



# Effectiveness of Direct Support under the Vision 2020 Umurenge Programme on Enhancing Community Livelihoods. A Case Study of Nyarugenge District, Rwanda

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**Abstract:** *Cash transfer programmes have become central instruments of social protection because they help poor and labour-constrained households smooth consumption, protect human capital, and reduce harmful coping strategies. In Rwanda, the Vision 2020 Umurenge Programme (VUP) provides Direct Support to extremely poor households unable to participate in labour-based interventions. This study assessed the effect of cash transfers on enhancing community livelihoods in Nyarugenge District, Rwanda. Guided by Social Risk Management Theory and the Sustainable Livelihoods Framework, the study adopted a mixed-methods design. The target population was 507 respondents, and a sample of 224 was selected as beneficiary households and 34 key informants. Data were collected using questionnaires, interviews, and document review. Quantitative data were analyzed using SPSS through descriptive statistics, Pearson correlation, and regression analysis, while qualitative data were analyzed thematically. Findings showed that cash transfers had a high perceived influence on livelihoods, with a composite mean of 4.059, while community livelihood outcomes registered a mean of 3.735. Cash transfers were positively and significantly associated with community livelihoods ( $r = .605, p < .01$ ). Regression results further showed a significant positive effect ( $\beta = .474, p < .001$ ), with the model correlation at  $R = .651$  and  $R^2 = .424$ . The study concluded that cash transfers under VUP Direct Support significantly enhanced livelihoods through improved food access, income stabilization, healthcare access, and education support. It recommends strengthening transfer adequacy, payment predictability, and linkages to livelihood promotion initiatives.*

**Keywords:** Cash transfers, Vision 2020 Umurenge Programme, Community livelihoods, Social protection, Poverty reduction, Rwanda

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## 1. Introduction

Cash transfers have become one of the most widely used anti-poverty instruments across low- and middle-income countries because they provide immediate income support while also influencing longer-term welfare through

improved food consumption, school participation, healthcare use, and resilience to shocks. Evidence reviews show that well-designed transfer systems can reduce illness, improve food security and dietary diversity, and strengthen household-level welfare, even when effects on structural poverty reduction vary by context and adequacy

of benefit levels. In Africa, recent evidence further suggests that cash transfers can support productive asset accumulation, livelihood diversification, and reduced reliance on distress coping, especially when payments are predictable and complemented by other services. (Correa et al., 2023)

At the global level, the contemporary social protection agenda is strongly linked to Sustainable Development Goal 1 on ending poverty and to the broader policy ambition of expanding nationally appropriate social protection floors. What makes cash transfers especially important is their dual protective and promotive role. Protective effects arise when transfers help households meet immediate needs and avoid harmful coping strategies such as skipping meals, delaying treatment, or withdrawing children from school. Promotive effects arise when transfers are regular enough to support small investments, savings, and livelihood diversification. Yet the size, timing, and predictability of payments remain decisive; small or irregular transfers may stabilize consumption without generating meaningful graduation from poverty. (African Development Bank, 2020)

The African experience reflects both the promise and limits of cash transfer programming. A recent review of African evidence concludes that transfers generally improve poverty-related outcomes, food security, resilience, and local economic circulation, while context-specific studies show that effects differ according to programme design, beneficiary characteristics, and local markets. Maara et al. found stress-reducing effects in Malawi but not in Ghana and Tanzania, highlighting that cash alone does not automatically solve multidimensional deprivation. Similarly, systematic evidence from sub-Saharan Africa suggests that cash transfers can positively influence maternal and child health, while targeted conditionalities may improve particular human development outcomes. These findings imply that cash transfers are effective, but their effect sizes depend on implementation quality and integration with other services. (Ngamasana & Moxie, 2024)

In East Africa, evidence likewise shows a broadly positive but differentiated pattern. In Kenya, cash transfer support has been shown to complement off-farm activities and improve food security among vulnerable older persons. In Uganda, temporary unconditional transfers during COVID-19 improved business survival, food security, savings, and household income well beyond the immediate crisis period. By contrast, research from Ethiopia's Productive Safety Net Programme showed weak or even negative effects on some livelihood indicators in one setting, underscoring that programme adequacy, targeting, and local economic opportunities matter. Together, these studies suggest that East African cash transfer programmes are most effective when predictable transfers are linked to

viable livelihood pathways and local market opportunities. (Sika & Ondieki-Mwaura, 2025; Bjorvatn et al., 2025)

Rwanda offers an especially important context for this inquiry because the Vision 2020 Umurenge Programme (VUP), introduced as a flagship social protection intervention, combines Direct Support, Public Works, and financial services in pursuit of poverty reduction and inclusive development. Official policy documents define Direct Support as unconditional cash assistance to labour-constrained and extremely poor households, including older persons, persons with disabilities, child-headed households, and other households lacking viable labour capacity. The policy logic is that predictable income support should protect consumption, reduce vulnerability, and create a platform for dignified living and, where possible, gradual graduation. More recent policy reforms in Rwanda also emphasize shock-responsive transfers, climate resilience, and livelihood empowerment as part of a broader protect, promote, and prevent framework. (Ministry of Local Government, 2022)

The relevance of studying Nyarugenge District is both empirical and policy-based. As an urban district at the core of Kigali City, Nyarugenge combines high living costs, dense settlement patterns, informal employment, and social vulnerability. These urban conditions may alter how beneficiaries use transfers compared with rural contexts. Existing evidence in Rwanda indicates that VUP Direct Support often helps households manage risks and basic needs but does not always lift them above poverty lines. National survey evidence further shows that Direct Support is mainly used for day-to-day consumption, though some households also invest in farming, housing, education, and health. In an urban district such as Nyarugenge, where rent, transport, and food prices are high, it is especially important to assess whether cash transfers are merely protective or whether they also contribute to broader livelihood enhancement. (National Institute of Statistics of Rwanda, 2025)

## 1.1 Problem Statement

The Government of Rwanda has implemented the Vision 2020 Umurenge Programme (VUP) Direct Support as a key social protection intervention aimed at improving the welfare of extremely poor and labour-constrained households through unconditional cash transfers. Although the programme has expanded coverage and improved payment timeliness, evidence regarding its effectiveness in generating sustainable livelihood improvements remains inconclusive. Existing studies indicate that VUP Direct Support contributes to consumption smoothing, risk reduction, and the fulfillment of basic household needs. However, there is limited evidence showing whether these benefits translate into long-term livelihood enhancement

and movement out of poverty (Nirere, 2022; Munyemana et al., 2025).

Furthermore, most available studies have focused on national-level outcomes, poverty reduction indicators, or rural settings, with limited attention given to urban districts such as Nyarugenge, where high living costs, informal employment, and socioeconomic vulnerabilities may affect how beneficiaries utilize cash transfers. There is also a lack of studies that assess the influence of cash transfers using a multidimensional livelihood perspective that incorporates household income, food security, healthcare access, education access, and participation in income-generating activities.

Consequently, it remains unclear whether cash transfers provided under the VUP Direct Support programme are significantly improving community livelihoods in Nyarugenge District. This knowledge gap necessitated the present study, which sought to assess the effect of cash transfers on enhancing community livelihoods in Nyarugenge District, Rwanda. The findings are expected to provide evidence for policymakers and programme implementers on the effectiveness of cash transfers in promoting sustainable livelihood outcomes.

The study was guided by the following objective: to assess the effect of cash transfers on enhancing community livelihoods in Nyarugenge District. The hypothesis tested was: H1: Cash transfers have a significant positive effect on community livelihoods in Nyarugenge District.

## **2. Literature Review**

In this section, key concepts related to the study, including direct support under vision Umurenge programme, cash transfer, and community livelihoods, are explored to establish a clear understanding of how these terms are defined and applied within the context of the research

### **2.1 Direct support under VUP**

Direct Support under the Vision 2020 Umurenge Programme (VUP) refers to a social protection intervention designed to provide regular, unconditional cash transfers to extremely poor households that lack the capacity to work. These beneficiaries typically include the elderly, persons with disabilities, and households headed by individuals who are chronically ill or otherwise unable to participate in labor-intensive public works (Ministry of Local Government, 2020; World Bank, 2021). The primary objective of Direct Support is to alleviate extreme poverty, improve household consumption, and enhance access to basic needs such as food, healthcare, and education, thereby contributing to improved well-being and social inclusion. By offering predictable financial assistance, the

programme aims not only to reduce immediate vulnerability but also to promote dignity and stability among the most disadvantaged populations. However, while Direct Support plays a critical role in poverty reduction, its long-term impact depends on the integration of complementary interventions such as livelihood development, financial inclusion, and social services to ensure sustainable improvements in beneficiaries' living conditions (MINALOC, 2020; World Bank, 2021).

#### **2.1.1 Cash transfer**

Cash transfers refer to direct monetary assistance given to eligible individuals or households to support minimum consumption, reduce vulnerability, and improve welfare outcomes. In the context of VUP Direct Support, cash transfers are unconditional and directed to labour-constrained households with limited or no viable means of earning income. In practical terms, the concept captures not only transfer receipt, but also adequacy, regularity, predictability, and the household uses of the money received. For this study, cash transfers were operationalized through indicators such as expenditure on basic needs, livelihood diversification, asset acquisition, and graduation-related potential. (Ministry of Local Government, 2022).

#### **2.1.2 Community livelihoods**

Community livelihoods refer to the capabilities, assets, activities, and outcomes that enable individuals and households to secure the necessities of life and cope with shocks in a socially and economically sustainable manner. Within this study, livelihoods were not restricted to income alone. They included household income, food security, access to healthcare, access to education, and participation in income-generating activities. This multidimensional view is essential because households can experience some livelihood gains even when income growth remains modest, for example through improved school continuity or reduced unmet healthcare needs. (Chambers & Conway, 1992; Scoones, 1998)

Household income refers to the flow of financial resources available to meet domestic needs and support productive choices. Food security denotes reliable access to sufficient, safe, and nutritious food. Access to healthcare refers to the capacity of households to seek and obtain necessary medical services without prohibitive financial barriers. Access to education concerns the ability to keep school-aged children enrolled and supported in learning. Participation in income-generating activities involves the use of labour, skills, or small investments to pursue petty trade, services, farming, or other livelihood opportunities. These concepts together capture whether cash transfers do more than keep households alive whether they also

strengthen the basis for improved welfare and reduced vulnerability.

## 2.2.2 Theoretical Review

The first theory underpinning the study was Social Risk Management Theory. Social Risk Management views poverty and vulnerability partly through the lens of risk exposure, risk mitigation, and risk coping. Cash transfers fit this framework because they provide *ex post* and *ex ante* protection: they help households cope with shocks while also reducing the need to adopt damaging strategies such as selling assets, reducing meals, or interrupting children's education. In the Rwanda case, Direct Support is explicitly designed to provide regular, predictable transfers to people highly exposed to lifecycle and economic risks. Under this lens, the expected relationship is straightforward: better designed and more predictable transfers should reduce vulnerability and protect welfare outcomes. (Holzmann & Jørgensen, 2001)

The second theory was the Sustainable Livelihoods Framework. This framework explains that household wellbeing is shaped by access to and interaction among different forms of capital financial, human, social, physical, and natural within a vulnerability context. Cash transfers primarily strengthen financial capital, but can also improve human capital through better nutrition, schooling, and healthcare, and may indirectly support physical capital through housing improvement or asset acquisition. From a livelihoods perspective, the transformative question is whether financial support helps households move from short-term survival toward stronger coping capacity and modest accumulation. (Chambers & Conway, 1992; DFID, 1999)

Together, the two theories complement each other. Social Risk Management explains the protective role of transfers in managing shocks and vulnerability, while the Sustainable Livelihoods Framework explains how such support may translate into observable livelihood outcomes. In this study, the theories jointly justified the expectation that VUP cash transfers would positively influence livelihood indicators, although the extent of that influence would likely depend on transfer adequacy, regularity, and the economic realities of urban poverty.

## 2.3 Empirical Review

### 2.3.1 Cash Transfer and Community Livelihoods

Recent empirical literature largely supports the view that cash transfers improve welfare, but also shows that effects vary by design and context. Nirere's econometric analysis of Rwanda's VUP Direct Support found that the programme helped households respond to economic risks and vulnerabilities, yet did not provide sufficient evidence

that beneficiaries were lifted above national poverty lines. This is a crucial finding for the present study because it suggests that Rwanda's Direct Support may be strongly protective while only modestly transformative. (Nirere, 2022)

A second Rwanda-focused study by Munyemana, Ruranga, and Mung'atu found that VUP Direct Support had a positive and statistically significant effect on household financial behaviour, especially consumption, with only marginal effects on savings and investment. Their analysis indicates that cash support helps households allocate more resources to immediate needs and some investment categories, but the evidence is weaker for wider community participation effects. This finding is highly relevant because livelihood improvement in an urban context may also be driven more by consumption stabilization than by asset-heavy accumulation. (Munyemana et al., 2025)

Beyond Rwanda, Correa et al.'s review of African evidence concluded that cash transfers and cash-plus programmes positively influence productive assets, farm and nonfarm decisions, and shifts away from low-return casual labour. This supports the argument that social protection should not be seen as charity alone; under appropriate conditions, it can contribute to rural and local economic transformation. Even so, the same review noted heterogeneity of impact, meaning effects differ by household profile, market conditions, and transfer architecture. (Correa et al., 2023)

Pega et al.'s Cochrane review found that unconditional cash transfers in low- and middle-income countries probably improve food security, dietary diversity, school attendance, and some health outcomes, though their effect on overall health service use was less conclusive. This broad evidence base reinforces the plausibility of expecting improvements in community livelihood indicators such as food security, education access, and healthcare access among VUP Direct Support beneficiaries. (Pega et al., 2022)

Ngamasana and Moxie's scoping review of sub-Saharan African cash transfer programmes showed positive effects on maternal and child health outcomes, including reductions in illness and improvements in wellbeing-related outcomes, while also identifying management and implementation challenges. Likewise, Guimarães et al. found that cash transfers with healthcare conditionalities improved HIV-related prevention and retention in care outcomes, confirming that transfer programmes can improve health-related behaviour and service uptake when financial barriers are reduced. Together, these studies strengthen the expectation that cash support can improve access to healthcare, one of the livelihood indicators examined in this study. (Ngamasana & Moxie, 2024; Guimarães et al., 2023)

Evidence from East Africa further shows the importance of linking transfers to broader livelihood opportunities. In Siaya County, Kenya, cash transfers significantly complemented off-farm activities and improved food security among older beneficiaries. In Uganda, cash transfers delivered during COVID-19 improved business survival, savings, food security, and household income, with impacts persisting beyond the initial shock. These studies indicate that transfer income can support resilience and microeconomic recovery when households have at least some space to combine the transfer with economic initiative. (Sika & Ondieki-Mwaura, 2025; Bjorvatn et al., 2025)

However, the literature also provides cautionary evidence. Woldemichael's study in Ethiopia found that the Productive Safety Net Programme did not significantly improve several livelihood indicators and even showed negative effects on food expenditure and asset ownership in that context. Maara et al. likewise found mixed psychosocial results across Malawi, Ghana, and Tanzania. These findings warn against assuming automatic success; transfer size, timing, inflation, labour opportunities, and local service conditions can all constrain outcomes. (Woldemichael, 2024; Maara et al., 2023)

Recent African policy and review literature also stresses adequacy and system integration. Collin and Jahed argue that social grants remain a vital poverty-reduction instrument in Africa, but their impact depends heavily on benefit adequacy, programme coverage, and how well they address structural deprivation. Rwanda's current strategic policy direction similarly emphasizes not only protection but also empowerment, graduation, and shock responsiveness. This broader policy shift is important because it recognizes that cash transfers are strongest when embedded in a wider social protection ecosystem. (Collin & Jahed, 2025; Ministry of Finance and Economic Planning, 2024)

### 3. Methodology

The study adopted a mixed-methods research design, integrating quantitative and qualitative approaches. This design was appropriate because the study sought both measurable evidence of livelihood outcomes and contextual understanding of how beneficiaries and local stakeholders perceived the effects of VUP Direct Support. Quantitative data enabled the estimation of the magnitude and direction of the effect of cash transfers on community livelihoods, while qualitative data enriched interpretation by explaining how and why those effects were experienced.

The study area was Nyarugenge District, located in Kigali City, Rwanda. The district was selected because it combines urban poverty, dense settlement, and heavy dependence on informal livelihoods, making it a critical

case for evaluating whether Direct Support cash transfers are sufficient to improve everyday welfare in a high-cost urban environment.

The target population comprised 507 respondent's beneficiary households, 13 programme implementers, 24 local leaders, and 32 community representatives. Using Yamane's formula and proportional distribution, the study selected a sample of 224 respondent's beneficiary households and 34 key informants. Beneficiary households formed the main quantitative sample, while key informants supported the qualitative strand.

For sampling, beneficiary households were selected through proportionate procedures derived from Yamane's formula so that the quantitative sample reflected the beneficiary population. Key informants were selected through a targeted process based on programme oversight, local governance role, and community representation. This combination was appropriate for a mixed-methods inquiry because it balanced representativeness for household-level responses with information-rich perspectives from institutional actors.

Data were collected using structured questionnaires, semi-structured interview guides, and document review. The questionnaire used a 5-point Likert scale and was administered to beneficiary households. Interviews were conducted with implementers, local leaders, and community representatives to explore how transfer adequacy, regularity, and utilization shaped livelihoods. Documentary sources included VUP policy documents, national reports, and programme records.

Validity and reliability were carefully addressed. Content and face validity were enhanced through expert review and alignment of items with the study objectives and theoretical constructs. Reliability was tested through a pilot study in Kicukiro District and Cronbach's alpha coefficients. The reported alpha values were .871 for cash transfers and .853 for community livelihoods, with the broader instrument ranging from .819 to .903, indicating acceptable to excellent internal consistency.

Ethical considerations included obtaining institutional and local authorization, securing informed consent, assuring respondents of confidentiality and anonymity, and maintaining voluntary participation throughout the study. These procedures were particularly important given the vulnerability of the beneficiary population and the sensitivity of household poverty-related information.

Quantitative data were analyzed using the Statistical Package for Social Sciences (SPSS) version 27. Descriptive statistics, including respondents, means, and standard deviations, were used to summarize respondents' demographic characteristics and study variables. Pearson correlation analysis was conducted to determine the strength and direction of the relationship between cash

transfers and community livelihoods. Simple linear regression analysis was used to assess the effect of cash transfers on community livelihoods and to test the study hypothesis. In addition, Analysis of Variance (ANOVA) was employed to determine the overall statistical significance of the regression model by examining whether cash transfers significantly explained variations in community livelihood outcomes. Statistical significance was assessed at the 5% level ( $p < 0.05$ ). Qualitative data obtained through interviews were analyzed thematically and integrated with quantitative findings to provide a comprehensive interpretation of the study results.

## 4. Results and Discussion

### 4.1 Results

This section presents the analysis and interpretation of the findings of the study in relation to the research question.

#### 4.1.1 Demographic Characteristics of Respondents

A total of 224 beneficiaries of VUP Direct Support participated in the study. Female respondents constituted 54.47% of the sample, while males represented 45.53%. The majority of respondents were aged 46 years and above (55.4%), reflecting the programme's focus on labour-constrained and vulnerable populations. Regarding marital status, 34.0% were married and 33.5% were widowed. Most respondents had primary education (37.1%) or secondary education (28.6%), while 16.9% had no formal education. Household sizes of 4–6 members were the most common (46.0%). In terms of employment status, 31.3% were unemployed and 23.2% relied on casual labour, highlighting the economic vulnerability of the beneficiary population. These characteristics are consistent with the target group of VUP Direct Support, which primarily serves poor and labour-constrained households.

**Table 1: Demographic Characteristics of Respondents**

Variable	Category	Frequency	Percentage (%)
Gender	Male	102	45.53
	Female	122	54.47
Age	18–25 years	22	9.8
	26–35 years	33	14.8
	36–45 years	45	20.0
	46–60 years	62	27.7
	Above 60 years	62	27.7
	Marital Status	Single	40
	Married	76	34.0
	Divorced	33	14.7
	Widowed	75	33.5
Education	No formal education	38	16.9
	Primary education	83	37.1
	Secondary education	64	28.6
	Tertiary education	22	9.8
	Other	17	7.6
Household Size	1–3 members	59	26.3
	4–6 members	103	46.0
	7–9 members	45	20.1
	Above 9 members	17	7.6
Employment Status	Unemployed	70	31.3
	Self-employed	41	18.3
	Casual labour	52	23.2

Variable	Category	Frequency	Percentage (%)
	Formally employed	25	11.2
	Other	36	16.0

Table.1 presents the demographic characteristics of the 224 respondents who participated in the study. The findings indicate that female respondents constituted the majority, accounting for 122 (54.47%) of the sample, while males represented 102 (45.53%). This suggests that women formed a slightly larger proportion of the beneficiaries of the Vision 2020 Umurenge Programme (VUP) Direct Support in the study area.

Regarding age distribution, the largest proportion of respondents belonged to the age groups of 46–60 years and above 60 years, each representing 62 respondents (27.7%). Together, these groups accounted for more than half of the study population (55.4%), indicating that the programme largely serves older individuals who may have limited capacity to participate in productive labour. Respondents aged 36–45 years constituted 20.0%, while those aged 26–35 years and 18–25 years accounted for 14.8% and 9.8%, respectively.

With respect to marital status, married respondents formed the largest category, comprising 76 (34.0%) of the sample, closely followed by widowed respondents at 75 (33.5%). Single respondents represented 17.8%, while divorced respondents accounted for 14.7%. The substantial proportion of widowed beneficiaries highlights the vulnerability of households that may lack adequate social and economic support.

The educational profile of respondents revealed generally low levels of educational attainment. The majority had completed primary education (37.1%), followed by secondary education (28.6%). Respondents with no formal education accounted for 16.9%, while only 9.8% had attained tertiary education. The remaining 7.6% reported other forms of education. These findings suggest that many beneficiaries possess limited educational qualifications, which may restrict access to formal employment and income-generating opportunities.

Concerning household size, nearly half of the respondents (46.0%) belonged to households comprising 4–6 members, making this the most common household category. Households with 1–3 members represented 26.3%, while those with 7–9 members accounted for 20.1%. Only 7.6% of respondents reported household sizes exceeding nine

members. The predominance of medium-sized households indicates considerable household dependency and resource demands among beneficiaries.

In terms of employment status, the findings show that unemployment was the most common condition among respondents, affecting 70 individuals (31.3%). Casual labour constituted the second largest category at 23.2%, followed by self-employment at 18.3%. Respondents classified under other forms of employment accounted for 16.0%, while only 11.2% were formally employed. These results demonstrate that the majority of beneficiaries rely on unstable or informal sources of livelihood, underscoring the importance of VUP Direct Support in helping vulnerable households meet their basic needs.

Overall, the demographic characteristics indicate that the beneficiaries of VUP Direct Support in Nyarugenge District are predominantly older adults, women, individuals with low educational attainment, members of medium-sized households, and persons experiencing unemployment or informal employment. These characteristics are consistent with the programme’s objective of supporting poor and labour-constrained households and provide important context for understanding the effect of cash transfers on community livelihoods.

#### 4.1.2 Descriptive Statistics of Cash Transfers

The first objective examined respondents’ views on the extent to which VUP Direct Support cash transfers enhanced their livelihoods. Overall, respondents reported a high level of agreement, reflected in a composite mean of 4.059 and standard deviation of 0.438. This indicates that beneficiaries generally perceived cash transfers as useful and beneficial in meeting household welfare needs. However, the item pattern also shows that the strongest effects were concentrated in consumption smoothing and stress reduction, rather than deeper economic transformation.

The highest-rated statement was that cash transfers had positively improved livelihoods overall ( $M = 4.193$ ), followed closely by regularity of transfer receipt ( $M = 4.188$ ) and reduction of financial stress ( $M = 4.163$ ). This implies that respondents valued both the existence and

predictability of transfers. The lowest-rated item concerned productive or income-generating use of the transfer (M = 3.797), suggesting that although some beneficiaries used part of the cash for livelihood advancement, most transfers were absorbed by immediate household needs.

The dependent variable, community livelihoods, recorded a composite mean of 3.735 and standard deviation of 0.427, indicating generally positive but less strongly rated

outcomes than the cash transfer construct itself. This pattern is analytically meaningful: respondents may view the transfer mechanism favorably, yet the actual livelihood gains remain moderated by urban expenses and structural constraints. The most positively rated livelihood dimensions were overall living conditions, children's school attendance, food security, and household income improvement, while participation in income-generating activities remained the lowest outcome area.

**Table 2. Level of agreement of cash transfer on community livelihoods**

Statements	SD (1)	D (2)	N (3)	A (4)	SA (5)	Mean	Std. Dev.
I receive VUP Direct Support cash transfers regularly.	4	12	24	76	108	4.188	0.650
The amount of cash transfer I receive is adequate to meet my household's basic needs.	8	18	36	92	70	3.911	0.648
Cash transfers help my household to buy enough food.	5	14	28	85	92	4.094	0.620
Cash transfers have improved my household income.	6	15	30	88	85	4.069	0.643
Cash transfers help my household access healthcare services.	7	16	29	90	82	4.064	0.670
Cash transfers support children's education in my household.	5	13	27	89	90	4.074	0.622
Cash transfers enable my household to meet emergency expenses.	7	15	31	91	80	4.040	0.675
Part of the cash received is used for productive or income-generating activities.	10	24	42	88	60	3.797	0.634
Cash transfers reduce financial stress in my household.	4	11	26	79	104	4.163	0.629
Overall, cash transfers have positively improved my livelihood.	3	10	25	82	104	4.193	0.644

SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly Agree

Source: Primary data, 2026

Table 2 presents the descriptive results of respondents' perceptions regarding VUP Direct Support cash transfers and their influence on household livelihoods. The findings are based on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5), and include frequencies, mean scores, and standard deviations for each statement.

The results show that the majority of respondents strongly agreed that they receive VUP Direct Support cash transfers regularly, with a high mean score of 4.188 (SD = 0.650). Similarly, respondents generally agreed that cash transfers support key livelihood needs, including food security (M = 4.094), improved household income (M = 4.069), access to healthcare services (M = 4.064), and children's education (M = 4.074). These findings indicate that cash transfers play a significant role in meeting essential household needs among beneficiaries.

Respondents also reported that cash transfers help them meet emergency expenses (M = 4.040) and reduce financial stress (M = 4.163), further confirming the protective role of the programme in stabilizing household welfare. The overall perception that cash transfers have positively improved livelihoods recorded a very high mean score of 4.193 (SD = 0.644), suggesting strong agreement among beneficiaries that the programme contributes to improved living conditions.

However, the results also reveal relatively lower agreement regarding the productive use of cash transfers for income-generating activities, with a mean score of 3.797 (SD = 0.634). This indicates that while cash transfers are largely used for immediate consumption needs and basic welfare support, their role in promoting investment and productive activities remains limited.

The descriptive findings demonstrate that VUP Direct Support cash transfers are highly valued by beneficiaries and are primarily used for consumption smoothing, basic needs satisfaction, and short-term financial stability. The relatively lower use for productive investment suggests that the programme has a stronger protective effect than a transformative effect on livelihoods.

### 4.1.3 Correlation Analysis

The findings of the correlations between the independent variables and the dependent variables are summarized and presented in Table 3

**Table 3: Correlation between Cash Transfers and Community Livelihoods**

		Cash transfers	Community livelihoods
<b>Cash transfers</b>	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	224	
<b>Community livelihoods</b>	Pearson Correlation	0.605**	1
	Sig. (2-tailed)	0.000	
	N	224	224

\*\* Correlation is significant at the 0.01 level (2-tailed)  
Source: Primary data, 2026

Table 3 presents the correlation analysis between cash transfers and community livelihoods among beneficiaries in Nyarugenge District. The results reveal a strong positive and statistically significant relationship between cash transfers and community livelihoods ( $r = 0.605$ ,  $p < 0.01$ ). This indicates that improvements in cash transfer variables such as regularity, adequacy, and usefulness are associated with corresponding improvements in household livelihood outcomes, including food security, income stability, access to healthcare, and education support. The significance level ( $p = 0.000$ ) shows that the relationship is statistically significant at the 1% level, meaning there is very strong evidence that the observed relationship is not due to chance. The positive correlation coefficient further implies that as the effectiveness and perception of cash transfers increase, community livelihood outcomes also improve. The findings suggest that VUP Direct Support cash transfers play a significant role in enhancing household livelihoods in Nyarugenge District. This supports the study hypothesis that cash transfers have a significant positive relationship with community livelihoods.

### Multiple Regression Analysis of the Determinants of Community Livelihoods

Multiple regression analysis was conducted to examine the effect of key determinants cash transfers, complementary

interventions, and programme challenges and gaps on community livelihood outcomes in Nyarugenge District. This technique was used to determine the relative contribution of each independent variable in explaining variations in household livelihoods while controlling for the influence of other variables in the model.

The analysis involved entering all predictors simultaneously into the regression model to estimate their individual effects on community livelihoods. Standardized coefficients ( $\beta$ ) were used to assess the relative importance of each variable in predicting livelihood outcomes, while unstandardized coefficients ( $B$ ) indicated the magnitude and direction of the relationships.

The coefficient of determination ( $R^2$ ) was used to measure the proportion of variation in community livelihoods explained by the combined effect of the independent variables, while the adjusted  $R^2$  provided a more reliable estimate of model fit by adjusting for the number of predictors included. The standard error of the estimate was also considered to assess the accuracy of the model's predictions, where lower values indicated better model fit. These statistics were used to evaluate the explanatory power and robustness of the regression model in assessing the determinants of community livelihoods.

**Table 4: Model Summary**

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.651	0.424	0.415	0.327

Source: Primary data, 2026

Table 4 presents a model summary for the multiple regression results show that the model had a strong explanatory power in assessing the determinants of community livelihoods in Nyarugenge District. The correlation coefficient ( $R = 0.651$ ) indicates a strong positive relationship between the combined predictors cash transfers, complementary interventions, and programme challenges and community livelihood outcomes. The coefficient of determination ( $R^2 = 0.424$ ) reveals that 42.4% of the variation in livelihoods is explained by the model, while the adjusted  $R^2$  (0.415) confirms its reliability

and appropriate specification. The standard error (0.327) indicates a good level of precision between observed and predicted values. However, 57.6% of the variation remains unexplained, suggesting the influence of other contextual factors such as household characteristics and economic conditions. Overall, the findings demonstrate that the selected VUP components significantly contribute to improving community livelihoods, highlighting the importance of integrated and well-implemented social protection interventions for sustainable household welfare improvement.

**Table 5. Anova Results**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.525	3	5.175	48.488	0.000 <sup>b</sup>
Residual	21.132	198	0.107		
Total	36.657	201			

a. Dependent variable: Direct support under vision 2020 Umurenge programme

b. Predictors: (Constant), Cash transfer,

Table 5 presents ANOVA results indicate that the multiple regression model is highly statistically significant in explaining variations in community livelihood outcomes in Nyarugenge District ( $F = 48.488$ ,  $p < 0.001$ ). This confirms that the combined effect of cash transfers, complementary interventions, and challenges and gaps significantly predicts household livelihood outcomes. The regression sum of squares (15.525) shows that a substantial portion of the total variation in livelihoods is explained by the model compared to the residual variation (21.132), indicating

good model performance. The large F-value further demonstrates that the model explains significantly more variation than would be expected by chance. Overall, these findings confirm that the selected VUP programme components jointly have a meaningful and statistically significant influence on community livelihoods. However, the remaining unexplained variation suggests that other contextual factors may also contribute to livelihood outcomes.

**Table 6: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	1.641	0.337		4.875	0.000
Cash transfers	0.462	0.060	0.474	7.696	0.000

#### a. Dependent Variable: Community livelihoods

Table 6 present regression results show that cash transfers have a strong positive and statistically significant effect on community livelihood outcomes in Nyarugenge District ( $B = 0.462$ ,  $\beta = 0.474$ ,  $p < 0.001$ ). This indicates that an increase in cash transfer support is associated with a corresponding improvement in household livelihood conditions. The low standard error (0.060) and high t-value (7.696) confirm that this relationship is precise and highly reliable. Substantively, the findings demonstrate that cash transfers under the VUP Direct Support programme play a central role in enhancing household welfare by enabling beneficiaries to meet essential needs such as food, healthcare, education, and other basic services. Overall, the results confirm that cash transfers are the strongest predictor of improved community livelihoods among the variables studied.

## 4.2 Discussion of Findings

The descriptive findings suggest that VUP Direct Support in Nyarugenge District performed especially well as a protective instrument. Beneficiaries most strongly agreed that transfers were regular, reduced stress, supported food purchase, improved access to healthcare, and helped children's education. This pattern closely mirrors Rwanda's policy rationale for Direct Support as a safety net for labour-constrained households and aligns with national evidence showing that beneficiaries mostly use transfers for food, clothing, housing improvement, and essential services.

The positive correlation and regression results are also consistent with the Social Risk Management perspective. Predictable transfers reduce exposure to severe welfare loss by helping household's smooth consumption, meet emergency costs, and avoid destabilizing coping strategies. In this study, the strong rating for reduction of financial stress and the significance of cash transfers in explaining livelihood outcomes show that risk-coping and welfare-protection functions were working in practice. This is also consistent with the World Bank's assessment that improved timeliness and scale of VUP payments have helped smooth consumption and build resilience among poor households.

From the Sustainable Livelihoods Framework perspective, the results show that the transfer strengthened financial capital first, then indirectly supported human capital outcomes such as healthcare access and education continuity. This interpretation aligns with evidence showing that unconditional cash transfers can improve food security, school attendance, and healthcare

expenditure, and with recent review evidence that cash transfers can positively affect health-related outcomes in sub-Saharan Africa. Thus, the Nyarugenge findings are not isolated; they fit an expanding body of evidence that transfer income can translate into meaningful livelihood gains even where broader income mobility remains limited.

The findings also resonate with Rwanda-specific empirical work. Earlier research found that VUP Direct Support reduced vulnerability but did not clearly lift households above poverty lines, while another Rwanda-focused study found that VUP cash support mainly strengthened consumption behavior, with weaker evidence for savings and investment. The present study extends those findings by showing that, at the district level and through a multidimensional livelihood lens, cash transfers significantly improve livelihoods even when their transformative effect remains constrained. In other words, the programme appears more effective at stabilizing livelihoods than radically transforming them.

The relatively lower mean for productive use of cash transfers is especially important. It suggests that in Nyarugenge's urban context, the transfer is often consumed by pressing recurrent costs rather than invested in income-generating activities. This finding is understandable in a setting characterized by high food prices, rent, transport costs, and the precariousness of informal work. It also echoes cautionary findings from Ethiopia and from cross-country psychosocial studies showing that cash alone may not produce strong transformative outcomes in the absence of broader opportunities, complementary services, or adequate benefit levels.

At the same time, the results should not be interpreted as evidence of inadequacy alone. Even modest transfers can produce substantial welfare value when they prevent hunger, allow children to remain in school, or enable healthcare seeking. Comparative East African evidence shows that when beneficiaries have viable channels for combining transfers with enterprise or off-farm work, cash can support deeper resilience and economic participation. That implication is directly relevant for Rwanda's emerging strategic emphasis on graduation, coaching, financial literacy, and livelihood empowerment.

Overall, the discussion indicates that VUP Direct Support in Nyarugenge District was effective in enhancing livelihoods, but primarily through protection and stabilization, with more limited evidence of graduation and productive transformation. This nuanced conclusion is both statistically supported and theoretically defensible.

## 5. Conclusion and Recommendations

### 5.1 Conclusion

The study concluded that cash transfers under VUP Direct Support had a significant positive effect on community livelihoods in Nyarugenge District. Beneficiaries reported that transfers improved their ability to buy food, stabilize income, access healthcare, support children's education, meet emergency expenses, and reduce financial stress. The correlation and regression analyses confirmed that these perceptions were not incidental: cash transfers were strongly associated with livelihood outcomes and significantly predicted them.

However, the study also concluded that the effect was stronger on protective livelihood outcomes than on transformative livelihood outcomes. While households benefited in terms of immediate welfare and reduced vulnerability, the use of transfers for productive investment and income-generating activities was comparatively weaker. In the urban context of Nyarugenge, high living costs likely reduce the space for savings, enterprise investment, or graduation from support. Accordingly, VUP Direct Support should be understood as a highly valuable and effective safety net whose longer-term livelihood effect can be strengthened through adequacy, predictability, and integration with promotive interventions.

### 5.2 Recommendations

1. For the Ministry of Local Government (MINALOC), the study recommends periodic review of transfer values so that benefit levels better reflect urban inflation and the real cost of basic needs in districts such as Nyarugenge. Transfer adequacy is essential if Direct Support is to move beyond bare consumption smoothing toward stronger livelihood outcomes.
2. For Local Government Authorities, the study recommends stronger district- and sector-level follow-up mechanisms to ensure payment regularity, quicker resolution of beneficiary complaints, and better identification of households facing additional urban vulnerabilities such as high rent burdens, chronic illness, or caregiving constraints. Local monitoring should be used not only for compliance but also for adaptive support.
3. For Social Protection Programme Managers, the study recommends integrating Direct Support more deliberately with livelihood empowerment components such as financial literacy, coaching, savings mobilization, and linkages to small-scale urban income-generating opportunities. Even labour-constrained households may benefit from

household-level support pathways that involve caregivers, social workers, or community-based accompaniment.

4. For Development Partners, the study recommends continued support for shock-responsive and nutrition-sensitive cash transfer design, payment digitization, and evidence-based programme adaptation. External support should prioritize system strengthening rather than parallel project structures, so that Rwanda's social protection architecture becomes more resilient and scalable.
5. For Future Researchers, the study recommends longitudinal and comparative studies that examine transfer adequacy, urban-rural differences, graduation trajectories, and the interaction between Direct Support and complementary services. Further research should also disaggregate outcomes by disability status, age, household structure, and gender of caregiver to clarify which groups benefit most and why.

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