



The impact of social cash transfer programmes on community dynamics in sub-Saharan Africa



BACKGROUND

Social cash transfer programmes are on the rise in sub-Saharan Africa, building on the momentum generated by the African Union's 2008 Social Policy Framework Plan of Action. This plan motivated member countries to develop their own social policy frameworks and to give greater priority to social protection programmes. With support from development partners, individual governments are taking up the call, formulating new social protection policies with strategies including cash transfers for the most vulnerable households. Social cash transfer programmes commonly address hunger and food insecurity; school enrolment and attendance; the health, nutrition and wellbeing of children and household members; and poverty reduction.

Typically, social cash transfer programmes are implemented by the government ministries responsible for social affairs, children, gender and/or community development. The programmes are typically implemented through decentralized ministry offices and programme committees at local levels. The process to target beneficiaries usually involves a combination of national surveys and community-based processes. Beneficiary households receive a regular cash allowance (usually bi-monthly), the amount often depending on the number of household dependents and/or children enrolled in school. Social cash transfer programmes provide various forms of support and monitoring.

THE EVALUATION

This brief describes key findings of a four-year research project, From Protection to Production (PtoP), which is implemented by the Food and Agriculture Organization (FAO) in collaboration with UNICEF. Oxford Policy Management partnered with FAO to design and implement the qualitative field research component. The PtoP project analyzed the impact of social cash transfer programmes in seven sub-Saharan African countries: Ghana, Kenya, Lesotho, Zimbabwe, Malawi, Ethiopia and Zambia. In

each country, UNICEF, DFID and FAO commissioned an analysis of social cash transfer programmes using a mixed-method approach: qualitative research, econometric analysis of quantitative evaluation data; and general equilibrium models.¹ The qualitative research studied social cash transfer programmes in six countries: Ghana Livelihood Empowerment Against Poverty (LEAP); Kenya Cash Transfer to Orphans and Vulnerable Children (CT-OVC); Malawi Social Cash Transfer (SCT); Lesotho Child

Grant Programme (CGP); Zimbabwe Harmonized Social Cash Transfer Programme (HSCTP); and Ethiopia Social Cash Transfer Pilot Programme (SCTPP). The aim of the studies was to explore the impacts of social cash transfer programmes on household economic decision-making, the local economy and social networks. The studies also looked at how the design and implementation of the programmes affected decisions and economic impacts at household and community levels.

¹ Final individual country reports and briefs are available at www.fao.org/economic/ptop/publications/reports.

Each of the country studies took about three weeks to complete. They were guided by a shared set of hypotheses and common methodology, conducted through focus groups using participatory methods, key informant interviews and in-depth household case studies. The project used a number of tools, including social mapping, livelihood analysis, institutional analysis and household income and expenditure analysis.² A day was spent in a 'comparison' community' (i.e. not served by the cash transfer programme) to better understand context and characteristics in terms of the three main areas of research described below. This enabled the team to compare trends and patterns relating to, for example, household wellbeing and social networks. Research findings were analyzed and validated through daily team debriefings; community and district feedback sessions; and briefings with stakeholders from government and development partners.

RESEARCH AREAS AND KEY FINDINGS

Household economy impacts.

In all of the countries surveyed, cash transfers encouraged income-generating activities, which in many cases stimulated livelihood improvements. Even a small amount of cash improved livelihood choices and, if payments were predictable and regular, the impact could be greater. Better-off households were able to make productive investments, whereas more vulnerable households tended to rely on the cash for their daily needs. Investment in agricultural livelihoods was reported, particularly among land-holding beneficiaries who, thanks to the cash transfer, were able to reduce their time as casual laborers on other people's farms,

freeing them to spend more time working on their own farms. The transfers also allowed beneficiaries to hire labourers, increasing productivity and area farmed, and, in some instances, enabling them to diversify into other crops. For other beneficiaries, the transfer amount was not enough to spend on livelihood activities, or they were constrained by gender norms limiting females' ability to directly plow their fields.

Cash transfers were most effective at improving agricultural productivity – due to increased spending on agricultural inputs – in contexts where the primary constraint was working capital rather than land. Investment in small livestock (both to enhance assets and as a source of food) was also prevalent, typically for beneficiaries with more resources. For many, petty trading provided a small boost to overall household income. Off-farm livelihood activities also varied depending on context: whether or not beneficiaries chose or were able to work off-farm was determined by the economic environment and the options available to women and men. Investments in off-farm activities were highest where the enabling environment and available markets already existed; they were lowest among the poorest beneficiaries (defined as labour and resource constrained and food and asset poor).

Overall, cash transfers appear to have had positive impacts on household wellbeing. Social cash transfer programmes promoted school enrolment and attendance, with indications that transfers could also improve school performance. Evidence also pointed to higher school retention rates, corresponding to reductions in child labour. A large proportion of

the transfers was spent on food, resulting in increases in food consumption, greater diet diversity and quality of diet. Beneficiaries also used the transfers to purchase clothes and personal hygiene items and to make house repairs, renewing the confidence and self-esteem of adults and children. As a result, many people – abandoned in extreme poverty re-established social ties and participated more frequently in community events.

An important conclusion from the research was that cash transfer programmes enabled beneficiaries to end or reduce their reliance on negative coping strategies, such as begging, prostitution, dropping out of school, distress sales of assets, reducing the number of meals, out-migration for work and casual labour. Late or missed payments, however, led some beneficiaries to revert back to the negative coping strategies.

Casual labour was an important income source for asset-poor households, but viewed as a measure of "last resort." Cash transfers enabled beneficiaries to reduce casual labour and instead work more on their own farms. In better-off households and where the cash transfer was regular and predictable, beneficiaries were generally more willing to engage in limited risk-taking, such as the purchase of livestock or goods for sale. Cash transfers helped satisfy the immediate needs of the poorest recipients, generating feelings of hope and a sense of security about the future. For these households, the cash transfers alleviated worry and stress, and for some, allowed them time to 'rest.'

The social cash transfer programmes did not significantly transform structural gender norms, particularly concerning the balance in strategic

² A detailed description of the sampling and fieldwork methodology can be found in each of the country studies and in the Methodological Guidelines for Qualitative Research on the PtoP website: www.fao.org/economic/ptop/publications/method

household decision-making. This is not surprising, since the transformation of existing gender beliefs and practices was not an explicit objective of the programmes. However, programmes targeting orphans and vulnerable children had particularly large numbers of female-headed households and these programmes increased women's access to and control over resources in contexts where they already had some say in household spending decisions.

Local economy impacts. Cash transfers were found to have positive effects on local markets in all countries, although the injection of capital from the transfer programmes was usually too small to impact the local economy significantly. The economic effects of the transfers were most evident around payment days. Cash transfers did not create new markets, although a marginal boost to local businesses was reported, as beneficiaries generally made purchases in or around their communities. Despite surges in demand, the cash transfers did not cause price increases. Adequate infrastructure, ease of access (e.g. tarred roads) and market activity influenced decisions of some beneficiaries to trade in local markets. There was some evidence that cash transfers led to the diversification of goods offered in local markets and of shifts in purchasing patterns, such as more bulk purchases of goods.

The increased creditworthiness of beneficiaries was prevalent in all countries. The beneficiaries highly valued their new creditworthy state, which could help them to smooth consumption throughout the month. Beneficiaries expressed greater confidence and felt "safer" about borrowing money or purchasing food and household items on credit from

local vendors. Nevertheless, despite wider availability of credit, some were still reticent to use credit due to fear of falling into debt, particularly where cash transfer payments were irregular. Reliable and predictable payments reinforced trust in the social programmes. To control for risk, some lenders, both formal and informal, linked their loans directly to the timing and amount of payments.

Social networks. Cash transfers generally improved the access of beneficiaries to economic collaboration with others, but this was strongly linked to the regularity and certainty of the cash transfer payments and the absence of basic needs spending priorities. Cash transfers enabled beneficiaries to join or re-enter the circles of their extended families and communities, decreasing the social distance between poor households with wealthier households and local institutions. This greater community engagement of beneficiaries and informal reciprocal exchanges was more pronounced in places where strong cultural norms existed around 'belonging'. Beneficiaries often joined contribution-based networks and social structures, including funeral networks, faith-based groups, community-based savings groups and informal financial networks.

The cash transfers also allowed beneficiaries to become less of a burden on their families, reducing their need for financial assistance and sometimes even enabling them to extend financial contributions to others. However, cash transfer amounts were insufficient to enable membership into some networks with high entry contributions. Nor was there evidence that cash transfers increased the inclusion of beneficiaries in community decision-making.

Some tensions were caused by the social cash transfer programmes, generally rooted in existing long-term resentments and expressed through brief flare ups on payment days and during targeting. In all countries, jealousy was primarily expressed by 'near beneficiaries', who were only marginally different from the beneficiaries in terms of household composition, poverty and asset ownership and who had a relatively poor understanding of the processes around targeting. There was often a sense that targeting was unfair: people felt benefits should be more equitably distributed or that households should take turns as recipients of assistance programmes. This resentment was not always directed at the beneficiaries but to community committees, local authorities or others perceived to have decision-making power.

OPERATIONAL IMPACTS AND RECOMMENDATIONS

Knowing how and why operational arrangements for cash transfer programmes affect their impacts is important for scaling up and future design. Generally, targeting was perceived to result in the selection of deserving households. However, communication about targeting was weak, with the result that there was not a clear understanding about the process or why people were included or excluded. None of the programmes had highly effective communications strategies, particularly regarding notice of payment delays. However, where communications were adequate, they promoted greater wellbeing. 'Messaging' by local committees, e.g. concerning the best use of cash transfers, has great potential but the effectiveness of such messaging was found to be uneven across programmes. Such communication gaps reduced opportunities to



optimize the impacts of cash transfers on the household and local economy. Irregular and unpredictable payments were common to most of the social cash transfer programmes. This had a negative impact on the wellbeing and livelihood strategies of beneficiaries, threatening their achievements, undermining social safety net functions and economic initiatives and, in some cases, worsening the economic security of households and prompting negative risk coping mechanisms.

Community cash transfer committees are the front line of social cash transfer programmes and thus are critical to their success. Evidence shows that linking cash transfer programmes committees – with existing structures facilitates programme operations and maximizes effectiveness. In most cases, cash transfer committee members were volunteers, poorly informed, minimally trained, often unaware of programme processes and under-resourced. Community and district committees cited limited staff, time and resources and sometimes challenges in mobilizing populations as constraints.

The committees were generally unable to adequately support grievances mechanisms or to carry out or coordinate effective monitoring. Monitoring systems were generally weak, with limited updating of beneficiary records or ability to handle complaints. These operational gaps affected performance and the sustainability of structures. Perhaps most importantly, they eroded the capacity of the cash transfer programme to support more transformative household impacts. Overall community committees can be characterized as having had high commitment and low capacity.

In general, social cash transfer programmes were weakly coordinated with other social or development programmes operating in the same zones, nor were synergies often envisaged in programme design. This was a missed opportunity for building on the success of existing actions. Instead, the environment surrounding the social cash transfer programmes was fragmented, lacking complementarities or direct links to health, education, agricultural and social service programmes.

The research leads to a number of recommendations for operational improvement:

1. Strengthen the functionality of community and district level committees to optimize the impacts of social cash transfer programmes and address significant issues concerning beneficiary wellbeing and livelihoods.
2. Improve communication with beneficiaries, non-beneficiaries, local committees and authorities, to promote greater awareness of social cash transfer programmes, enable case management, and strengthen monitoring and grievance mechanisms.
3. Assure regular and predictable payments.
4. Promote stronger linkages and better integration and complementarity among social and development programmes and services.

REFERENCES

Barca, V., Brook, S., Holland, J., Otulana, M., and Pozarny, P. 2014. Qualitative research and analyses of the economic impact of cash transfer programmes in Sub-Saharan Africa: Synthesis Report. **PtoP project report**, FAO, Rome.

FOR MORE INFORMATION

Please visit: www.fao.org/economic/ptop/programmes 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.

