



Gender-differentiated impacts of the Lesotho Child Grant Programme on child welfare



THE PROGRAMME

The Lesotho Child Grants Programme (CGP) is an unconditional social cash transfer that targets poor rural households with orphans and vulnerable children (OVCs). The primary objective of the programme is to improve the living standards of OVCs in order to reduce malnutrition, improve health status and increase school enrolment. The CGP includes strong messaging that cash should be spent on the needs of children.

The CGP reached 26 681 households in August 2016, and provided benefits for approximately 80 000 children across all ten districts in Lesotho, roughly 10 percent of the total population of children. The Ministry of Social Development runs the programme with financial support from the European Union and with technical support from UNICEF-Lesotho. FAO supported the impact evaluation of Round 2 Phase 1 of the CGP pilot, focusing on the economic and productive impacts of the programme. Initially, in 2011, the programme offered a quarterly flat rate of 120 Lesotho Maloti (LSL) (US\$12) per household. By 2014, beneficiaries received a transfer indexed to the number of children in a household, ranging from LSL120 to LSL250 (US\$25) per month.

Over the course of the programme's 24-month evaluation, the payment schedule was unpredictable and often lumpy. Hence, rather than households viewing payments as a regular, anticipated addition to income, they may have perceived it as unanticipated windfall income. From April 2013 the transfer value indexed to the number of children was on average 21 percent of monthly consumption of beneficiary households. The April 2013 transfer corresponded on average to the equivalent of one month's worth of consumption. Between August 2012 and September 2013 most CGP beneficiaries also received two to four bi-monthly payments of LSL 400 (US\$40) as part of an agricultural Food Emergency Grant owing to heavy rains and flooding.

THE EVALUATION AND DATA

The quantitative analysis of the CGP impact evaluation uses both baseline and 24-month follow-up data. Both surveys collected information for a sample of CGP-eligible and non-eligible households in treatment and control communities. The baseline survey fieldwork took place between June and August 2011, comprising around

3 000 households. The follow-up survey fieldwork took place in 2013 at the same time of the year to avoid seasonality bias.

The sample is representative of the CGP pilot programme which covered five districts – Qacha's Nek, Maseru, Leribe, Berea and Mafeteng – in ten Community Councils (CCs)

made up of 96 Electoral Divisions (EDs). The EDs were split equally into treatment and control arms through public lottery events in each CC. Two criteria were used to determine households' eligibility for CGP: 1) having at least one resident child aged 0 – 17; 2) being among the poorest households in the community.

For this analysis we include only agricultural households comprised of *de jure* unmarried female-headed households (FHH) and married male-headed households (MHH). Within the total sample, 98 percent of FHH were unmarried, and 85 percent of MHH were married. Furthermore, 86 percent of the total sample at baseline consisted of agricultural households involved in crop production and/or livestock rearing. Our panel data retain households that were agricultural households at baseline and is comprised of 1 006 households, 468 control and 538 treatment, in each survey year. There was no attrition among this sample, although attrition for the overall sample was 6 percent.

RESULTS

Improved outcomes for secondary school-aged children: schooling, time-use, labour

The Lesotho CGP was an unconditional cash transfer, but included messaging that the transfer should be used for investing in children. This may have contributed to the observed positive impacts on child educational investments (Pellerano *et al.*, 2014). Among agricultural households, however, the benefits of CGP on schooling enrolment and participation were concentrated among older, secondary school, children aged 13 – 17 years. We find that older children in CGP households were 12 percentage points more likely to be enrolled in school, 20 percentage points less likely to have missed school in the last 30 days, and spent nearly one hour more at school on a typical day compared to households in the control group. For the same group of children, the CGP also brought about a reduction of time spent on household chores by 45 minutes per day and 0.9 fewer days worked on farm labour weekly. The estimated impacts of CGP on schooling, time use and labour for younger, primary school children aged 6 – 12 were small and mostly statistically

insignificant. These results may be due to both a “ceiling effect”, since at baseline younger children were 99-100 percent likely to be enrolled in school, and to the opportunity cost of attending school, because the time spent at school by children decreased their participation in household livelihood activities. The opportunity cost is positively correlated with children’s age, since older children are generally more productive than younger siblings.

Overall gender bias in outcomes favouring secondary school aged girls

As a result of the CGP older girls in beneficiary households were 24 percentage points more likely to be enrolled in school in the current year, and 32 percentage points less likely to miss school in the past 30 days compared to older girls in the control group. Older girls also spent 140 minutes more on a typical day in school and almost one hour less on household chores compared to their peers, as a result of the cash transfer. We observe reduced on-farm work among older children driven, however, by boys in CGP households, who worked 1.23 fewer days over the last week than boys in the control group. This result is not surprising in the context of rural Lesotho since older boys are frequently engaged in livestock herding and crop production, while girls typically spend more time on household chores.

Household structure may affect impacts of cash transfers on children’s welfare

We compare *de jure* FHH to married MHH and find differential impacts on schooling for older children between the two groups of households. For instance, older children in FHH are more likely to repeat school than children in MHH. This is due to an 18-percentage point reduction in the likelihood of ever repeating a school year in CGP households that

are male headed compared to the same type of households in the control group, while no impact is observed on FHH. Similarly, older children in beneficiary FHH are more likely to be enrolled in school compared to their peers in the control group and spend almost two hours more at school during a typical day. Probably, female-heads of FHHs, where a larger proportion of the children are grandchildren as opposed to sons or daughters of the male head, respond differently when accessing additional income through the CT, and have different preferences on gender and child education.

In terms of schooling, girls fare better in male headed households while older boys fare relatively better in female headed households, with substitution effects in children’s activities

The study finds in beneficiary MHH a 40-percentage point decline in school-year repetition among older girls and an 18-percentage point increase in enrollment among the same girl cohort, as a result of the CGP. In addition, positive results are observed in younger girls of MHH, who are 23 percentage points less likely to miss any school in the last 30 days.

In contrast, older boys in FHH are 34 percentage points more likely to be enrolled compared to their counterparts in the control group. With respect to younger children, we find that both young boys and girls in FHH are more likely to miss school by 18 and 26 percentage points respectively as a result of the CGP. This points to substitution effects across older boys and younger children in more labour-constrained FHH, indicating that even if there is messaging to invest in children, these investments may not be made if the constraints on the households that they live in are binding and cannot be addressed by the CGP alone.

Results on CGP impacts on children's time use confirm the abovementioned trends. In CGP beneficiary MHH, older girls spend two additional hours per day in school, while older boys in FHH spend 79 additional minutes a day due to the transfer.

Cash in the hand of mothers may not always lead to better results in child outcomes

Previous research shows a positive association between cash given to mothers and child schooling, nutrition and general welfare. This literature is based on the assumption that women are systematically different from men in their preferences for types of expenditures or the welfare of particular family members. However, in this study we find mixed evidence of this. Other factors, beyond preferences determine whether or not differences in outcomes related to well-being will actually be realized. These include, for instance, differences in bargaining power over allocation of resources, under the assumption that intra-household bargaining is not fully cooperative, or differences in income-generating ability, for which women may face many other constraints (such as social restrictions on occupational type, or a relative lack of training) that result in lower returns to the transfer. In this analysis, rather than male or female preferences, it is the household structure and constraints that determine these differentiated effects. In beneficiary MHH older children are less likely to have ever repeated school irrespective of the gender of the recipient, even though the impact is greater when cash is given to an adult male. This result is confirmed for both girls and boys. On the other hand, regardless of the gender of the transfer recipient in MHH, girls are significantly more likely to be enrolled in school and less likely to have missed any school in the last 30 days, the impact being stronger when females receive the cash.



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Overall in MHH older children are less likely to engage in household chores. This impact is larger when cash is given to a male recipient. Furthermore the switch to girls' time devoted to chores relative to boys' time is considerably larger when cash is given to a male recipient. In MHH, where males are the recipients of cash transfers, we also find boys are significantly less likely to have engaged in farm labour and spend 3.5 fewer days on this type of labour in the last seven days.

Strong messaging and more farming opportunities for females in FHH may be causing substitution effects in children's activities

In terms of labour supply among adult women, we find two opposing results as a result of the CGP: for both indicators of participation and intensity of work women in FHH became more engaged in farming activities, as a result of greater availability of cash for investing in agriculture, while those in MHH became less engaged in these activities. These results are

consistent with impacts observed on children. Because of the greater on-farm labour participation of adult women in FHH, engagement of children in family farming in FHH is reduced, while at the same time schooling has increased. Results show that in the last seven days older girls in FHH are less likely to be engaged in farm activities by 42 percentage points, and worked 1.51 fewer days, while older boys in FHH worked two fewer days in the past seven days. The exception is that younger boys in FHH are 22 percentage points more likely to work in the past seven days and work 1.19 additional days, suggesting a substitution effect of older children's time for younger children's time in these households.

In MHH, additionally, reduction of women's supply of on-farm labour translated into reductions of time devoted to domestic chores for older girls, who could spend more time in school. In contrast, we find a greater engagement of older boys in household chores, suggesting a substitution effect of girls' time for boys' time in MHH.

CONCLUSIONS AND POLICY IMPLICATIONS

1. The Lesotho CGP has been successful in terms of improving schooling, time use and labour outcomes for children in agricultural households, particularly secondary school-age children that face more demands on their time.
2. Nonetheless, an undifferentiated cash transfer for different types of households, as in the case of the CGP in Lesotho, should at least include gender-specific messaging to promote equal benefits for boys and girls in schooling, and can be tested in future.
3. The analysis also demonstrates that child welfare may not be driven by the women receiving the cash transfer, contrary to common belief. In fact, receipts by the father in male headed households – at least in Lesotho’s context – may be more likely to have positive impacts on girls and increase boys’ labour input in household chores. This could be driven by other labour constraints on time in agricultural households in Lesotho.
4. The household structure also plays a role in determining investments in children and labour allocation. Additional support may be needed for more labour-constrained female headed households to invest more equally in their children’s schooling.
5. Along with the cash transfer, other mechanisms that could facilitate households’ access to agricultural labour, inputs, labour-saving technologies and extension are needed to enable children in agricultural households to spend more time at school and increase their levels of educational attainment.



SOURCES

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