



# The impacts of the Social Cash Transfer programme on community dynamics in Malawi



## BACKGROUND

The **Social Cash Transfer (SCT)** programme was launched in Mchinji district in central Malawi in 2006 with the goal of providing regular bi-monthly cash payments to ultra-poor, labour-constrained households. The objectives of the programme include: reducing poverty, hunger and starvation; increasing school enrolment and attendance; improving health, nutrition, protection, and wellbeing of vulnerable children. Operated by the Ministry of Gender, Children and Community Development, as of August 2013, the programme reached approximately 30 000 households in seven districts and is expected to serve 300 000 households by 2015.

Households enrolled in the SCT programme receive a bi-monthly allowance of between US\$ 2.30 and US\$ 5.50 per month, depending on household size, with the maximum given to households of four members or more. This basic allowance is topped up by an additional monthly bonus of US\$ 0.70 for each child enrolled in primary school and US\$ 1.40 for children enrolled in secondary school. The SCT programme is implemented through the District Social Welfare Offices and Community Social Support Committees (CSSC).

## THE EVALUATION

This brief is based on data collected during qualitative field work in March 2014 and forms part of an overall impact evaluation implemented by the University of North Carolina, UNICEF, the Center for Social Research and the Food and Agriculture Organization of the United Nations (FAO). The qualitative research is part of a comparative six-country study that explores the impact of cash transfer programmes on household economic decision-making, the local economy and social networks in sub-Saharan Africa as part of the From Protection to Production (PtoP) project. Districts sampled for this study included Salima in the central region, and Phalombe in the south. The study was carried out through focus groups and key informant interviews using participatory methods. A range of selected tools was employed,

including social mapping, livelihood analysis, institutional analysis (Venn diagrams) and household income and expenditure analysis.

### RESEARCH AREAS AND KEY FINDINGS

#### Household economy impacts:

the SCT provides an important source of income for beneficiaries, particularly for the elderly. For some households, a major benefit of the SCT has been a reduction in the need for ganyu work, seen as a “necessary evil” of hard labour, resulting in the elderly and chronically ill in particular feeling in better health. Some households were able to hire labour for their own farms. Investments in non-farm small businesses were widespread, particularly in well-connected areas. A substantial number of beneficiary households reported being able to invest in livestock, especially chickens

and goats. The SCT has reduced negative risk-coping strategies, such as the withdrawal of children from school and absenteeism, although a disbursement delay in 2013 resulted in some families unable to pay for their children’s education, and reverting to rely on their children for income.

Beneficiaries reported spending much of their income on short-term increases in the variety of purchased foods (including eggs, meat and beans). Delays in payments limited this effect, however. Education represented a major expenditure; many reported having enrolled their children only since starting the programme. A small number of beneficiaries used the money for house renovation or to buy clothes, enhancing their dignity and reducing visible signs of poverty. Households with more than one adult (typically a married couple) made decisions



together. The SCT did not seem to alter decision-making patterns or traditional gender norms.

**Local economy impacts:** The SCT generated some short-term changes in the local economy, including trading practices, particularly around payday, and extra-labour market opportunities, as some beneficiaries were now able to hire farm labour. Door-to-door vending of goods (such as dried fish and tomatoes) started up on paydays, and in some cases has become regular. The multiplier effect on local goods, services and labour markets was modest, largely because beneficiaries comprise a small proportion of the total population. The programme appears to have had little impact on local inflation.

Creditworthiness of beneficiaries has increased, but delays in disbursement eroded some vendors' trust; beneficiaries were also risk-averse and reluctant to take loans due to payment uncertainty. A few beneficiaries were able to contribute to, or take loans from, Village Savings and Loans schemes.

**Social networks:** Beneficiaries have become better integrated into networks where inclusion depends on financial contributions, such as church contributions and attendance. In contrast, communities often excluded beneficiaries from other government programmes targeting vulnerable households in order

to spread government support, despite this not being official policy. While some personal ties may have been weakened due to jealousy, the SCT promoted new ties, closer relationships and support networks among beneficiaries. Despite little change in formal standing in the community, beneficiaries felt greater dignity, derived from increased material well-being.

### OPERATIONAL RECOMMENDATIONS

The study explored how SCT operational arrangements affected impacts resulting in a number of operational recommendations:

**Strengthen the role of the Community Social Support Committees (CSSC), and provide them with material and technical support, including training.** These committees are the face of the programme in each village cluster and vital to its success. They provide information on payment schedules, and advise households on how best to make use of the cash. They are largely voluntary, and the small recompense sometimes creates a disincentive for effective functioning.

**Improve integration and harmonization of the SCT programme with other local and central government structures and programmes to build complementarities among**

**interventions and optimize impacts.** The SCT alone is unable to raise living standards of vulnerable households on a permanent basis. Complementary services (such as agriculture, health, education) could be better linked with the SCT; fragmentation limits programme potential in promoting sustained improvements in livelihoods and well-being.

**Ensure regular and predictable cash transfer payments. Predictability is particularly critical for the majority of beneficiary households that depend on the cash for survival.** Uncertain payment dates affect household planning and expenditures when most needed. Inconsistent payments pose challenges for CSSCs in communication and mobilization of beneficiaries for payments.

**Strengthen the M&E system to ensure continuous updating of beneficiaries' details, and as appropriate, systematic entry and exit of households.** The programme is finalizing a strategy to establish common social protection institutional arrangements at district level, with a harmonized management information system across programmes. This should enhance programme monitoring, ensuring that beneficiary households receive their appropriate entitlements.

### REFERENCES

**Oxford Policy Management.** 2014. Qualitative research and analyses of the economic impact of cash transfer programmes in sub-Saharan Africa: Malawi Country Case Study Report, PtoP project report, FAO, Rome.

### FOR MORE INFORMATION & RESOURCES

**Please visit:** <http://www.fao.org/economic/ptop/programmes/malawi/en> **or write to:** Benjamin.Davis@fao.org



The **From PROTECTION to PRODUCTION** (PtoP) programme is, jointly with UNICEF, exploring the linkages and strengthening coordination between social protection, agriculture and rural development. PtoP is funded principally by the UK Department for International Development (DFID), the Food and Agriculture Organization of the UN (FAO) and the European Union. The programme is also part of a larger effort, the Transfer Project, together with UNICEF, Save the Children and the University of North Carolina, to support the implementation of impact evaluations of cash transfer programmes in sub-Saharan Africa.

