



Can social assistance reduce violent conflict and civil unrest?

Evidence from a large-scale public works program in Ethiopia

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Background

Violent conflict and political instability are escalating worldwide, with Africa experiencing some of the most severe challenges. The region, home to 60% of the world's poor (World Bank 2023), saw state-based armed conflict events nearly triple between 2007 and 2023 (Rustad 2024), while protests more than quadrupled from 2007 to 2019 (OECD 2021). Over this period, poverty reduction in Africa has been particularly sluggish in fragile and conflict-affected areas (Beegle et al. 2018a), likely due to the substantial economic losses associated with violent conflict and civil unrest.

While the link between poverty and conflict is debated, many experts argue that poverty and inequality drive violent conflict in low- and middle-income countries (Collier and Hoeffler 2004; Fearon and Laitin 2003; Justino 2025), raising an important policy question: can social assistance programs break the cycle of poverty and promote peace?

We explore this in the context of Ethiopia's Productive Safety Net Program (PSNP), launched in 2005. Reaching eight million people, it is Africa's largest public works program (Beegle et al. 2018b). PSNP participants receive cash or food transfers for labor intensive public works and earlier research highlights its positive impacts on food security, household resilience, and environment (Hirvonen et al. 2022, Hoddinott et al. 2024).

Methods and Data

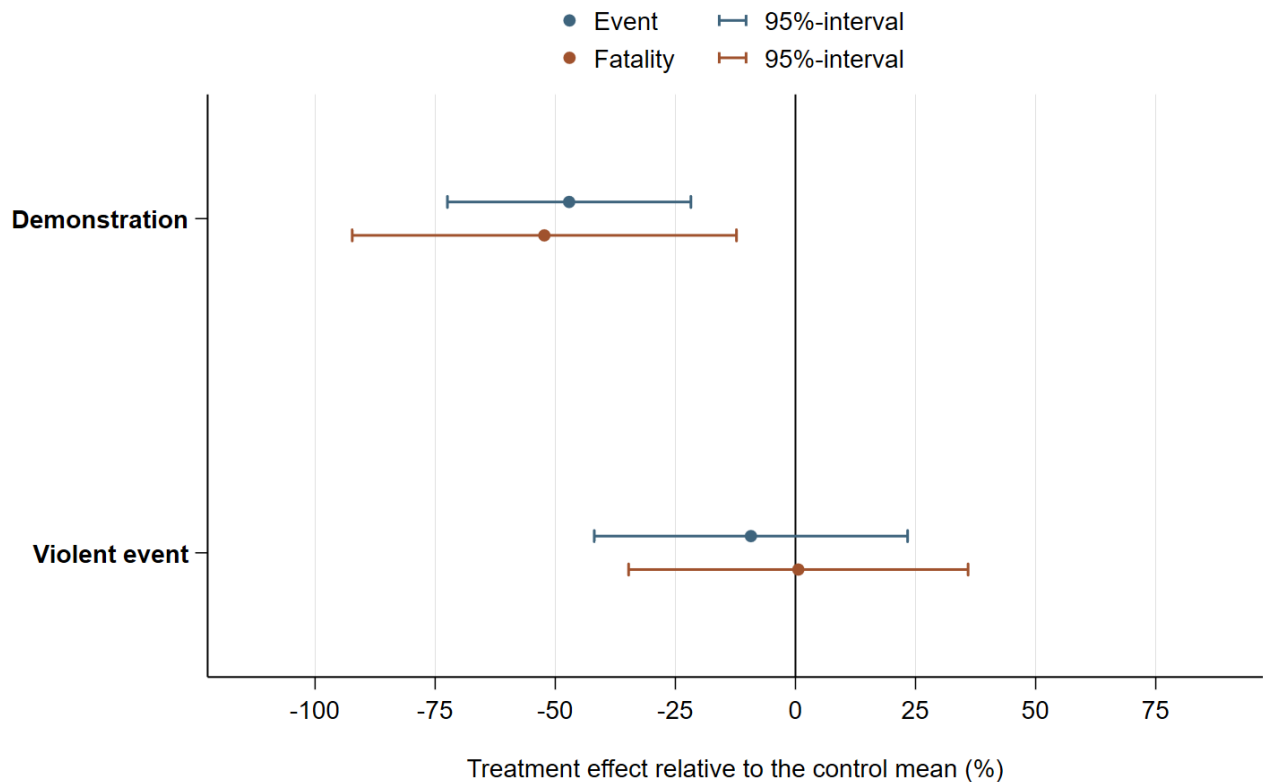
Our study focuses on the highland regions of Ethiopia, covering the first 15 years of the PSNP (2005–2019), a period marked by sporadic armed insurgencies and a significant anti-government protest movement in Amhara and Oromia, the country's two largest regions, between 2014 and 2018. We merged geocoded conflict data from Armed Conflict Location & Event Data (ACLED) with digitized PSNP administrative records to create annual district-level data set for 1997–2019. Using difference-in-differences methods, we assess the impact of the PSNP on the likelihood of violent conflict and civil unrest. The validity of this methodological approach relies on the assumption that, in the absence of the PSNP, conflict risk trends in PSNP and non-PSNP districts would have followed parallel paths. The lack

of pre-2005 trend differences in violent conflict and civil unrest supports the plausibility of this assumption in our context.

Findings

Our findings indicate that the PSNP reduced the likelihood of civil unrest – defined as protests or riots – by 2.6 percentage points (95% CI: 1.2, 4.0), which is equivalent to a 47% reduction compared to the average probability of civil unrest in non-PSNP districts (upper panel of Figure 1). Moreover, the PSNP lowered the likelihood of fatalities during civil unrest events by one percentage point, representing a 52% decrease. An event-study analysis reveals that these effects originate from the period 2014–2018, during which the widespread protests against the federal government took place (see Hirvonen et al. 2024). However, the program did not significantly affect the risk of violent events, such as battles, explosions, or violence against civilians (lower panel of Figure 1).

Figure 1: Impact of PSNP on conflict and fatality risk, by conflict type



Note: 14,191 district-year observations. Difference-in-differences estimates based on two-way fixed effects. The outcome variable is binary, obtaining a value 1 if an event or a fatality occurred in the district in the given year, and zero otherwise. Solid dots mark the treatment effects relative to the control mean and capped bars show the corresponding 95% confidence intervals based on standard errors clustered at the district level.

To investigate the mechanisms through which the PSNP reduced the likelihood of civil unrest, we explore several possibilities. First, we find no evidence supporting the hypothesis that time constraints imposed by PSNP public works projects are responsible for the program's impact on reducing demonstrations. Second, building on Fetzer (2020), we test whether the PSNP mitigates the relationship between civil unrest and negative income shocks, proxied by weather shocks. However, we find no evidence that the program weakens the link between weather shocks and civil unrest. Third, using longitudinal household survey data (the Ethiopian Rural Household Survey) that asked respondents about their trust in the government before (2004) and after (2009) the PSNP's launch, we find that the program is associated with increased trust in the government to "do what is right for the people". This finding suggests that the PSNP may have reduced animosity toward the government, thereby lowering the motivation to participate in anti-government protests.

Concluding remarks

Our findings contribute to the ongoing debate on the relationship between social assistance programs and conflict dynamics. While existing studies report mixed effects of such programs on violent conflict – ranging from increases to reductions (Croft et al. 2016; Khanna and Zimmermann 2017; Fetzer 2020; Premand and Rohner 2024) – we observed no significant impact in this area. More importantly, we extended the analysis to civil unrest, demonstrating that government-led transfer programs can address economic marginalization and support long-term stability. Among the mechanisms explored, increased participant trust in the government emerges as the most plausible explanation for how the PSNP reduces civil unrest.

The PSNP may have fostered greater trust in the government through two pathways. First, government-led programs like the PSNP can alleviate economic marginalization, strengthening the social contract between citizens and the government. Beneficiaries who feel more supported and less economically vulnerable are likely to develop greater trust in their government – a result consistent with studies on cash transfer programs in Latin America (De La O 2013; Manacorda et al. 2011; Zucco Jr 2013). Second, the PSNP's community-driven approach, where public works projects are selected and planned locally, may have increased trust in the government. By ensuring that development initiatives align with local needs, this approach has been shown to increase satisfaction with the government and bolster its legitimacy (Olken 2010).

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