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Social Protection

From Protection to Production

Zimbabwe's Harmonized Cash Transfer Programme: 12-month impact report on productive activities and labour allocation

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Why do livelihoods matter for social protection?

- Most beneficiaries in Sub Saharan Africa are **rural**, engaged in **agriculture** and work for themselves
- Most grow local staples, traditional technology and low levels of modern inputs – Most production consumed on farm
- Most have low levels of productive assets
- Many diversify their sources of income
- Often **labour-constrained** (Elderly, single headed household)
- Large share of children work on the family farm



Barriers to markets and households decision making

- Beneficiaries work in context of multiple market failures, constraining economic decisions:
 - Lack of liquidity, difficulty to manage risks
 - Short time horizon, imperative of meeting immediate needs
- Household decisions about production and consumption linked:
 - Produce and consume at home vs. purchasing
 - Crop production vs. food security
 - Child labour vs. investment in schooling
 - Supply of labour vs. food production
 - Intrahousehold decision making: women vs. men
- Ultimately, **reaching social goals requires sustainable livelihoods**



Social cash transfers targeted to poorest of the poor can have productive impacts

- Long term effects of **improved human capital**
 - Nutritional and health status; educational attainment
 - Labor productivity and employability
- Transfers can **relax** some of **constraints** brought on by market failure (lack of access to credit, insurance)
 - Helping households manage risk
 - Providing households with liquidity
- Transfers can reduce burden on social networks and informal insurance mechanisms
- Infusion of cash can lead to **multiplier effects** in local village economy



From Protection to Production

- Provide insight into how cash transfers can contribute to sustainable poverty reduction and economic growth at household and community levels
- Key component of the Transfer Project
- Implemented by FAO and UNICEF in conjunction with partner governments
- Added value to impact evaluations of government-run social cash transfer programs in seven countries: Ethiopia, Ghana, Kenya, Lesotho, Malawi, Zambia (CG, 24 months) and Zimbabwe
- Initial funding from DFID (2011-2014), EU and FAO



Zimbabwe's Harmonized Social Cash Transfer (HSCT)

- Unconditional cash transfer targeted to food-poor and labour-constrained households.
- Eligibility: labour-constrained families living below the food poverty line, selected using ZIMSTATS household census data.
- Coverage: 55 509 households (03/2014) in 20 districts. Expected scale-up to national level making HSCT Zimbabwe's flagship social protection scheme.
- Transfer size ranges from USD 10 to 25, representing 20% of median household consumption expenditure

Study design for the impact evaluation (IE) of the HSCT

- The IE constitutes a non-randomized phase-in design at district level.
- Eligible households in Binga, Mwenzi ad Mudzi (treatment group) enrolled in the programme after completion of baseline survey data collection (May-June 2013)
- Eligible households in UMP, Chiredzi, and Hwange (comparison group) were enrolled after follow-up data collection (May-June 2014).
- The non-experimental design was successful
- The final study sample comprises a panel of 2 630 households (1 748 treated and 882 controls).



Results from previous studies

- **LEWIE model:**

- HSCT potentially generates a total income multiplier of 1.73 in nominal terms
- Recipient households receive the direct benefit of the transfer plus a small spillover effect of US\$ 0.09
- Ineligible households accrue most benefit from spillovers in the amount of US\$ 0.64 for every dollar transferred

- **AIR 12-months impact evaluation report:**

- Overall successful operational performance
- Wide range of social and economic benefits

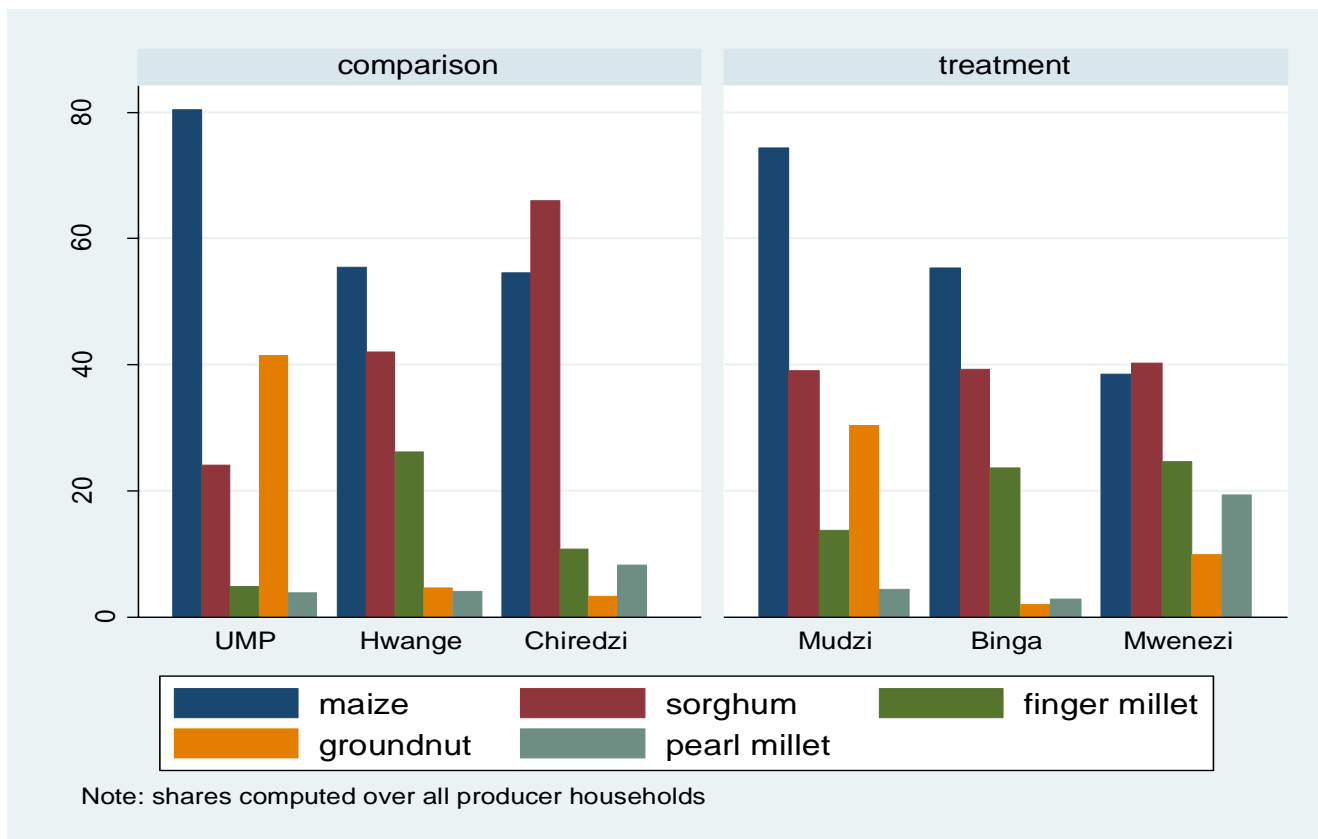


PtoP study value added

- Digging deeper into productive activities and labour supply
- Specific focus of the heterogeneity analysis on labour constraints
- Few indicators in common with AIR report, but more extended analysis when possible (e.g. food security)

Agriculture is fundamental part of livelihoods of HSCT beneficiaries

At baseline, 87% households are engaged in crop production



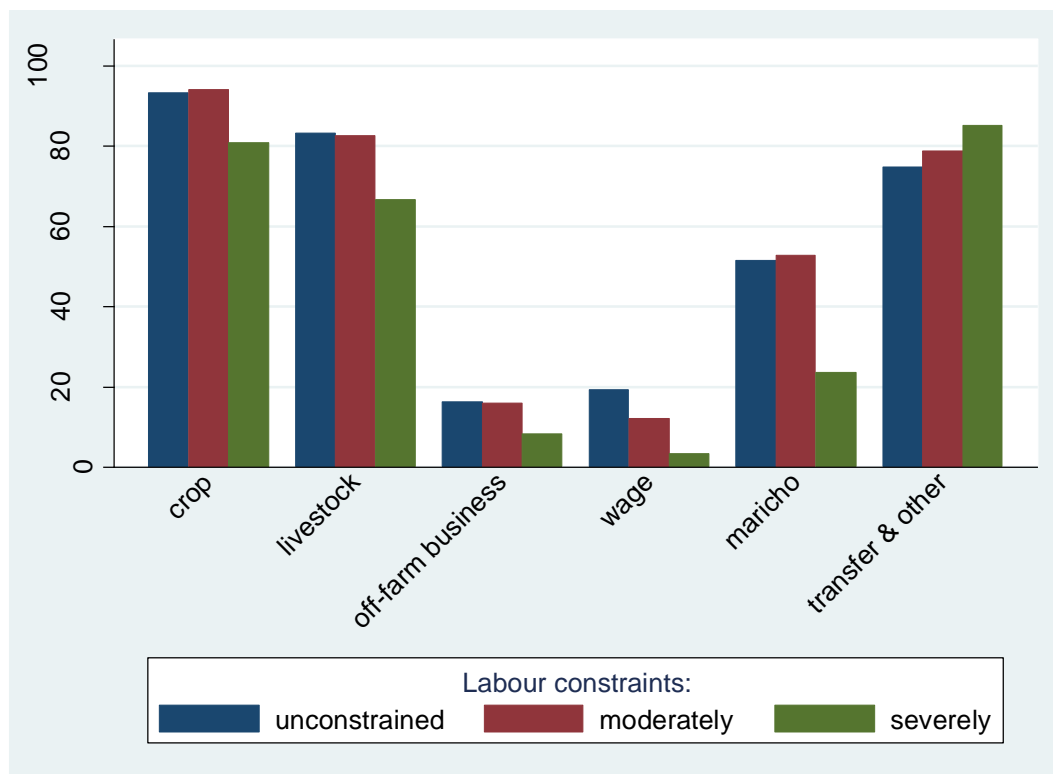
Different demographic profile depending on labour constraints

- Severely labour constrained households have smaller number of members, higher number of elderly, more likely to be headed by single than unconstrained households

hhld labor constraint	unconstrained	moderately	severely
household size	5.9	6.5	3.0
# members 0-5	0.9	1.1	0.3
# members 6-12	1.3	1.9	0.8
# members 13-17	0.8	1.2	0.6
# members 18-59	2.4	1.6	0.3
# members 60+	0.5	0.7	1.1
female head	65.8	67.5	70.5
single head	36.0	40.8	66.7
married head	64.0	59.0	33.3
widow head	22.8	26.0	54.5
# orphans	0.6	1.3	0.7
total per capita exp, \$	26.9	24.2	42.4
food per capita exp, \$	16.8	15.0	27.2

Households diversify sources of income

- At baseline $\frac{3}{4}$ of eligible households rely on more than 2 sources of income
- Severely lab constrained households less engaged in most activities (but more likely to receive transfers and other non-labour income)





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Results

Adoption and purchase of inputs mostly unchanged

- If any, a reduction in the already low use of pesticides, and an increase in the amount spent on chemical fertilizers

	All		Unconstr.		Mod. constr.		Sev. constr.					
	ITT		B	ITT		B	ITT		B	ITT		B
<u>Share of hh using crop inputs</u>												
chemical fertilizers	-0.003		0.111	-0.023		0.117	-0.022		0.122	0.004		0.1
pesticides	-0.029*		0.029	-0.042		0.049	-0.029		0.036	-0.026*		0.014
<u>Purchase of crop inputs, USD</u>												
chemical fertilizers	1.345		3.58	-1.049		4.723	0.821		3.781	2.534*		2.847
pesticides	-0.431		0.736	2.056		1.414	-1.766		0.897	-0.773*		0.269

Shift in crop production

- Households moved away from crops such as maize and finger millet to roundnuts and pearl millet

	All		
	ITT		B
<u>% hh in crop production</u>			
maize	-0.015		0.593
sorghum	-0.036		0.426
groundnut	0.05		0.154
finger millet	-0.042 *		0.182
pearl millet	0.093 **		0.092
roundnuts	0.04 ***		0.029

	All		
	ITT		B
<u>harvested crop, kg</u>			
maize	-56.5 *		81.8
sorghum	-66.5		50.3
groundnut	7.7		21.8
finger millet	-1		22.9
pearl millet	34.5 ***		12.5
roundnuts	3.5 **		2.1

Increase in the share of households owning livestock

- Impacts concentrated on chickens and small ruminants
- Severely labour constrained households invested in chickens and deinvested in cattle

	All		Unconstr.		Mod. constr.		Sev. constr.	
	ITT	B	ITT	B	ITT	B	ITT	B
<u>hh owns (%)</u>								
any livestock	0.047*	0.779	0.073**	0.844	0.022	0.845	0.055	0.696
cattle	-0.037	0.431	-0.074	0.511	0.048	0.495	-0.084**	0.34
goats	0.068*	0.462	0.102*	0.527	0.111**	0.525	0.007	0.38
chickens	0.06**	0.64	0.005	0.694	0.072*	0.698	0.083**	0.567

Increased engagement in non-farm business and profitability

- Impacts driven by severely labour constrained

	All		Unconstr.		Mod. constr.		Sev. constr.	
	ITT	B	ITT	B	ITT	B	ITT	B
hh operates NFE	0.048**	0.116	0.032	0.146	0.044	0.149	0.04	0.074
# businesses	0.059**	0.125	0.037	0.172	0.06	0.159	0.048*	0.075
months in operation	0.119	0.705	0.391	0.971	-0.251	0.829	0.209	0.475
hh reports profits	0.051***	0.1	0.036	0.133	0.051	0.131	0.042*	0.059
hh reports asset	0.01	0.03	-0.032	0.04	0.01	0.04	0.023*	0.017



Participation in wage and casual labour (maricho) not affected

	All			Unconstr.			Mod. const.r			Sev. constr.		
	ITT		B	ITT		B	ITT		B	ITT		B
<u>hh in wage labour (%), last year</u>												
overall	0.005		0.096	0.001		0.201	0.029		0.109	-0.019		0.033
agriculture	-0.002		0.02	-0.015		0.042	0.012		0.018	-0.005		0.011
non-agriculture	0.017		0.079	0.057		0.175	0.018		0.09	-0.012		0.022
<u>hh in maricho labour (%), last year</u>												
% hh participating	-0.009		0.439	0.025		0.585	0.018		0.573	-0.039		0.263
# days	-5.3		23.6	-4.9		34.5	-5.5		31.3	-4.1		12.1

Reduction in the number of days that adults worked on-farm.

- Link to switching crop cultivated? Maybe less labour-intensive?
- Reduction driven by unconstrained households

	All		Unconstr.		Mod. constr.		Sev. constr.	
	ITT	B	ITT	B	ITT	B	ITT	B
<u>hh farming, last rainy season (%)</u>								
overall	-0.022	0.876	-0.045 *	0.951	0.002	0.945	-0.026	0.784
female	-0.03	0.814	-0.058 *	0.909	-0.034	0.902	-0.008	0.699
male	-0.029	0.459	-0.11	0.732	0.051	0.524	-0.053	0.271
<u>hh farming, last rainy season (days)</u>								
overall	-20.4 **	109	-35.8 ***	156.9	-21.5	135.3	-13.5	64.6
female	-9.1 **	68.9	-12.9 *	90	-13	86.4	-5.6	44.8
male	-11.2 ***	39.1	-22.7 **	66.5	-8.4	47.3	-7.8 *	19

Increased food security and more diverse diet

- Data collected in harvest period, food insecurity at its lowest
- Overall, caloric intake did not increase, but...
- ... caloric intake switch from cereals to legumes, nuts and vegetables (not shown)
- Again, severely labour constrained seem benefitting the most

	All		Unconstr.		Mod. constr.		Sev. constr.	
	ITT	B	ITT	B	ITT	B	ITT	B
<u>Daily caloric intake per capita</u>								
total	84	2110	-234	1815	206	1605	134	2648
<u>from</u>								
purchases	217***	354	78	412	99*	304	383***	362
gifts	-101	619	76	292	-58	285	-228	1042
own production	-31	1138	-393**	1112	171	1017	-19	1245
HDDS	0.6***	6.1	0.6*	6.34	0.5*	6.31	0.7***	5.81
# consumed items	1.3**	10.6	0.7	11.1	1.5*	11	1.2**	9.97

No compelling evidence about strengthening of social networks

- Majority of impacts are positive, but not statistically significant
- Mixed evidence coming from qualitative fieldwork

	All			Unconstr.		Mod. constr.			Sev. constr.			
	ITT		B	ITT		B	ITT		B	ITT		B
<u>hh participation (%)</u>												
any network	0.009		0.842	0.031		0.884	-0.011		0.881	-0.008		0.791
church	0.02		0.645	0.062		0.708	-0.027		0.733	0.014		0.545
women livelihood group	0.002		0.023	0.028		0.02	-0.025		0.034	0.009		0.016
business cooperative	0.005		0.009	0.01		0.014	0.006		0.011	0		0.006
mukaro	0.043		0.593	0.105	**	0.612	0.063		0.599	-0.007		0.579
farmer group	0.025		0.046	0.054		0.066	0.034		0.056	0.008		0.03
burial society	0.005		0.054	-0.025		0.055	-0.007		0.054	0.04	*	0.054



Conclusions

- Shortened timeline, only 6 payments. Difficult for beneficiaries to perceive the transfer as steady income flow.
- HSCT impacts conditioned by the demographic and productive characteristics of the households that receive the transfer
- Target population with limited labour availability and low productive potential, however:
 - 1) Livestock accumulation, especially chicken
 - 2) Increased engagement in non-farm business
 - 3) Shift in cultivated crops from maize to pearl millet and roundnuts
 - 4) Reduction in adult on-farm work (less labour intensive?)
 - 5) Off-farm labour supply unchanged
 - 6) Better access to a more diverse diet.
- Many of the impacts on productive activities and food security indicators were observed in labour-constrained households
- 36-months impact evaluation to provide a more comprehensive picture of the impacts, also on the productive side



Thank you

Maita zvenyu

