement facilitate perceptions of fairness and inclusiveness. Cash transfers deliver immediate economic support, yet additional services can encourage social engagement

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among recipients, further enabling broader community integration [5]. Monitoring, evaluation, and accountability mechanisms promote environmental sustainability and compliance with stated objectives [1].

Targeting, Coverage, and Administrative Transparency

Targeting, coverage, and administrative transparency shape a program's outreach and scope and determine which micro-targeted households fall within these parameters [4]. They constitute crucial design choices that can affect cash transfer programs' intended objectives and subsequent community dynamics [4]. An illustrative case is provided by the Selit program in Tunisia when targeting criteria were widely discussed and were not publicly disclosed. This policy choice fostered speculation surrounding the program's deliverables, including eligibility after the initial phase [2].

Complementary Services and Social Integration

Community outreach initiatives represent a major avenue in cash transfer programming aimed at improving social integration [12]. Additional complementary services, such as financial literacy training, employment support, or psycho-social services, foster social integration by broadening community engagement and, in cases where broader-service provision is limited, by offering local connection points outside the intimate sphere of household-based transfers [10]. Expansion into these avenues can boost community outreach efforts; on the other hand, demand for multi-service provision without broadening community outreach needs to be approached critically, as prior overview research on cash transfers indicates that larger-scale safety nets without outreach component have little positive impact on community cohesion or collective action [1]. Beyond formal outreach channels, programming decisions such as timing or organization of complementary services within cash transfer programs can enhance social integration by addressing environmental characteristics affecting collective dynamics at a particular site [13]. When cash transfers alone risk widening cleavages across program-participating and non-participating households, timing program-wide initiatives to coincide with cash services as already regularly intended can spur joint participation between these households and establish interactions that bring cohesion benefits beyond moments of transfer receipt [11]. Efforts to establish joint activities encouraging participation among both program-enrolled and non-enrolled households in post-disbursement periods alleviate reinforcement of ties adopting rival community identities [2].

Monitoring, Evaluation, and Accountability

Cash transfers shape market-based development relations, contributing to economic growth and poverty reduction by addressing immediate income needs and promoting investment in productive assets, education, health, and nutrition [6]. These objectives align more closely with the economic role than with a social protection perspective. Cash and food transfers also function as a form of economic development assistance, helping countries stabilize and recover from macroeconomic shocks [4]. With minimal footprint, this assistance can be scaled up rapidly to countries facing acute macroeconomic or food supply crises. Humanitarian cash also supports community recovery from shocks such as floods, earthquakes, or armed conflict [1]. To maximize social cohesion benefits, cash transfer design should explicitly consider the incentive structure and targeting criteria. Non-targeted (e.g., universal or categorical) programs minimize tensions associated with perceived unfairness [6]. When counter-cyclical support to all is not feasible, a program that minimizes exclusion and perceived inequity among beneficiaries and non-beneficiaries is preferable [5]. Benefits may be adjusted according to criteria such as number of children or type of housing, but stricter criteria may raise risk. Multiple evaluations highlight the importance of broad coverage and equity in determining social cohesion outcomes [2].

Case Studies

Cash transfer programs represent a fundamental component of social policy architecture across diverse settings. The underlying motivations and anticipated downstream consequences associated with such programs often diverge, as do the cash transfer instruments themselves [5]. Social cash transfer programs, which disburse modest sums on a regular basis to targeted recipients without expectation of a specific behavior change in return, are a prominent global example of social policy programs [6]. Their primary intent is to reduce poverty, but they increasingly serve secondary purposes associated with broader social cohesion objectives, particularly in rural Africa [1]. In parallel, urban cash transfer programs whether established in response to a crisis such as COVID-19 or in anticipation of ongoing challenges generally adopt a social protection framing that emphasizes the restoration of livelihoods and the maintenance of trade and productive activities. Such programs can, nevertheless, exert indirect social effects that align with cohesion-related objectives [6]. Collectively, these two types of cash transfer programs illustrate the diverse forms that cash transfer programs can assume, along with the different contexts, aims, and mechanisms that accompany them [7]. In each case, the articulation of clear objectives, effective targeting of eligible recipients, and rigorous monitoring and evaluation of implementation processes and

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effects are essential to maximizing the likelihood of success and mitigating the risk of unintended adverse social outcomes [8].

Rural Cash Transfer Programs in Sub-Saharan Africa

Rural cash transfer programs in Sub-Saharan Africa tend to be unconditional in nature, contrasting with conditional programs more prevalent in Latin America [11]. Relying in part on econometric evaluation methods, a recent study of the Zimbabwe Harmonized Cash Transfer Program finds significant improvements in food security, satisfaction, and informal transfers arising from approximately \$20 monthly payments to food-insecure households [3]. In contrast to Rwanda's model of selective inclusion discussed above, cash programs in Chad are fully open, yet evaluations highlight rising tension among both recipients and non-recipients, stemming from jealousy over perceived inequalities and unequal access to public goods [2]. Adoption of both individual and community-level targeting increases the potential scope for friction [3]. Cash transfers capable of attenuating community-wide hostility may strengthen territorial attachments linked to areas of childhood socialization; rebuilding sentiment toward the state may subsequently require complementary investments in social capital and trust within institutions [4].

Urban Social Cash Transfers in Latin America

Social cash transfer programs in urban Latin America, such as Argentina's Asignación Universal por Hijo (AUH), Ecuador's Bono de Desarrollo Humano (BDH), and Mexico's Prospera, have gained increasing international attention [4]. While these programs operate in diverse settings, they share important characteristics, including an explicit social focus, a universal or near-universal design within targeted populations, and a framework that integrates cash transfers with complementary services intended to foster social inclusion. A large body of literature assesses the economic, educational, and health impacts of these programs, yet a knowledge gap persists regarding effects on urban social ties and community dynamics [12]. Ecuador's BDH program exemplifies these initiatives. Introduced in 2005, the BDH provides monthly cash transfers to low-income households with children aged 0 to 18, contingent upon regular school attendance and periodic health check-ups. Unlike similar programs in other countries, the BDH covers entire neighborhoods both urban and rural, rather than targeting defined pockets of vulnerability [10]. Current estimates place the coverage rate above 85% of the poverty-transmission formula applied in the central evaluations of the program [1].

Post-Conflict Reconstruction and Welfare Support

In Liberia, ensuring broad welfare coverage is a crucial aspect of reconstruction in the post-conflict context. Humanitarian organizations recognize that cash transfers alone cannot establish a sustainable national structure, but they are essential for promoting recovery and rebuilding the social fabric [14]. The reduction of conflict is a primary consideration in cash transfer programming design, since new sources of rivalry can emerge around cash during a transition from war to peace [11]. In the absence of joint efforts to repair the social fabric, a vulnerable and impoverished group may contend therefore for a limited pool of resources available after forty years of civil war [12]. Small-scale cash transfers help sustain subsistence activities and enhance outreach abilities, which are vital for a long-term resumption of widespread agricultural and service-sector employment [13]. Such support lessens competition for existing jobs and anticipates structures needed for a speedy return to the marketplace and the generation or redistribution of additional surplus value. Planning more sophisticated marketing and service activities, encouraging cooperative efforts in these areas, and at the same time gathering feedback on public goods that were formerly available and on appropriate community-level structures such as voluntary organizations, social clubs, and community-based health initiatives all become possible [12]. When clustered together, these transitional activities contribute to the eventual re-formation of institutions, norms, and patterns of mutual cooperation, trust, and other forms of social capital necessary for stabilisation after forty years of periodic warfare by an urban and semi-urban population, with out-migration not anticipated to exceed 25 percent [13, 14, 1].

Synthesis: Implications for Policy and Practice

Cash transfers serve as a distinctive form of social policy designed to provide direct financial support to individuals or families [11]. They constitute a prominent element in the broader spectrum of social policies. Distinguishing between their unconditional and conditional variants is important, as they pursue different primary and secondary objectives. Unconditional transfers broadly aim to alleviate poverty and reduce inequality, with the expectation of enhancing the well-being of recipients, while conditional transfers seek to improve access to education, health, and nutrition for poorer households [12]. Conditioned cash transfers, especially, are expected to address aspects of social cohesion by fostering collective action, women's empowerment, and care-giving. Across multiple countries, a sizable number of large-scale cash-transfer programs both unconditional and conditional exist at present [13]. There is growing communication between key knowledge-holders elsewhere in the world regarding lessons learned from these diverse adoptions. To the extent that cash transfers address dimensions such as poverty, This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited

inequality, and inclusion, they can also be expected to contribute to the enhancement of several community-level collective outcomes [13]. Direct material relief from a cash transfer program reduces extreme material deprivation among poorer households. Receipt of such support signals acknowledgment of inclusion in broader social protection efforts, hence enhancing perceived legitimacy of the government, ruling coalition, and state [14]. When cash transfers reduce the extent of economic competition within the community, tensions between different groups are lowered. Indirectly, increasing perceived legitimacy, inclusion, and respect diminishes retaliatory impulses during disagreements among conflicting parties [13]. The precautionary trace is drawn between cash transfers and the three-way link with trust, conflict, and collective outcomes [13]. Basic notions are introduced concerning the latter two terms: trust is regarded as the reliance on the integrity, ability, or character of individuals or institutions, and collective outcomes denote material or social benefits experienced by the community as a whole, including cooperation, cohesion, social capital, and collective action [2]. Key terminology is then delineated: social cohesion refers to the degree of attachment individuals feel toward their respective communities; when social cohesion is high, factors such as trust, legitimacy, inclusiveness, and concern for public welfare also tend to converge; fragmentation, exclusion, rivalry, and purely individualistic behavior characterize a low-cohesion situation [14].

CONCLUSION

Cash transfers constitute a powerful and versatile social policy tool with implications that extend beyond immediate poverty alleviation to the broader fabric of community life. The evidence demonstrates that, when effectively designed and implemented, cash transfers can strengthen both interpersonal and institutional trust, promote cooperation, and foster collective outcomes such as mutual aid, public goods provision, and inclusive governance. By easing economic pressures and reducing competition for limited resources, they contribute to the mitigation of social tensions and the prevention of conflict, particularly in fragile and high-inequality settings. However, these positive outcomes are neither automatic nor universal. The impact of cash transfers on social cohesion is highly contingent on program design and contextual factors. Issues such as exclusion errors, lack of transparency, weak institutional capacity, and perceived inequities can undermine trust and exacerbate divisions within communities. Furthermore, while cash transfers can initiate improvements in social relations, they are insufficient on their own to sustain long-term cohesion without complementary investments in institutions, public services, and inclusive governance structures. Ultimately, the relationship between cash transfers, trust, and conflict reflects a dynamic interplay between economic support and social processes. Policymakers must therefore adopt a holistic approach that integrates cash transfer programs within broader social protection and development strategies. By prioritizing fairness, inclusivity, and accountability, cash transfers can serve not only as mechanisms for economic relief but also as catalysts for stronger, more cohesive, and resilient communities.

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