from PROTECTION to PRODUCTION

RESEARCH BRIEF

IMPACTS OF THE CT-OVC PROGRAMME ON PRODUCTIVE ACTIVITIES AND LABOUR ALLOCATION IN KENYA

THE PROGRAMME

The **Cash Transfer for Orphans and Vulnerable Children (CT-OVC)** programme in Kenya provides regular and predictable cash transfers to poor households with OVC aged 17 years and younger. The objective of the CT-OVC programme is to strengthen the capacity of the poor to care for and protect OVC, to encourage their fostering and retention within their families and communities, and to promote their human capital development.

By December 2012, the government had succeeded in providing regular bi-monthly cash transfers of KSh 4 000 to over 150 000 households nationwide across 47 districts. The value of the transfer represented an average of 14 percent of the expenditures of the beneficiary households in 2011. Given the fixed transfer amount regardless of household size, in per capita terms the transfer was larger for smaller-sized households. Due to inflation the real value of the transfer declined by 40 percent between 2007 and 2009 and by an additional 15 percent between 2009 and 2011. The transfer value was raised by 33 percent in July 2011, after data collection was finalized for the impact evaluation.

THE EVALUATION

This brief is based on data collected from a randomized experimental evaluation, conducted between 2007 and 2011, to analyse the impact of the CT-OVC programme in Kenya on a wide variety of welfare indicators. In terms of productive impact, data were collected on food consumption, agricultural production, accumulation of productive assets and labour allocation. Although the programme is designed to encourage care of OVC and human capital development, there are good reasons also to expect impact on the economic choices of beneficiaries, who are primarily agricultural producers. Most beneficiaries live in places where markets for financial services (credit and insurance), labour, goods and inputs are lacking or do not function well. In this context, when cash transfers are provided regularly and predictably, they can help households to overcome credit constraints and manage risk.

RESULTS

Four key findings can be drawn from this study. First, there is **robust evidence of a positive impact of the programme on the quality of food consumption.** Beneficiary households consumed significantly more dairy/eggs and meat/fish as compared with control households. This was particularly true for smaller households and those that were female-headed.

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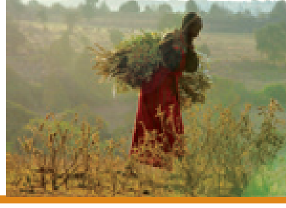

Second, while no consistent evidence of impact was found using the direct indicators of crop and animal production, there was **robust indirect evidence of impact on production.** Beneficiary households – and again primarily smaller and female-headed households – consumed a significantly larger share of dairy/eggs, meat/fish, fruit and other foods derived from their own production. This impact was substantial, reaching 20 percentage points in the case of dairy/eggs for smaller households.

Third, **the programme had a significant impact on the accumulation of some productive assets, especially among some subgroups within the evaluation sample.** Receipt of the CT-OVC led to a 15 and six percentage point increase respectively in the share of smaller and female-headed households owning small animals. Moreover, the CT-OVC transfer was associated with a seven percentage point increase in household participation in a non-farm enterprise for female-headed households, and a similar decrease was recorded for male-headed households.

The final piece of evidence concerns decisions made by individuals in beneficiary households on where to work. The programme influenced the flexibility of beneficiary households and individuals in terms of the type of income-generating activities in which they participate, most of which involve casual labour. For those individuals (particularly women) that lived far from markets, the receipt of the transfer helped facilitate engagement in casual wage labour. The programme was associated with an increase in casual non-agricultural wage labour (particularly for males), compared with a decrease in agricultural wage labour. These programme impacts on work were stronger with increasing age. In contrast, the programme appears to have reduced wage labour intensity. Although participation in the programme led to increasing intensity of work on own farm with increasing age for both males and females, there was no clear pattern of substitution between casual wage labour and work on own farm. However, the study was unable to determine whether individuals increased time spent on domestic chores or childcare because the required information was not collected in the surveys. The programme did, nevertheless, lead to a significant reduction in child labour on farm, particularly for boys.

Overall, the study provided evidence, direct and indirect, that the CT-OVC programme influences livelihood strategies of the poor in a differentiated fashion across gender and household size. The programme has helped families increase food consumption and productive assets, and has allowed families greater flexibility in terms of labour allocation, particularly geographically isolated individuals and children.

REFERENCES

Asfaw, S., Davis, B., Dewbre, J., Federighi, G., Handa, S. & Winters, P. 2012. The impact of the Kenya CT-OVC programme on productive activities and labour allocation, PtoP project report, FAO, Rome.

FOR MORE INFORMATION

Please visit: http://www.fao.org/economic/ptop/programmes/kenya/en **or write to:** ptop-team@fao.org

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