Food and Agriculture Organization of the United Nations

Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa

Malawi Country Case Study Report

from PROTECTION to PRODUCTION

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Oxford Policy Management

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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.

For more information, please visit PtoP website: www.fao.org/economic/ptop

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The Malawi case study has been carried out by Oxford Policy Management (OPM), a development consultancy in the UK, in partnership with Jimat, a research consultancy based in Zimbabwe. Clare O'Brien OPM is the lead researcher. Jimat's team of national researchers in Malawi comprised Adams Banda, Milliam Chilemba, Denis Kazembe, Annie Mateauma, Sella Mazombwe, Senard Mwale and Jane Panja. The overall project manager for the six-country study is Simon Brook of OPM. Pamela Pozarny of the FAO provided technical oversight and contributed to the field research.

Abbreviations

CSSC	Community Social Support Committee
DFID	Department for International Development
FAO	Food and Agriculture Organization
FISP	Farm Input Subsidy Programme
GVH	Group village head
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
MK	Malawian kwacha
OPM	Oxford Policy Management
PtoP	From Protection to Production
TA	Traditional authority
UNICEF	United Nations Children's Fund
VSL	Village Savings and Loans

Executive summary

Background

This report presents the findings of qualitative research carried out in January–February 2014 on the impact of the Malawi Social Cash Transfer programme, *Mtukula Pakhomo*, on the household economy of beneficiaries, on the wider local economy and on social networks. The Social Cash Transfer programme began in 2006 and was quickly extended to seven districts. In early 2014 the programme was being extended to additional districts but the new payments had not yet started. Communities select the poorest 10% of households in their locality, particularly those that are labour-constrained, to become beneficiaries; these then receive between MK 1 000 (US$2.30) and MK 2 400 ($US5.50) per month depending on the household size, with a small bonus for each child enrolled in school. The money is disbursed in cash within the community.

Research method

The research was conducted in two districts – Salima, in central Malawi, and Phalombe in the southeast. In each district the team visited one community well connected to markets on a main road and one remote community, both of which received the cash transfer. They also visited two communities that did not receive the cash transfer, for comparison. The team held focus groups with beneficiaries and non-beneficiaries using participatory research methods to explore the research topics, conducted a few household case studies and conducted semi-structured interviews with key informants such as programme implementers, local leaders and social sector professionals.

Key research findings

Perceptions of community well-being: Respondents in all communities recognized three or four wealth groups among their local population, ranging from the ultra-poor to the wealthy. All felt that most of the local population fell into the lowest wealth group, the ultra-poor, and that most social cash transfer beneficiaries had started in this category though a few had now moved into the 'poor' category. The ultra-poor were characterized by being highly food insecure, living in poor housing and often being too weak to work. They had low resilience to shocks and were reluctant to take risks.

Household economy impact: The Social Cash Transfer has become an important income source for beneficiaries. For some, particularly the elderly, it is even the primary source. For most households the major sources of income continue to be farming and casual day labour (*ganyu*). Households engage in farming mostly to meet their own needs; a few also grow cash crops, such as tobacco or cotton, for sale. *Ganyu*, carried out mainly on the farms of better-off households, is seen as a necessary evil rather than a desirable activity. Both own-farm-production activities and *ganyu* have wide seasonal variations, and the peak times for each inevitably conflict with one another; the most intensive farming activities take place in December to February, leading up to the harvest in March and April.

For some households a major benefit of the Social Cash Transfer has been that it has enabled them to reduce their *ganyu* work; some, especially the elderly and chronically ill, felt in better health as a result of being able to reduce this hard labour. In all communities a few households – most commonly elderly beneficiaries who were too infirm to labour in the fields – were even using part of their Social Cash Transfer income to invest in hiring labour to improve the productivity on their own land. This represents a significant change in the typical livelihood activities of the ultra-poor who previously did not typically hire labour.

As for non-farm activities, the investment of household income in small businesses was quite widespread among the beneficiaries in well-connected areas, but not found in the more remote communities. With fewer livelihood options available in the remote communities, a few beneficiaries in those areas cited a reliance on support from neighbours and relatives.

A substantial number of households have invested in livestock, especially chickens or goats, to build up a stock of assets (for both savings and sales). Social cash transfers have made it easier for households to make these investments. For many this has been a success, although a few have lost their livestock to disease, perhaps owing to inexperience in looking after animals.

Expenditure: Beneficiaries spend much of their income on food, especially in the lean months before harvest. The Social Cash Transfer has had two main effects on expenditure on food: first, a very short-term increase in the variety of foods purchased in most communities, lasting a few days only (e.g. eggs, meat or beans in addition to the usual maize); and second, an increase in the quantity of the usual foods purchased. The ability of the transfer to contribute to households' food requirements is diluted in larger households and in remote areas where the cost of staples is higher. Delays in disbursement of the cash had a dramatic effect on households' ability to meet their food needs.

For households with children attending school education represented a major expenditure item; many reported having enrolled their children since starting to receive the transfer. A small number had used the money to renovate a house, while in one community beneficiaries considered it important to buy clothes to enhance their dignity and reduce the visible signs of poverty. Other items consuming a smaller proportion of expenditure included household goods and health care. Expenditure on health care was reported to be minimal because public health facilities are free.

Household decision-making: Households with more than one adult reported that they generally made decisions together about how their income should be spent. In the main, the Social Cash Transfer has not altered decision-making patterns within households, including traditional gender norms.

Risk-coping strategies: The two most commonly cited risk-coping strategies that households employ in times of need, but that are detrimental to the long-term promotion of their livelihood, are the withdrawal of children from school and the sale of livestock. We find that the Social Cash Transfer has reduced the withdrawal of children from school but has not entirely stopped absenteeism. The eight-month delay in disbursement of the transfer in 2013 resulted in some families ceasing to be able to pay for their children's education and needing to rely on their children for additional income. But while the regularity of the transfer payment is an important contributory factor in encouraging school attendance, it is perhaps less important than the availability of school meals. As for the sale of livestock, this seems to have increased among beneficiaries since the introduction of the cash transfer; but this is viewed in a positive light by respondents because it means that at least households now have livestock to sell.

Local economy impact: We have observed that the Social Cash Transfer has generated some short-term changes in trading practices around payday, and has offered occasional extra labour market opportunities in the form of *ganyu* on beneficiaries' land. However, overall, the multiplier effect of the transfer on local goods, services and labour markets is not strongly felt by the communities enrolled on the programme since beneficiaries make up a small proportion of the total population. Market prices have not increased.

The programme has had little impact on the creditworthiness of beneficiaries. Initially, vendors were willing to supply goods to beneficiaries on credit, trusting that they would be able to repay the debt when they received the transfer. The long delay in disbursement during 2013 appears to have eroded that trust. In any case, beneficiaries are often risk-averse and reluctant to take out loans. A few beneficiaries have contributed to, or taken loans from, the Village Savings and Loans schemes which are becoming increasingly popular in local communities. But their experiences of such schemes vary greatly owing to the vast diversity in the way that the schemes are run.

Social networks: Beneficiaries and non-beneficiaries alike are integrated into broad networks of relations and acquaintances of varying strength. The programme has affected the use of these support structures by beneficiaries in opposing ways. Beneficiaries are now better integrated into networks where inclusion is dependent on financial contributions – most of all by attending church, one of the most important ways that a household participates in community life. In contrast they are now sometimes excluded from other material support destined for vulnerable households. Despite efforts by communities to promote a fair distribution of resources, jealousy of cash transfer beneficiaries remains an issue for some. While the cash transfer has weakened some personal ties, it has created others: a closer relationship among beneficiaries is observed in some instances.

The programme has made little difference to the ability of beneficiaries to contribute to decision-making in their community because the qualities required for leadership positions tend to relate to a person's literacy and ability to be active rather than to material well-being.

Operational recommendations

The study explores the way that the Social Cash Transfer programme's operational procedures affected impacts, and makes three key recommendations in respect of these (bearing in mind that a revision of other aspects is already underway as part of the expansion of the programme):

1. Strengthen the role of the Community Social Support Committees and the material and technical support provided to them. These committees are the face of the programme in each village cluster and are vital to its success. They are largely voluntary and the small recompense its members are due is sometimes not distributed thus creating a disincentive to their effective functioning.
2. Introduce a case management system that allows continual (at least monthly) updating of beneficiaries' details, including recalculation of benefit amounts and systematic entry and exit of households as appropriate. This should also include the introduction of a graduation strategy. Without this the programme risks creating inefficiencies through errors of exclusion and inclusion.
3. Improve integration and harmonization of the Social Cash Transfer programme with other local and central government structures and programmes.

1. Introduction

1.1. 'From Protection to Production' (PtoP) and the Malawi case study

This study seeks to understand the impact of Malawi's Social Cash Transfer programme, *Mtukula Pakhomo*, in three interrelated areas:

1. Household economy, i.e. the activities surrounding decisions on how to distribute resources within a beneficiary household.
2. Local economy, i.e. the economic activities – the production and exchange of goods and services – beyond the beneficiary household, in the beneficiaries' community.
3. Social networks, specifically risk-sharing arrangements underpinned by social capital, and the contribution of beneficiaries to local decision-making processes.

It also explores operational issues, i.e. how the design and implementation of the cash transfer programme affects decisions and economic impacts at household and community levels.

The research is being carried out under the auspices of the From Protection to Production (PtoP) project. The PtoP is a four-year collaboration between UNICEF, the United Kingdom Department for International Development (DFID) and the Food and Agriculture Organization (FAO).[1] The project is carrying out a series of studies to understand the economic impact of social cash transfer programmes across seven countries of sub-Saharan Africa: Ghana, Kenya, Lesotho, Zimbabwe, Malawi, Ethiopia and Zambia. In each country UNICEF, DFID and FAO have commissioned an analysis of the cash transfer programme using three main instruments:

1. Qualitative research[2]
2. Econometric analysis of quantitative evaluation data
3. General equilibrium models

This study presents the findings from the qualitative research in Malawi. Findings from the qualitative research in Ghana, Kenya, Lesotho and Zimbabwe have been completed by Oxford Policy Management (OPM); the sixth country case study, on Ethiopia, will be published during 2014.[3] The econometric analysis and general equilibrium modelling are being conducted by other organizations and the results are published separately by FAO.

1.2. The research hypotheses

A consistent set of hypotheses has been tested across all six country case studies to understand the impact of cash transfer programmes in each of the three research areas listed above and to explore operational issues. There are five hypotheses: one each to cover household economy, local economy and operational issues, and two covering social networks. The hypotheses, and the attendant evaluation questions that are used as a guide to investigate them, are presented in Table 1 below.

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[1] The PtoP is part of a larger effort, the Transfer Project – jointly implemented by UNICEF, Save the Children and the University of North Carolina – that supports the implementation of cash transfer evaluations in sub-Saharan Africa.
[2] Qualitative work was carried out in all countries except Zambia.
[3] The final reports are available at www.fao.org/economic/ptop/publications/reports/en/.

The hypotheses were informed by recent empirical research that has looked at cash transfer impacts beyond poverty alleviation and access to human development services, and which suggests that under certain conditions cash transfers may be able to foster broader economic development.[4] The international literature suggests that, at household level, these broader effects may manifest themselves through changes in labour supply of different household members; investment of part of the funds into productive activities (such as the purchase of agricultural inputs or other assets) which further increase the beneficiary household's capacity to generate income and attain a more sustainable livelihood; and prevention of detrimental risk-coping strategies such as withdrawing children from school or selling off assets. In the wider economy, it is found that cash transfers can have an effect on local labour markets and the supply and cost of local goods and services which in turn can generate multiplier effects. With regard to social networks the literature indicates that cash transfers can have considerable impacts on the cohesion of the local community and that these impacts, including those that are positive, are often a chance side-effect of the programme rather than a feature that has been systematically taken into consideration during design (MacAuslan and Riemenschneider, 2011).

These effects are mediated by the operational arrangements of the cash transfer. The way that beneficiaries are identified, enrolled and paid, and how the programme is monitored, can have a positive or negative influence on the extent of the programme's impact on the household economy, local economy and social networks.

This research explores these issues in the case of the Malawi Social Cash Transfer programme by means of qualitative fieldwork and analysis. The programme is summarized briefly in section 2. The research method is presented in section 3 and the two study districts are profiled in section 4, while the specific communities are profiled in sections 5-6. The findings are presented in sections 7-10. The study concludes, offering a number of recommendations, in section 12.

[4] See for example: Arnold, *et al.* (2011); Asfaw, *et al*. (forthcoming); Creti (2010); Daidone, S. *et al.* (2013); FAO (2011); Kagin (2014); Taylor (2013).

Table 1 **Research framework: hypotheses and research questions**

Household economy, hypothesis, 1: The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision-making on how to use the additional cash.
• How and why do beneficiaries make decisions regarding the allocation of additional funds (consume/invest/save)? • How does the additional cash affect beneficiaries' choices of livelihood activities and production strategies? For example, what favours beneficiaries' choices to invest? And their choices to engage or not in labour markets? • What is the effect on detrimental risk-coping strategies, e.g. distress sales of productive assets, dropping out of school and child labour? Or on other strategies such as migration? • How do beneficiaries' attitudes to risk change as a consequence of a cash transfer? • Do different types of beneficiaries make decisions on how to spend the additional cash in different ways (e.g. male vs female; old vs young)? Why and how? • What are the main constraints (whether linked to networks, physical access, etc.) faced by households in engaging in income generating activities and how do these influence behaviours and choices?

Local economy hypothesis, 1: The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.
• What is the perception of community members (including non-beneficiaries), local traders and businesses in terms of: increased opportunities for trade (higher purchases from beneficiary households and opportunities for business creation and/or expansion); increased labour market opportunities; increased demand for a variety of goods and services offered; increased credit worthiness of customers; changing habits; increased competition; and inflation? • How do these changes affect traders in terms of their strategies and profits? • What local circumstances favour or deter ripple effects in the community? What effects are triggered by which circumstances and how can positive effects be enhanced?

Social networks and economic impacts, hypothesis 1: Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity)
• What were social networks like before the cash transfer implementation and how did they relate to livelihoods? • How are existing social and support networks affected by the introduction of a targeted cash transfer (including effects on sharing arrangements and disposition of existing networks)? • What is the importance placed upon changing social networks by community members (i.e. is the fact that networks are being affected by the cash transfer considered 'important' by people in the community)? How is this traded off against other programme impacts (i.e. do the overall benefits from the injection of cash make up for any negative social effects that may arise)? • Which networks are most affected and why? Which are the strongest networks and why? Are these mostly kin-based? • Does the introduction of cash trigger the creation of new networks? If so, how? Which ones? Is there an increase in networks that extend beyond the reference community? What effect does this have?

- What role does jealousy towards programme beneficiaries play? Was there any conflict within the community as a consequence of the programme?

Social networks and economic impacts, hypothesis 2: Changes in social networks linked to cash transfers positively affect the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make 'social contributions') and increasing their 'entitlement set' and livelihood choices
• How do a beneficiary's social and economic identity (e.g. age and gender) or status affect their inclusion in community networks and decision-making processes? What about their changing networks after the introduction of a transfer? • What social, economic and political factors influence social dynamics across households when cash transfers are introduced? • Are communities with high prevalence of HIV/AIDS and orphans affected differently by the introduction of cash? • What are the community changes in terms of power dynamics? What are the effects on local elites? And on gender relations and bargaining power, within and across households? How does this affect the community as a whole?

Operational issues hypothesis, 1: Cash transfers can be improved through a better understanding of likely household and local economic impacts
• What is the dynamic between social networks and the programme's processes (social mobilisation, targeting, registration, payment, communications and grievance mechanisms)? How does this affect the impact and sustainability of different cash and in-kind transfer systems? • How do cash transfers differ from vouchers or food aid in terms of household and local economy effects? • How do programme design and objectives (e.g. orphans and vulnerable children, labour-constrained households) affect household level decisions regarding the allocation of additional funds? • How do the amount, frequency, predictability and mode of distribution of payments affect decisions regarding the allocation of additional funds? • How can cash transfer systems be designed to complement and improve/make more inclusive local economic impacts?

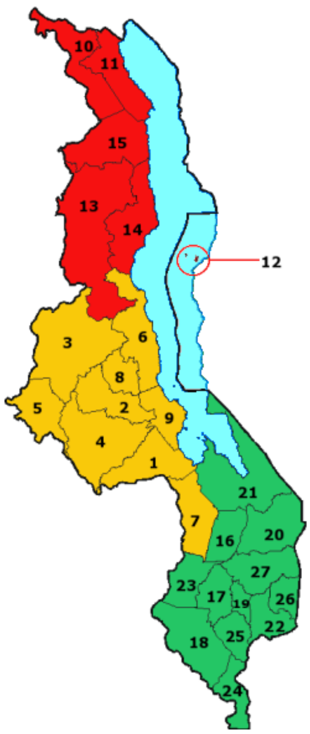
2. The Malawi Social Cash Transfer programme

2.1. Background to the programme

The Social Cash Transfer programme was launched as a UNICEF-funded pilot exercise in Mchinji District in the central region of Malawi in 2006. Its aim was to provide regular small amounts of cash to very poor households that were also deemed 'labour-constrained' – unable to generate sufficient income through labour – owing to reasons such as old age, disability, chronic illness or having a very high ratio of child and elderly dependants to working-age adults. The objectives of the pilot programme were cited as the reduction of poverty, hunger and starvation among ultra-poor, labour-constrained households; an increase in school enrolment and attendance of children living in target households; and the generation of information on the feasibility of running a cash transfer scheme on a larger scale in Malawi (Schubert, 2006).

The scheme rapidly received endorsement by the Malawi Cabinet. In 2007, following the allocation of US$9 million of funding from the Global Fund for AIDS, Tuberculosis and Malaria, a Social Cash Transfer Secretariat was set up in the then Ministry of Gender, Children and Community Development with the remit of expanding the programme to six further districts out of the 28 in the country: Chitipa and Likoma in the northern region; Salima in the central region and Machinga, Mangochi and Phalombe in the south (Figure 1).[5]

Figure 1 Districts of Malawi



SCT districts, 2007–13

Northern region
10 = Chitipa
12 = Likoma (in Lake Malawi)
Central region
5 = Mchinji
9 = Salima
Southern region
20 = Machinga
21 = Mangochi
26 = Phalombe

Source: Wikipedia.

Under the scaled-up scheme the programme's objectives remained largely the same but with an additional emphasis on the need to improve children's health and welfare (Ministry of Gender, Children and Social Development, 2014):

[5] UNICEF continued to fund technical assistance to the programme, including for some capacity-building activities and the impact evaluation of the pilot, alongside the United States Agency for International Development (USAID) (Miller *et al.*, 2008).

1. To contribute to national efforts to reduce poverty and hunger among ultra-poor and labour-constrained households.
2. To increase school enrolment and attendance of children living in target group households.
3. To improve health, nutrition, protection and well-being of vulnerable children in target group households.

The Social Cash Transfer programme remained operational in the same seven districts until 2013, when a new round of funding by international development partners permitted further expansion.[6] At the time of writing in 2014 the government is in the process of doubling the number of districts participating in the programme. It is identifying beneficiary households and preparing to make its first payments to the new districts. It has also been retargeting beneficiary households in its original seven districts.

2.2. The programme's institutional set-up

The programme is coordinated by the National Social Cash Transfer Programme Secretariat, a full-time unit based at the Ministry of Gender, Children and Social Development. It is implemented through the District Social Welfare Offices and in turn at community level by the Community Social Support Committee (CSSC). The structures that contribute to the programme at central, district and community levels are illustrated in Figure 2 below; their functions are summarized in Table 2.[7]

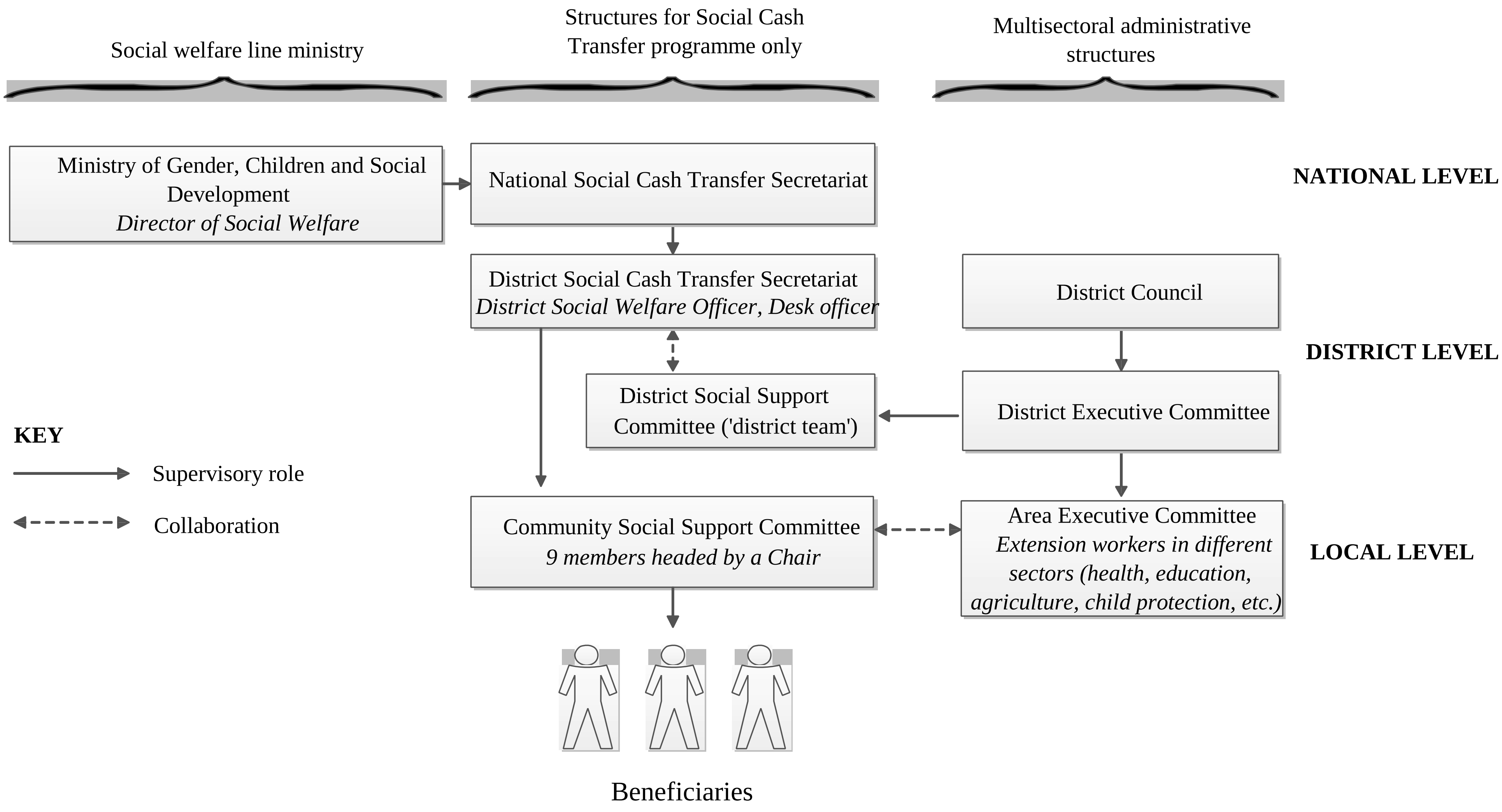
The unit at which the programme is implemented at the community level is the 'village cluster'. A cluster is a group of villages comprising between 800 and 1 500 households. The cluster is not an official division of local government administration in Malawi: it has been devised only for the purposes of implementing the Social Cash Transfer programme. The more commonly recognized local-level division in Malawi is the 'group village', led by a 'group village head' (GVH) who has authority over several – perhaps even several dozen – small villages, each of which in turn is led by a village head. GVHs are linked up to form a cluster of the requisite size for the transfer programme. Typically three GVHs may comprise a village cluster. Occasionally, when a single GVH is exceptionally large (having more than 1 500 households) it is instead subdivided, with each portion forming a separate cluster.

Village clusters are divided into three geographical zones. If the cluster is made up of three GVHs then each GVH forms a zone. Each of the three zones selects three representatives who together make up the nine-member CSSC with responsibility for managing the implementation of the programme in the area. The requirement for each cluster to contain between 800 and 1 500 households means that the territory covered by a single cluster can often be very large; its constituent zones may be several kilometres apart, and each zone may itself be several square kilometres in area.

[6] The principal donor is now the German development bank, KfW. Other partners funding technical assistance and/or pilots of new technologies (mobile phone-based and card-based payments) include the European Union, UNICEF, Irish Aid and Save the Children. The Government of Malawi contributes some of its own resources to running the programme's secretariat.

[7] The Government of Malawi has a proposal, currently at the stage of a concept note, by which some of these structures may in future be streamlined with those of related social protection programmes. Under the proposed pilot, the 'Strengthening Social Support Programme Systems Pilot', the disparate social protection structures would be harmonized in four districts and some key operational processes such as targeting beneficiaries and maintaining a database would be unified.

Figure 2 Institutional arrangements of the Social Cash Transfer programme



Source: OPM.

Table 2 **The structures that contribute to the Social Cash Transfer programme, and their functions**

Structure	Function
Ministry of Gender, Children and Social Development	Director of Social Welfare is responsible for the National Social Cash Transfer Secretariat.
National Social Cash Transfer Secretariat	Overall responsibility for management of the programme nationwide. Includes oversight of strategy, budgeting, work planning, training, communications, data entry, ID cards, payment and reporting.
District Social Cash Transfer Secretariat	In charge of implementing the programme in the districts. Led by a desk officer, with managerial oversight by the District Social Welfare Officer. Responsible for community sensitisation, training, ranking households after targeting, processing of funds, maintaining updated records, monitoring and reporting and supervision of CSSCs. Liaison with national-level secretariat.
District Social Support Committee	Sub-committee of District Executive Committee. Multisectoral team, headed by Director of Planning and Development, which gives final approval to the list of beneficiary households.
Community Social Support Committee (CSSC)	Responsible for implementation of the programme at community level: • identification of potential beneficiary households; • assessment of household situation and completion of targeting form for potential beneficiaries; • assisting in community meetings; • dissemination of information to beneficiaries, including about the date of payment; • first point of contact for beneficiaries' complaints and queries; • case management (collection of information on changes in household status); • monitoring and home visits to beneficiaries; • reporting to district.
District Council	Authorization of budgets. Provision of demographic and territorial information for targeting (lists of traditional authorities, village clusters, villages and households per village).
District Executive Committee	Oversight of District Social Support Committee. Oversight of sequencing of programme rollout among traditional authorities and village clusters.
Area Executive Committee	Extension workers on the Area Executive Committee from different sectors (education, health, agriculture, child protection, etc.) may support targeting of beneficiaries. There is an expectation that they may also provide ongoing advice to beneficiary households and support the programme, though implementation of this activity is variable.

Source: Republic of Malawi (2012b); and OPM.

2.3. Operational arrangements

The transfer

Households that are enrolled on the Social Cash Transfer programme receive a basic allowance of between MK 1 000 (US$2.30) and MK 2 400 (US$5.50) per month, depending on the size of the household. The upper limit of MK 2 400 is given to households of four members or more (Table 3). This basic allowance is topped up by an additional 'child education bonus' of MK 300 (US$0.70) per month for each child enrolled in primary school, and by MK 600 (US$1.40) per month for each child in secondary school. There is no cap on the number of children per household on whose behalf the household can receive the education bonus. These amounts were introduced in 2013, representing an increase on the previous values of between MK 600 and MK 1 800 per household.

Table 3 Transfer values (since 2013)

Criteria	Amount per month (MK)
No. of people per household	
One	MK 1 000
Two	MK 1 500
Three	MK 1 950
Four or more	Chapter 1 MK 2 400
Child education bonus	
Each child in primary school	MK 300
Each child in secondary school	MK 600

Source: Ministry of Gender, Children and Social Development.

The transfer amount is planned to be distributed in bi-monthly payments. Up to the end of 2013 payments have been made manually: in each district the desk officer and a member of the district-level accounting staff, together with two security personnel, travel to each village cluster in turn, distributing physical cash to beneficiaries at a designated pay point on a date announced at a day's notice.[8] In 2014 two districts, Mchinji and Machinga, will experiment with using alternative electronic payment methods, via bank cards or mobile phones.

Targeting and enrolment of beneficiaries

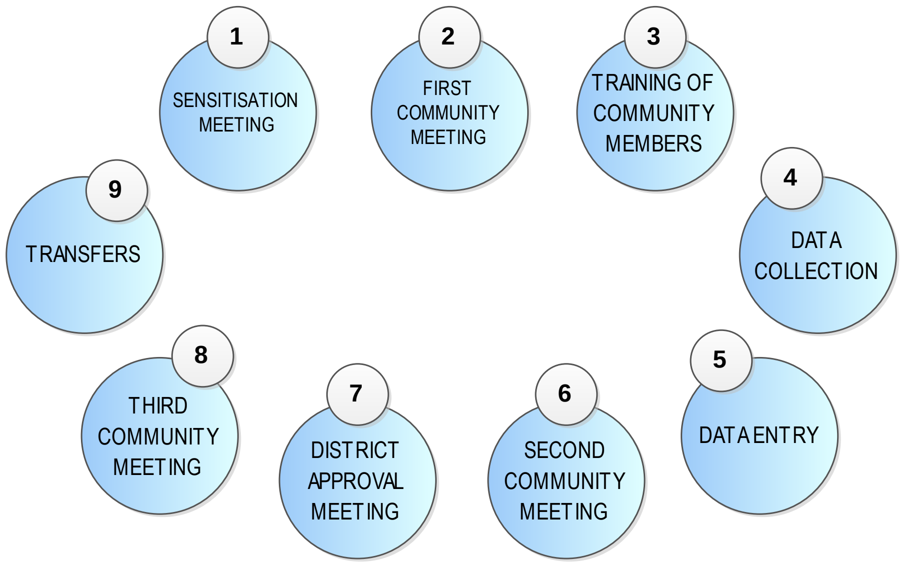
The rollout of the programme into each new cluster takes place through a nine-step process (Figure 3). Step 5, the data entry, is new for the targeting process as of 2013 and was not in place at the time that the communities in this study were enrolled.

1. **Sensitisation meeting.** Community leaders are advised of the entry of the programme into their locality and asked to convene a meeting for the whole community.
2. **First community meeting.** The community is informed about the programme and elects its members of the CSSC.
3. **Training of community members.** The newly elected CSSC is advised of its task, especially in relation to the targeting of beneficiaries.
4. **Data collection.** The CSSC identifies the households it considers likely to be the most in need of support. Teams organized at the district level visit these households to fill in a 'targeting form' which records details of each household's demographic situation, assets, etc. Completion of a

[8] It is reported that the purpose of the short notice period for the payment date is to lessen the security risk for those carrying the cash.

form for a household does not guarantee that it will be accepted onto the programme but means that it will be considered. Each participating community may enrol 10 percent of the households in its locality, these being the 10 percent that are the poorest and also labour-constrained.

Figure 1 Targeting and enrolment of beneficiaries



Source: National Social Cash Transfer Secretariat.

1. **Data entry.** The information from the forms is entered onto a computer which ranks the households and determines which of these will participate in the programme. Before the introduction of this step in 2013, the information that had been collected under Step 4 was collated manually and a subjective decision was made by a panel of reviewers at district level as to which households were most deserving of entry onto the programme.
2. **Second community meeting.** The community is presented with the provisional list of names of beneficiary households and is invited to comment on their suitability. Households may be added or removed from the list at this point to reduce errors of inclusion or exclusion.
3. **District approval meeting**. The list of names agreed by the community is submitted to the District Social Security Committee for final approval.
4. **Third community meeting.** The community is advised of the final agreed list authorized by the district.
5. **Payments begin.**

Implementation activities

Additional procedures govern activities such as addressing grievances, some case management and monitoring and reporting. Regarding grievances, any beneficiary or non-beneficiary with a complaint or query should in the first instance address their local CSSC representative. If the CSSC member is unable to deal with the query, or if the query concerns the CSSC itself, the complainant may turn to either a local extension worker or directly to the District Social Cash Transfer Secretariat, notably the desk officer.

Case management – i.e. dealing on an ongoing basis with changes to beneficiaries' status on the programme – has, to date, been limited. The National Social Cash Transfer Secretariat confirms that, until now, there has been a route by which households exit the programme. Exit takes place only when households cease to exist (e.g. as a result of the death of a single-person household) or when the criteria by which they joined the programme no longer apply (e.g. children leave the household). This reduces the total number of households in the programme since they are not replaced. However there are no cases of households 'graduating' from the Social Cash Transfer programme, i.e. by being considered to have improved their material situation sufficiently so as to no longer fit into the category of the ultra-poor. Nor have there been procedures for households to amend their details – including transfer amounts – in line with changes in family circumstance (e.g. child no longer in school) or to join the programme as replacements for those who have exited.

Revision of programme activities

In 2013 the primary funder of the Social Cash Transfer programme switched from the Global Fund for AIDS, Tuberculosis and Malaria to the German government via its development funding arm, Kreditanstalt für Wiederaufbau (German Development Bank) KfW. At this time there was a revision of many of the procedures of the programme. A major priority has been the 'retargeting' of all districts in the programme, by updating the records of existing beneficiaries to allow for the possibility of enrolling new beneficiaries in existing locations or in new locations within the programme districts. Other activities in progress include the computerization of the household ranking process; and the development of a Management Information System to improve the timeliness and accuracy of record keeping. These activities have not yet been implemented in the districts under review in this study. This report therefore provides findings applicable to the programme as it has been running and does not speculate on the potential impact of these future changes.

3. Research method

3.1. Selection of study communities

A consistent methodology is being used across the six case study countries under the PtoP qualitative research to select the communities where fieldwork is to take place. This consists of a three-stage sampling of geographical areas:

- *Stage 1:* Select two of the highest-level administrative units in the country (in Malawi's case this is the district) from among all those that participate in the cash transfer programme. The purposive selection is designed to capture two livelihood and vulnerability contexts in the country that are distinct from one another but that are both quite typical of the country as a whole. It is also desirable that in at least one district there is a quantitative evaluation taking place, to maximize opportunity for cross-fertilization of study results.
- *Stage 2:* Select a single subdistrict from each of the identified districts. In Malawi the administrative unit used is the 'traditional authority'. The subdistrict is selected from among those that participate in the programme, since it is not always the case that every subdistrict in a district is enrolled on the cash transfer programme. Again, the selection is intended to reflect the typical characteristics of the district as a whole in terms of its livelihood and vulnerability contexts.
- *Stage 3:* Select two communities within each of the two subdistricts. In Malawi this third level of geographical sampling has been done using the 'village cluster'. That is the unit at which the implementation of the cash transfer is managed and it generates a big enough sample of beneficiaries to enable the fieldwork to be conducted. The two communities are selected by dividing all the village clusters into two lists according to their ease of access to markets, as determined by their proximity to a main road. One well-connected community and one more remote community are identified, the selection being the community with the median number of beneficiaries on each list.

Selecting districts

The two districts for the study were chosen from among the seven that have had several years' experience of programme operations. The districts now being enrolled were disregarded because they have not yet started payments.

The two northern districts were considered to be unsuitable for the purposes of the present research, as assessed by their applicability to the standard sampling method used in all six case studies, because they are very anomalous compared with the rest of the country. Likoma is an exclave of two small islands with a couple of hundred beneficiaries in the Mozambique waters of Lake Malawi. Chitipa, the northernmost region of the country, is a sparsely populated, hilly area covered by extensive forests, located in livelihood zones that are typical of only 1 percent of the country's population (the 'Chitipa millet and maize' zone and the 'Misuku hills' zone).[9] Key informants indicated that the area was less prone to food insecurity than districts farther south, and that economic activity was affected by cross-border trade with Tanzania.

Among the two central districts, Salima was chosen for the study (see Figure 1 in section 2.1 above).[10] Part of its population lives in a narrow strip along the lake shore; in these communities fishing is a quite common economic activity alongside farming. Most of the district is classified as an agricultural 'Rift Valley Escarpment' livelihood zone which is also found in other parts of the country. In addition Salima is one of the two districts participating in UNICEF's quantitative evaluation of the Social Cash Transfer programme. Mchinji district, although characterized by its extensive agricultural activity – including the production of tobacco as a cash crop – which typifies much of the central region, was not selected because it is in the process of moving from the manual distribution of cash transfer payments to a system of electronic payments by mobile phone and bank card. Furthermore an analysis of local economy and social network impacts has already been conducted in the area.

Phalombe was chosen from among the southern districts (see Figure 1 above). The southern region differs from the central region as much of it consists of mountainous highlands. Phalombe is typical in that respect. The livelihood zone in which Phalombe is situated, the 'Lake Chilwa and Phalombe Plain' zone, is dominated by subsistence farming, often on very small plots of land. The soil is often poor, leading to relatively low crop production; cash crops are produced by only a minority of farmers and livestock rearing is not a significant economic activity. The same livelihood zone is to be found in much of Machinga; Machinga was excluded for the same reasons as Mchinji, in that the cash transfer programme is in the process of changing its mode of operations there. Mangochi was not selected because, like Salima, it is on the lake shore and shares some the latter district's livelihood characteristics.

Selecting traditional authorities (TAs)

In Salima three of the ten traditional authorities have been enrolled in the Social Cash Transfer programme for several years: Kambwiri, Khombedza and Mwanza. Two others are in the process of joining the programme and are due to start paying beneficiaries in early 2014.

From among the three traditional authorities that have a history of participation in the programme, Khombedza TA was selected for the study. Key informants in Salima district considered that all three traditional authorities had relatively similar rates of poverty. They were also considered to be among the poorer areas of the district because some other traditional authorities benefit economically from tourism alongside the lake. The key informants thought that Khombedza was

[9] Malawi National Vulnerability Assessment Committee (2005), 'Malawi baseline livelihood profiles version 1'.
[10] Section 4 provides more detail on the profiles of the selected districts.

most typical of Salima district in terms of its agricultural activity, having quite a large amount of relatively flat land for farming. Mwanza is remote, hilly and forested, while Kambwiri is next to the district centre, Salima.

Phalombe has six traditional authorities, all of which have been enrolled in the Social Cash Transfer programme for several years: Chiwalo, Jenala, Kaduya, Mkhumba, Nazombe and Nkhulambe. Phalombe chose to enrol all its traditional authorities in the programme but to provide only partial coverage of each, in contrast to Salima which enrolled only three of its traditional authorities in the cash transfer programme but covered all the villages within those few areas. The decision was made on the grounds of what was most politically appropriate in each location.

Kaduya was selected for the research as it is in the middle ground between Phalombe's two geographical extremes of the lowland lake area and the high mountainous plains. It is hilly and has some very remote areas but it also has a trading centre and a tarmac road. Nazombe and Nkhulambe were rejected for the research because they are on the far side of the mountains, adjacent to Mozambique: they are rather exceptional geographically and economically in terms of the rest of Malawi. Chiwalo, too, is a remote area: it has no tarmac road. It is near to the mountainous area but is itself quite flat. Jenala was not selected because, being close to Lake Chilwa, it was felt that its characteristics might be fairly similar to those of Salima. Finally, Mkhumba was not used because it is the area that contains the district centre with a large amount of economic activity and several main roads.

Selecting village clusters

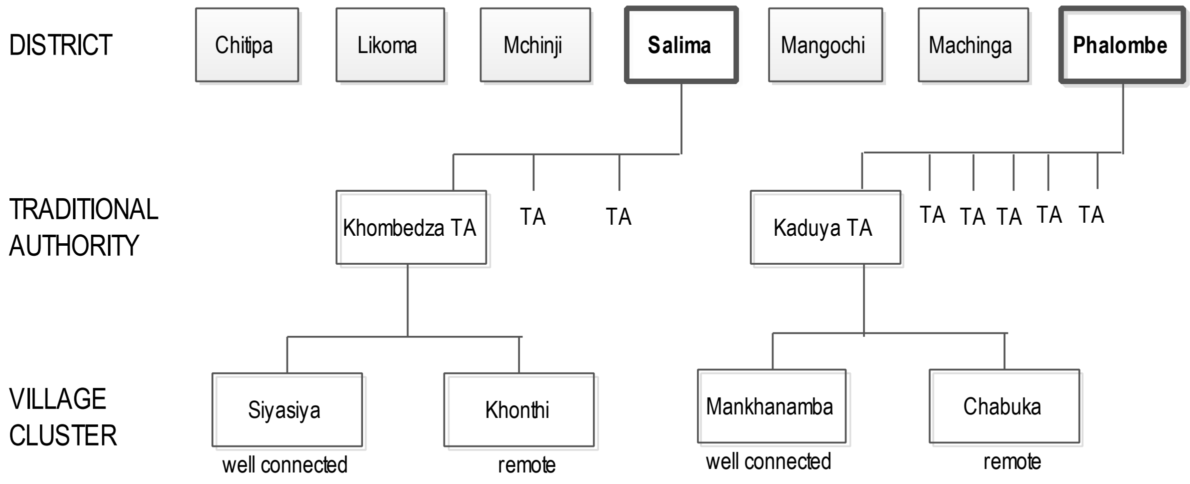
Having selected the traditional authority in each district it was relatively straightforward to identify the case study communities using the sampling protocol.

In Khombedza, Salima district, the 14 village clusters comprise seven that are well connected to markets, being located along the tarmac road, and seven that are not on the main road. The village cluster with the median number of cash transfer beneficiaries in each of these two groups was selected. The communities therefore identified were Siyasiya village cluster (well connected, 25 km north of Salima district headquarters) and Khonthi village cluster (far from the road, 15 km west of Siyasiya).

Kaduya traditional authority, in Phalombe district, has nine village clusters in the Social Cash Transfer programme. Five have a tarmac road running through them and four are away from the road. Again, the team selected the village cluster with the median number of cash transfer beneficiaries in the two groups. The communities identified were Mankhanamba village cluster (well connected) and Chabuka village cluster (about 10 km from the road).

The final selection of communities is summarized in Figure 4.

Figure 1 Social cash transfer beneficiary communities selected for study



Source: OPM.

Control communities

One community in each district was selected as a 'control' or 'comparison' community. This was a location where the Social Cash Transfer programme was not operating. The objective was to understand the characteristics of communities not affected by the programme in terms of the three main areas of enquiry of this research. This enabled the team to compare households' activities, the livelihood strategies employed in the local community and the extent of social networks in non-programme communities with the two study communities where the programme was operating.

'Village clusters' are an administrative feature that exists solely in places where the Social Cash Transfer is operating. It is not used for other purposes. It is therefore not possible to sample a village cluster in a comparison community. Village clusters are generally constituted by linking up three smaller zones, each under the authority of a group village head; in cases where a group village head is particularly large (greater than 1 500 households) the village cluster is created by designating a portion of it the treated cluster. The research team therefore selected a non-treated group village head to serve as the comparison.

The different strategies adopted by Salima and Phalombe districts for rolling out the Social Cash Transfer programme resulted in the control communities being selected in a different manner in each district (see section 3.1 above). In Salima district, where each traditional authority in the programme was fully covered, the group village head had to be drawn from an adjacent traditional authority to Khombedza TA; in Phalombe, which had chosen partial coverage of all traditional authorities, the community was identified from within the same traditional authority, Kaduya TA, but was a location not covered by the progamme.

The group village heads for the comparison analysis were selected in consultation with the District Social Welfare Offices. In Salima the chosen location was Kambwiri Sele in Karonga TA. Kambwiri Sele shares some features with Siyasiya village cluster as it is also near the tarmac road and has a trading centre nearby. However it also has a strong reliance on agriculture. In Phalombe district the area selected was Mulelemba, which is the part of Mankhanamba group village head in Kaduya TA that falls outside the area covered by the cash transfer programme (Mankhanamba has a population of over 1 500 households and has therefore been subdivided for the purposes of the implementation of the programme). Mulelemba was chosen because it is immediately adjacent to the 'treated' part of Mankhanamba and is therefore similar in every way apart from its participation in the programme.

3.2. Fieldwork implementation

Fieldwork schedule

The fieldwork in each of the two districts followed the pattern indicated in Figure 5 below, which was almost identical to the roadmap for the other five country case studies. In addition to this, a few in-depth household case studies were conducted at the households of beneficiaries in Phalombe which provided rich narratives of the conditions and perceived changes and experiences brought on by the cash transfer programme.

Tools

Each focus group comprised a semi-structured discussion with the participants around the core themes of the research, alongside the use of one of five participatory tools. Two tools, the social mapping and the community well-being analysis, were employed on the first day of the research in each community with local opinion leaders to ascertain the characteristics of the community and the perceived status of the beneficiaries within the local population. The other three tools – the household income and expenditure analysis, livelihoods matrix analysis and the institutional mapping – were conducted on subsequent days with beneficiaries and non-beneficiaries (Table 4).

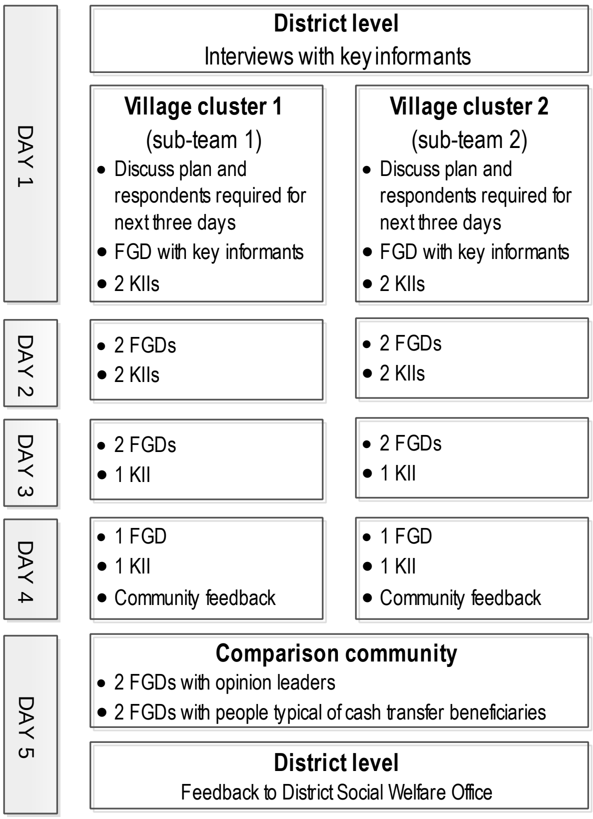
In addition to the focus groups, the team carried out semi-structured key informant interviews. Participatory tools did not form a part of these interviews.

The key informants included:

- administrative leaders (village heads / group village heads)
- religious leaders
- members of the structures that contribute to the cash transfer programme (see Table 2 in section 2.2 above)
- members of local associations including the Village Savings and Loans (VSL) scheme
- social sector professionals including teachers, health extension workers and child protection workers
- business people, e.g. shop owners, mill owners.

Female non-beneficiaries carry out the institutional mapping exercise.

Figure 1 Illustrative fieldwork schedule in each district



Source: OPM. Note: The precise order of focus groups and key informant interviews varied slightly between communities.

Table 1 Participatory tools used

Tool	Respondent	Focus
Social mapping	Opinion leaders	Physical characteristics of the community and its infrastructure (location of settlements and facilities, crops, access to markets and roads, etc.); highlights of social and cultural composition and dynamics in communities (social grouping differences and impacts from the programme).
Community well-being analysis	Opinion leaders	Socio-economic status of the community (characterization of groups by wealth and what distinguishes them across a range of dimensions as perceived by informants).
Household income and expenditure analysis	Beneficiaries	How beneficiaries earn their income and what they spend it on – identifying patterns, trends and changes over time.
Livelihoods matrix analysis	Non-beneficiaries	How people earn a living in their community, and the relative merits of different options – analysing impacts of the programme on livelihood options and results, and the effects on local economy.
Institutional mapping	Beneficiaries and non-beneficiaries	Who beneficiaries interact with and the relative importance of the different people involved. This tool elicits perceptions of relationships and the strengths of social connections among people in the community.

Source: OPM.

Selection of respondents

Respondents were identified as follows:

- The government's desk officers for the Social Cash Transfer programme in Salima and Phalombe kindly provided lists of beneficiaries in the study communities and introductions to the relevant Community Social Support Committee (CSSC). In the comparison communities they provided introductions to the relevant community development assistant at local level.
- The beneficiary lists were separated into lists of males and females. For each focus group with beneficiaries, wherever possible, the team made a random selection by picking every nth name on the list from within a single-sex group. In all communities except Khonthi the random selection was made from among beneficiaries living in the same geographical zone (one of the three forming the cluster); the team moved to a different zone each day to cover the whole area. In Khonthi, which was less dispersed, beneficiaries from all zones were combined. The CSSC informed the beneficiaries of the invitation to participate.
- For non-beneficiaries the team sought the assistance of the CSSC (or the community development assistant in the control communities) to identify either members of similar occupational groups or households living in fairly similar conditions to cash transfer beneficiaries.
- Key informants were selected in consultation with the CSSC/community development assistant or else by snowball sampling through other local opinion leaders.

This technique was largely successful as a means of containing the numbers present in focus group discussions. Sometimes additional beneficiaries or non-beneficiaries joined the group under the impression that an information session or registration exercise was taking place; for these people the team explained the purpose of the study to reassure them that they would not miss out by not participating.

4. District profiles

Salima and Phalombe represent two contrasting areas, each typical of a significant part of the country in terms of terrain, agricultural practices and the ways that people earn a living (Table 5).

4.1 Salima

Salima occupies a central location in Malawi, about 100 km by tarmac road from the capital, Lilongwe. It has a long shoreline bordering Lake Malawi along its eastern side, and shares borders with five districts to its north, west and south (see Figure 1, p.5 above).

Livelihoods: how people earn a living

The households that live in the strip of land closest to the lakeshore rely heavily on fishing to earn a living: poorer households may provide casual labour to support the businesses of better-off households who in turn earn an income from the sale of fish. A great deal of maize is also grown in the lakeshore area, alongside some other crops such as rice, sweet potatoes, groundnuts and sorghum (Malawi National Vulnerability Assessment Committee, 2005). Tourism is becoming an increasingly important source of income for the lakeshore communities.

Further inland the terrain is classified as 'Rift Valley escarpment': here, the main livelihood activity is subsistence agriculture. Much of the land is relatively flat; in some parts, towards Mwanza TA, it becomes more hilly and forested. The crops grown in the inland area are similar to those along the lakeshore: maize predominates, while other crops include groundnuts, cassava and sorghum. Households also cultivate crops for sale rather than for their own consumption: cotton, sunflowers and tobacco are all produced locally either on larger private farms or on households' individual plots; in the latter case the produce is sometimes sold to an agricultural cooperative for processing and sale. These agricultural activities are carried out by people of all ages including the elderly and children. Women in Salima district are much less likely than men to be in formal or informal employment; but if they do have a job, it is more likely to be in agriculture: some 59 percent of working women have an agricultural job (National Statistical Office and ICF Macro, 2011).[11] Men in Salima have a greater variety of occupations, with considerably fewer working in agriculture (39 percent of working men) than any district in Malawi other than Blantyre or Balaka.

Non-farm activities are much more widespread in Salima than in any other rural district of Malawi except for rural Blantyre. In the most recent household survey some 32 percent of households reported conducting some non-farm enterprise, against a national average of 21 percent (Republic of Malawi, 2012a). More than four out of every five of these households stated that the business was in manufacturing, trade or retail. Few worked in other enterprises such as construction or transport; nonetheless, a common way of earning a living around the district centre, Salima Town (mostly for young men), is the bicycle taxi service which provides a main means of transport for local traders and for people visiting the trading centres. The service benefits from the good road network in the district: Salima's central location between the capital and the tourist centres by Lake Malawi, and also en route to districts in the north and south of the country, has resulted in it having an above-average endowment of tarmac roads.

[11] In Salima district, some 95 percent of men aged 15–49 had worked in the 12 months preceding the most recent Demographic and Health Survey, compared with 71 percent of women of the same age.

Table 5 **Profile of Salima and Phalombe districts**

Characteristic	Salima	Phalombe
Geographical/livelihood characteristics		
Location in Malawi	Central region, next to Lake Malawi. About 100 km from Lilongwe.	Southern region, between Lake Chilwa and Mulanje Mountain.
Agricultural context	75% of the land is used for agricultural production. Subsistence farming (e.g. maize, groundnuts, beans, sorghum, sweet potatoes); commercial crops (tobacco, cotton, sunflowers).	Main subsistence crops include maize, rice, sorghum, groundnuts, cowpeas and cassava. Commercial crops (e.g. tobacco and sunflower) grown by a minority. Many households have small-sized plots compared with in other districts. Some land is uncultivable or with poor quality soil.
Livelihood zone	'Southern lakeshore' – 43%; 'Rift Valley escarpment' – 57%	'Lake Chilwa Phalombe Plain' 100%
Livelihood activities	Farming, fishing, small-scale business	Farming, fishing
Socioeconomic characteristics		
Population	Population of around 340 000 (2008); mostly from Chewa and Yao tribes.	Population around 310 000 (2008); mostly Lomwe tribe (80%).
Share of households headed by women	Estimated at 30% of households in the Rift Valley livelihood zone (not exclusive to Salima district).	Estimated at 38% in the Lake Chilwa/Phalombe Plain livelihood zone (not exclusive to Phalombe district)-
Child orphans (one or both parents no longer alive)	12%	17%
Poverty level[1]	• 41% of the population is below the poverty line • 17% is classified as ultra-poor • in terms of the poverty headcount Salima is ranked 6th out of 27 districts, where 1 is the district with the smallest share of its population in poverty	• 65% of the population is below the poverty line • 42% of the population is classified as ultra-poor • Phalombe ranks 19th out of 27 districts in terms of its poverty headcount
Population experiencing food shortage	67% in the 12 months preceding the latest Integrated Household Survey, 2010-11.	50% in the 12 months preceding the latest Integrated Household Survey, 2010-11.
HIV prevalence	Estimated to be quite high in Salima Boma (district centre;, at 17%,) but very low in Khombedza TA (at 3%) (Johns Hopkins Bloomberg School of Public Health, 2011, reporting a sentinel survey).	Estimated to be very high, e.g. 27% in Phalombe Boma (district centre) (Johns Hopkins Bloomberg School of Public Health, 2011, reporting a sentinel survey). Differs by area. Figures for TAs not available.
Language	Chichewa (86%), Chiyao (10%)	Lomwe, Nyanja, Yao
Dominant religion	Christianity (66%), Muslim (29%), other or none (6%)	Christianity (94%), Muslim (1%), other or none (5%)

Characteristic	Salima	Phalombe
Cultural norms	Both matrilineal and patrilineal; Chewa tradition mostly matrilineal.	Matrilineal society.
Administrative system		
No. of TAs	Ten, soon to be 11	Six
Public services	• 20 health facilities • 128 public primary schools; 16 public secondary schools • About three-quarters of the population has access to safe drinking water and to a latrine • 8% of households are connected to electricity • Extensive road network. Good tarmac road west towards Lilongwe, and north–south from Dedza towards Nkhotakhota	• 12 health centres, one private hospital • 83 primary schools, 13 secondary schools, two special schools • Most people have access to an improved drinking water source, but very few have sanitation facilities that are improved and not shared • 2% of households are connected to electricity • Very poor road network
Cash transfer		
Enrolled TAs	Three since 2007; two more targeted in 2013	Six (but not full coverage in each)
Beneficiaries	2 613 (December 2013)	4.193 (December 2013)

Sources: Johns Hopkins Bloomberg School of Public Health (2011); Malawi National Vulnerability Assessment Committee (2005); National Statistical Office (2008); National Statistical Office and ICF Macro (2011); Phalombe District Council (2006); Republic of Malawi (2012a); Salima District Council (2011); World Food Programme (2010). Note: (1*) The Integrated Household Survey* provides estimates for 27 districts, excluding Likoma which is too small for district estimates to be produced.

Social and cultural characteristics

Salima's demographic profile is typical of Malawi in that its population of around 340 000 is very young. Nearly 40 percent of its inhabitants are under the age of ten, and a further 40 percent are between the ages of 10 and 29 (Salima District Council, 2011). This is a reflection of the high total fertility rate, which stands at an average of 6.8 births per woman. Life expectancy in the district matches the national mean of about 45 years for men and 50 for women.

The population is drawn mainly from the Chewa tribe, with the Yao tribe also present – especially along the lakeshore – along with four other minor tribes (Salima District Council, 2011). Most people speak Chichewa. Salima District Council reports that both patrilineal and matrilineal cultural systems exist in the area. Chewa traditions are more often matrilineal in that authority and inheritance passes from uncle to nephew, i.e. from one man to his sister's child.

Religion is an important cultural practice in Salima. Some 95 percent of the population reports adhering to a religion, either Christianity or Islam. Alongside these religions there remains a belief among the Chewa people in the traditional practice of *Gule wa Mkulu*, a dance performed by masked men to drive away evil spirits at important ceremonies including initiation rites, weddings and funerals. Belief in both Christianity and the *Gule wa Mkulu* is not considered to represent a conflict.

Social welfare programmes

Salima's District Social Welfare Office is responsible for running a range of social welfare programmes throughout the district. The Social Cash Transfer programme is one of its major responsibilities and its main non-contributory social assistance programme. The office also runs in-kind social service support for people in difficulty, including child protection services and early childhood development programmes.

Many other social protection schemes are run by other departments at district level. The public works programme is overseen by the Public Works Department; the school feeding programme is run by the Education Department; and the Farm Input Subsidy Programme (FISP) is run by the Agriculture Department.

Almost 200 Community-Based Organizations (CBOs) are operating in Salima. This is an official structure (not a generic term): a physical building in the community staffed by personnel who provide a range of social services such as support to orphans and vulnerable children, early childhood development activities, clubs for teenagers and young adults and HIV/AIDS awareness campaigns. The extent to which individual CBOs are active depends on how successfully each attracts funding.

4.2. Phalombe

Phalombe district is in the southeastern corner of Malawi, some 300–400 km from Lilongwe and about 80 km from Blantyre, the main city in the southern region (Figure 1, p.5). The northern part of the district borders a major lake, Lake Chilwa, near which much of the land is flat and marshy. The southern part is dominated by Malawi's largest mountain range, the Mulanje Mountain massif. That area is characterized by steep terrain, often rocky, and by numerous rivers that run down from the hills. The district shares a border with Mozambique on its eastern side, and with Zomba and Mulanje districts to the north, west and south.

The Mulanje Mountain massif

Livelihoods: how people earn a living

In Phalombe, similarly to Salima, the main livelihood activity is subsistence agriculture, while fishing activities are common near to Lake Chilwa. Phalombe's rates of food insecurity are reported to be at or above the national average, depending on the measure and the source (World Food Programme, 2010; Republic of Malawi, 2012a). According to Malawi's most recent national household survey, half of households in Phalombe had experienced a food shortage in the previous 12 months – equal to the national average – with common causes being poor climatic conditions (drought/flood/waterlogged soils, etc.) and a lack of farm inputs (Republic of Malawi, 2012a). Households in Phalombe are more likely than elsewhere to have only a small plot of land and to use the land to grow subsistence crops which they can also sell in case of urgent need. The most commonly consumed food is maize; other widespread crops include cassava, sorghum and rice, as well as legumes such as cowpeas and pigeon peas (Malawi National Vulnerability Assessment Committee, 2005; Phalombe District Council, 2006). Commercial crops are grown by a minority of households. These include tobacco and, more recently, sunflowers.

The proportion of households engaged in non-farm activities in Phalombe is reported to be the lowest in the country, at 11 percent of households. This is half the national average, and only a third of the rate found in Salima (Republic of Malawi, 2012a). The reasons for this lack of income diversification are not quantified in district reports, but economic activity in Phalombe is certainly impeded by the poor condition of the road network. The main road between Mulanje and Zomba, which passes through the district, is in the process of being tarmacked, but the southern end, from Phalombe to Mulanje, is still a dirt road. Many minor roads are difficult to use in the rainy season; bridges are also often in poor repair (Phalombe District Council, 2006). Both roads and bridges are prone to being washed away. Despite its proximity to Mulanje Mountain, Phalombe district does not have a developed tourist industry.

Social and cultural characteristics

Most of Phalombe's population comes from the Lomwe tribe. Phalombe has the largest concentration of this ethnic group out of all the districts in Malawi; most of the remaining Lomwe population is found in its neighbouring districts in the southeast of the country, as well as in

Mozambique from where they originated. The Nyanja and Yao tribes are also present. The languages of these three tribes are those most widely spoken in the district, alongside Chichewa. The culture of the area is matrilineal.

Literacy levels among households in Phalombe are close to the national average: some 60 percent of adults are literate, compared with a figure of 65 percent for Malawi as a whole (Republic of Malawi, 2012a). Enrolment rates are also typical of the national picture at primary school, with net primary enrolment – the rate of children enrolled who are of the correct age-group – standing at 89 percent (compared with 86 percent nationally). Girls are better represented than boys among the primary-age population attending school. As in all parts of the country there are also large numbers of older children still enrolled at primary level and therefore the total number of children enrolled in primary school in Phalombe is some 23 percent higher than the entire population of primary age. Cultural practices change considerably at secondary level: just 12 percent of boys and 6 percent of girls of secondary age are enrolled in secondary school. The national household survey suggests that the main reasons why children drop out of school in Phalombe are either a lack of money or ill health (Republic of Malawi, 2012a). This suggests that an incentive such as the cash transfer, which provides an education bonus, may go some way towards resolving some of the challenges of low enrolment in the district.

Almost all of Phalombe (94 percent) considers itself to be Christian. There are also some beliefs in spirits relating to Mulanje Mountain and people are influenced by these ancestral traditions in their daily lives.

5. The study communities

5.1. Salima: Siyasiya, Khonthi and Kambwiri Sele communities

Siyasiya, selected for the research because of its good market access, is a busy trading centre on the main tarmac road between Salima and Nkhotakhota districts (Table 6). The village cluster is comprised of three zones, of which two are directly on the main road and the other is set slightly apart. Siyasiya has many permanent shops and market stalls along the road and a large weekly market selling a wide variety of food, clothing and household goods. Smaller trading centres are located in the villages away from the main road. A substantial proportion of households in the area are considered to engage in some form of small business related to this trading activity, either buying and selling goods or offering a bicycle taxi service. Better-off households are reported to live closer to the tarmac road, though cash transfer beneficiaries are also to be found in that area as well as throughout the rest of the community. However the main economic activity of the community, as elsewhere, remains farming. Households grow cotton, tobacco and sunflowers for commercial sale, and maize and groundnuts for their own use. Some keep livestock such as goats, chickens, pigs or ducks. Siyasiya is well catered for in terms of public services. Local key informants estimated that there were seven primary schools and one secondary school within their village cluster, as well as a health centre.

The market area at Siyasiya, Salima district

Khonthi, the remote location, presents a marked contrast to Siyasiya in terms of accessibility. It is reached by a dirt road that leads off the main road at Siyasiya and is maintained in passable condition by the public works programme. Very few trading activities take place: opinion leaders recalled that there were only two grocery shops and seven tea room operators, and a small market with a few roadside vegetable sellers. Economic activity is heavily concentrated on farming; the crops are similar to those grown at Siyasiya. The village cluster has one primary school and a church but no health facility.

The control community of Kambwiri Sele is closer to Siyasiya in character, being on the main road with a busy trading centre but has a stronger emphasis on agriculture (see also section 3.1 above). The area is well irrigated, benefitting from both the Lilongwe River and an irrigation scheme. One of its two tarmac roads separates the largely Christian and Muslim sections of the group village. The area has two secondary schools but no primary school – the nearest is slightly outside the boundary – which tends to delay children's enrolment as households are reluctant to make young children walk long distances and cross main roads to reach their school.

Table 6 Profile of the study communities

Characteristics	Salima			Phalombe	
	Siyasiya village cluster	Khonthi village cluster	Kambwiri Sele	Mankhanamba village cluster	Chabuka village cluster
Geographical characteristics					
Location (TA)	Khombedza TA	Khombedza TA	Karonga TA	Kaduya TA	Kaduya TA
Market access/level of integration	Good access. Located on main lakeshore road 25 km north of Salima district headquarters.	Remote community away from the tarmac road, 15 km west of Siyasiya.	Rural community 8 km from Salima district centre near junction of two main roads.	Good access. Located along newly tarmacked main road near Migowi trading centre.	Remote community approx. 10 km from the tarmac road.
Socio-economic characteristics					
Main livelihood activities	• Farming (subsistence and small-scale cash crops especially cotton and groundnuts; rice along rivers and lake) • Casual labour • Business enterprises (small scale by less well-off; shops by well-to-do) • Fishing	• Farming (subsistence and small-scale cash crops especially cotton and groundnuts); • Casual labour	• Farming (subsistence; cash crops in irrigation scheme and vegetable/tomato farming along Lilongwe River) • Casual labour • Small-scale businesses	• Farming (subsistence and small-scale cash crops: maize, tobacco, sunflowers, groundnuts, pigeon peas, sweet potatoes) • Casual labour in Mozambique and locally	• Farming (subsistence and small-scale cash crops: maize, tobacco, sunflowers, groundnuts) • Casual labour in Mozambique and locally
Infrastructure and public services	• Main tarmac road passes through cluster, though Chikaonga Zone is some 4 km from road • Seven primary schools and one secondary school One health centre • A large trading centre	• Serviced by one main earth road • One primary school, no secondary schools • A small trading centre with two grocery shops and seven tea rooms	• Two tarmac roads , and a disused rail line; • Salima Secondary School (serves entire district); one private secondary school; no primary schools • Hospital 3 km away • Trading centre around road junction	• Newly tarmacked main road passes through cluster • Four primary schools, one secondary school Two hospitals • Close to large trading centre at Migowi	• Dirt road interrupted by impassable river • Three primary schools; no secondary school • One health centre • Small trading centre and some scattered shops
Cash transfer					
Date of first enrolment	2010	2012	n/a	2009	2009
No. of current SCT beneficiaries	110	72	n/a	89	126

Source: OPM / JIMAT.

5.2. Phalombe: Mankhanamba and Chabuka communities

The village cluster of Mankhanamba is situated near Migowi, the main trading centre of Kaduya TA on the main road from Zomba to Phalombe. The road was tarmacked one year ago. Besides Migowi the area has two other markets and some roadside sellers of maize, tomatoes, fish and fritters. Farming – on one's own land or as casual labour for others – and small business are the major economic activities. The area grows tobacco, sunflowers and pigeon peas for sale and a range of produce for consumption including maize, groundnuts and sweet potatoes. The area is well endowed with public services, having four primary schools, a secondary school and two hospitals. The community thus described covers both the village cluster enrolled in the social cash transfer programme and the part of the group village head that is the control community for this study.

Tobacco farming in Chabuka, Phalombe district

Chabuka village cluster, the more remote location, is about 10 km from Migowi trading centre down a dirt road that can become difficult to use in the rainy season. The area is crisscrossed by rivers bearing water down from the mountains. The bridge across one of these rivers collapsed a year ago and has not been replaced, dividing the community in two: residents wade knee-deep through the water to cross from one side to the other. But when it rains the volume and speed of the river flow can make it impassable. Bicycles can pass through the river when it is low, but there is no way for motorized vehicles to cross. The absence of a bridge has a considerable detrimental effect on the ability of a large part of the community to engage in economic activity or to reach the school or health facility. It has also impeded traders who might wish to bring goods to the few local stores. The area focuses on farming and casual labour. Farmers report a more limited range of crops than at Mankhanamba: the emphasis is on maize, tobacco, sunflowers and groundnuts. Chabuka has three primary schools and one health centre across its three zones.

6. Perceptions of community well-being

Respondents in all communities recognized three or four wealth groups among their local population, ranging from the ultra-poor to the wealthy (see Table 7 for one example). The ultra-poor, the target of the cash transfer programme, are widely considered to be highly food insecure, often going without meals; their housing is in poor condition and they may have no bedding. Their vulnerability is perpetuated by their being too weak to work owing to poor nutrition, poor health (including being HIV+), disability or old age. This makes it particularly difficult for them to engage in physical labour such as agriculture, the main source of livelihood in the areas studied. The vulnerability brought about by the limited income stream from farming activities is compounded by a reluctance to take risks and the impossibility of accessing and repaying loans, both of which may limit their opportunities to embark on alternative non-farm enterprises such as starting up a small business. Their lack of energy may mean that they struggle to have the initiative to resolve the difficulties they face. Better-off people can take advantage of a virtuous circle by which they are able to purchase fertilizer and hire labour to work on their land, generating more food and more surpluses. This, in turn, makes them more alert, active and able to take up business opportunities, enrol their children in school and meet their households' needs. They are perceived to have good quality housing and may have their own transport. As one respondent in Salima district observed:

> "For every ten problems they (well-to-do people) face, they can find eight solutions" (Opinion leader, Kambwiri Sele, Salima district).

This suggests that communities distinguish these better-off households not so much by an absence of difficulties in their day-to-day life, but rather by their resilience to cope with shocks when they arise.

All communities felt that the majority of the local population fell into the lowest wealth category, the ultra-poor (Figure 6). The relatively well-to-do formed a small minority. Some felt that the introduction of the social cash transfer had enabled a few households to move up from the very lowest category to the next category, of poor households, as illustrated in Table 7.

Figure 6 Community well-being analysis, Mulelemba (comparison community), Phalombe district

Source: OPM/Jimat. Note: The nuts show the estimated distribution of the local population among four wealth categories, from the ultra-poor on the left to the rich on the right, in the opinion of community leaders.

The concentration of the population in the lowest group may help to explain the often expressed concern about the fairness of distribution of the benefits of social welfare programmes and the perceived arbitrary nature of the selected participants, as discussed extensively in the remainder of Part B below.

Table 7 **Community well-being analysis, Siyasiya village cluster, Salima district**

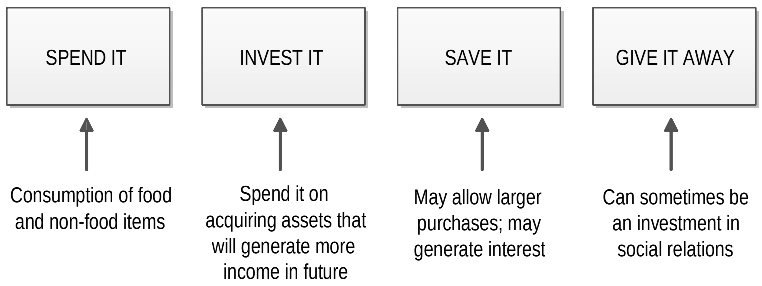
	Ultra-poor	Poor	Well-to-do	Rich
1	Has n no food.	Eats once a day.	Can have meals morning to evening.	Eats food at any time.
2	Has no bedding – no mat or blanket; uses wrappers for blankets.	Has bedding.	Enough bedding for every household member; good clothes.	Has good clothes.
3	Has no home, or else home is small, leaking, in poor condition.	Has house with grass roof; house is round or rectangular.	Has a good house.	Has a better house with iron sheet;house made with cement.
4	Does not have any household utensils.	Has a bucket, but perhaps the same one for drinking as for washing.		Has sofa.
5	The children are malnourished; there are many diseases.	There are many diseases, prone to malaria.		
6	Family may be headed by grandparents.	Family may be headed by ayoung person, but perhaps no husband and/or lots of children. If a person is energetic, other relatives will turn up to live with him and drag him down.		
7	Has no livestock.	Has at least a chicken.	Has livestock	Has plenty of livestock - chickens, goats, cattle.
8	Does not send children to school. They are mostly illiterate.	Has difficulty finding school fees.	Can send children to school.	Can send children even to university.
9	Does not have capital to start a business. Mostly relies on doing labour on other people's farms, especially those in the top two categories.	Also depends on labour on other people's farms.	May have an oxcart/granary/bicycle. May rent this out for money. May spend some income on business.	Has no problem hiring labour. May have car/motorbike/several carts. Spends some income on business and has savings in the bank.
10	May rent land. Even if they own land they may not cultivate it because they are spending their time working on other people's land.		May have land/business.	Has land/large farm/business.
	Share of population			
	56%	**26%**	**12%**	**6%**
	In Social Cash Transfer programme?			
	16%	**4%**	**0%**	**0%**

Source: OPM/Jimat, from discussion with key informants. Note: (1) Respondents' estimates for distribution of Social Cash Transfer beneficiaries among wealth groups takes into account their opinion that a few households have been able to elevate their status to the second-lowest category (not that they were wrongly targeted).

7. The impact of the Social Cash Transfer on the household economy

Households survive by developing livelihood strategies: strategies for accessing and using assets – which could be physical (equipment), financial or natural resources (e.g. land and water), or less directly tangible assets such as social networks and human capital (good health, education, skills) – to meet their daily needs and achieve their objectives.[12] Cash transfer programmes contribute to the achievement of livelihood strategies by providing a financial income source that either can be consumed directly or can potentially be converted into other assets through investment or saving (Figure 7). Livelihood strategies are considered sustainable when households can adequately prevent, mitigate, respond to or recover from shocks or stresses such as seasonal food shortages, droughts or illness, without depleting assets (Chambers and Conway, 1991). In sum, a minimal threshold of resilience is attained.

Figure 7 **What can households do with their income?**



Source: OPM.

The social cash transfer has become a major income source for programme beneficiaries. For some, particularly the elderly, it even constitutes the primary source. Many respondents expressed appreciation for this substantial contribution to their income. When households receive an injection of cash such as this their livelihood strategies may change. We explore here if, how and why the cash transfer may have affected strategies pursued by beneficiary households in Salima and Phalombe; the effect of the transfer on detrimental strategies, such as selling off assets, and on the way in which decisions are made about the use of household income; and the factors that influence any identified variation in patterns of decision-making and expenditure.

7.1. Main strategies for earning an income

The two core activities: farming and *ganyu*

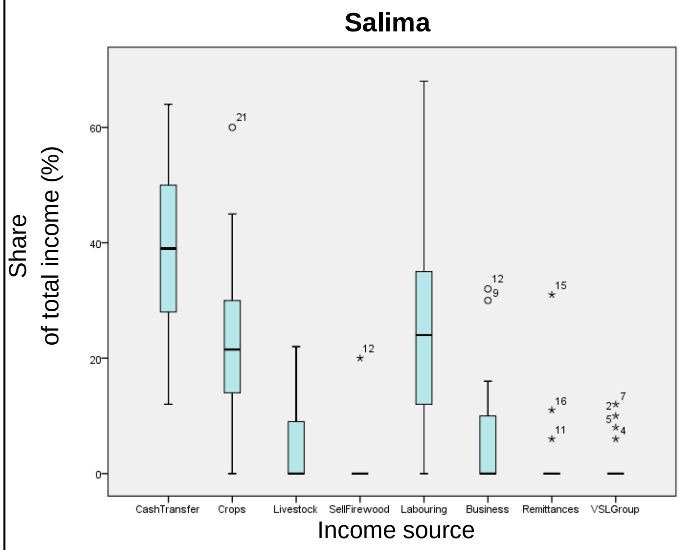
Among the households that we talked to, two livelihood strategies stand out for being adopted in every community and accounting for quite a substantial proportion of many households' income: farming, and casual day labour (known as *ganyu*) (see also Box 1). This is true for both Salima and Phalombe, and for communities on a main road as well as for people living in remote locations. It was the case before the Social Cash Transfer was introduced, and continues to be so now.

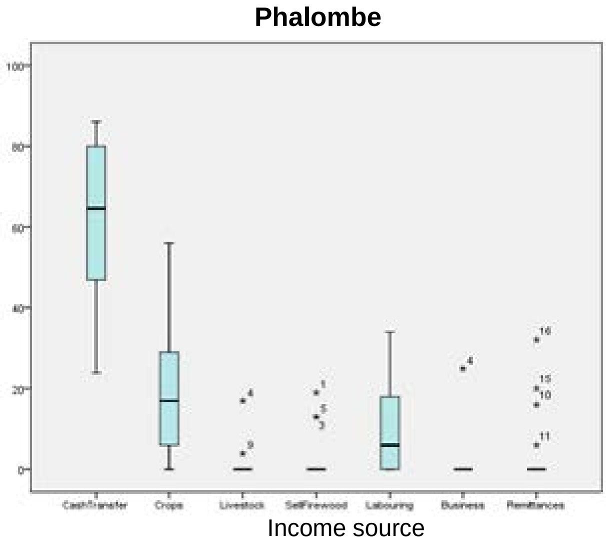
[12] For standard livelihoods frameworks see e.g. Scoones (1998).

Box 1 **The distribution of beneficiary households' income sources**

To increase our understanding of the typical experience and behaviour of beneficiaries in the two districts, we facilitated individual analyses by male and female beneficiaries of their household income and expenditure. In Khombedza TA, in Salima district, we applied the tool in discussions with 26 beneficiaries across Siyasiya and Khonthi village clusters (14 percent of the 182 known beneficiaries in those communities). In Kaduya TA, in Phalombe district, we facilitated the tool with 22 out of the 215 beneficiaries in Mankhanamba and Chabuka (a 10 percent sample). The data provide an overview of the range of incomes and expenditures among beneficiaries in each context and allow us to be confident that our qualitative analysis takes into account the 'average' experience while also interpreting and explaining differences in behaviour.

We asked beneficiaries to estimate the share of their income that they had derived from different sources over the past year. The results are presented visually here. The ends of the 'whiskers' show the extreme values reported; the boxes show the limits of the first and third quartiles, with the central band showing the median. Thus, in the first diagram, we see that cash transfers comprised between about 15 and 65 percent of beneficiaries' annual income in Salima; the median value reported was just under 40 percent of income.





In Salima beneficiaries therefore relied heavily on the cash transfer as one of their main income sources. They estimated on average that almost one quarter (23 percent) of their income came from the sale of crops. Most (22 out of 26) respondents in Salima also reported significant income from labouring (*ganyu*). For those beneficiaries employed in *ganyu* this amounted to an average 29 percent of their total income; but the amount brought in from this source was typically much higher in the remote Khonthi village cluster (an average of 35 percent of household income) than in Siyasiya (12 percent) where a wider range of income-generating activities was available. Three-quarters of respondents in Siyasiya reported income from their small businesses such as mat-weaving and broom-making, activities which contributed an average 11 percent to beneficiaries' total household income in that cluster. In stark contrast, in remote Khonthi not a single beneficiary reported income from a small business. In addition, one-third of beneficiaries said they earned some income from livestock but this was rarely cited as a major source, accounting for less than 5 percent of the average annual total. Finally, a small number of beneficiaries in Siyasiya reported a small return on their contributions to a Village Savings and Loans (VSL) scheme (see section 8.5 below).

In Kaduya TA, in Phalombe district, the analysis confirms that beneficiaries in general relied heavily on the cash transfer as their main source of income – even more so than was reported in Salima district (compare the diagrams above). On average respondents declared that the cash transfer represented over 60 percent of their annual income. This was supplemented by the sale of crops which, as in Salima, provided an average of around 20 percent of household income. While over one half (14 out of 22) of beneficiaries reported some earnings from *ganyu* this provided those beneficiaries on average with only 14 percent of their income. Beneficiaries explained that since the introduction of the cash transfer they had been able to reduce their reliance on *ganyu* and increase their income from their own farm plots (see later discussion). The low share of income from *ganyu* in Phalombe compared with Salima may also reflect the lower daily wage rate in the area. Within Phalombe, a significant number of beneficiaries in the more remote Chabuka village cluster relied additionally on remittances from relatives to boost their household income; this may be illustrative of the practice of men going to work in agriculture in neighbouring Mozambique.

The observation of the importance of these two activities is confirmed by the literature on livelihood strategies in Malawi as a whole:

> An extremely high proportion of Malawi’s population is resident in rural areas and dependent upon agriculture as a source of livelihood. For many, [...] agriculture alone is unable to provide an adequate livelihood. Many households are forced to bridge the gap between own production and consumption needs with casual off-own-farm employment. [...] After own-farm production, *ganyu* is the most important source of livelihood for most poor households. (Whiteside, 2000, p.1)

Households reported farming mostly to meet their own food needs; a few also grew crops for sale, such as tobacco and sunflowers in Phalombe, and cotton in Salima. Maize is commonly grown by almost everyone. In Mankhanamba, Phalombe, both beneficiaries and non-beneficiaries grow a wide variety of produce including sorghum, pigeon peas, groundnuts, pumpkins, tomatoes and other vegetables, while just a few kilometres away in the more remote settlement of Chabuka the emphasis is on a narrower range of produce: maize and groundnuts for own consumption and tobacco and sunflowers for sale. When households faced a particular shortage of cash to make essential purchases, such as school expenses, they sometimes resorted to selling produce that they would have preferred to keep to eat themselves; in these cases their stocks of food might run out sooner than they would hope, and they turned to *ganyu* to earn a wage to buy food while waiting for the next harvest.

Ganyu often takes the form of agricultural work, undertaken for better-off households in the community or on commercial farms; occasionally this casual labour takes the form of fishing or other non-farm activities such as construction. Agricultural *ganyu* is paid according to the number of plants tended: beneficiaries reported that a healthy adult might earn MK 500 Kw (US$1.20) per day from this type of labour, while a less able-bodied person might manage only MK 150-200 (less than US$0.50). In Phalombe able-bodied adults, especially men, can migrate to neighbouring Mozambique to carry out casual labour where wages are much higher; but this requires them to have a bicycle and to be away for several weeks at a time. The daily wage for *ganyu* in Malawi is driven down in locations where the availability of labour is much greater than the supply of work. This is found to be the case more in places where there are fewer alternatives for earning an income as in the remote community of Khonthi cluster, Salima district, or where plots of land are small and farmers are said to have less disposable income to hire casual labour as in Mankhanamba and Chabuka, Phalombe. Respondents in Siyasiya expressed less of a reliance on *ganyu* than their counterparts in Khonthi owing to the broader range of income-generating opportunities described in section 5 above.

Respondents often cast *ganyu* as a “necessary evil” rather than a desirable activity. This was richly illustrated by a group of traders in the remote village cluster of Chabuka, Phalombe, in a discussion about the relative popularity, reliability and desirability of different livelihood options in the community. Participants in the discussion found different reasons to be positive about every available livelihood strategy – one was lucrative, another offered independence, another provided a daily income – with the exception of *ganyu*, about which none expressed a positive sentiment (Figure 8 below).

Both own-farm-production activities and *ganyu* have wide seasonal variations and the peak times for each inevitably conflict with one another. The offer of *ganyu* opportunities by better-off farmers and commercial farms is greatest when there is most agricultural work to be done, such as ridging and weeding, which is just the same time that households would prefer to be carrying out these activities on their own plots of land. Intensive farming activities take place from around December to February, in the months leading up to the harvest in around March and April: this is the lean season when households have often used up their own food stocks and there is a glut of available labour as people try to earn a cash wage to buy food. In several communities some beneficiaries expressed that, particularly before their enrolment in the social cash transfer, their need for cash during this period overrode their desire to work on their own land; they would leave part of their plot uncultivated in order to do *ganyu* for others. Beneficiaries reported that during the drier season from August to October it was hard to find opportunities for labour.

Figure 8 Livelihoods matrix analysis with traders in Chabuka village cluster, Phalombe

Occupation	HH (%)	Average monthly income (MK)	Reliability Score 1-4 (1=high)		Overall preference Score 1-4 (1=high)	
Crops (subsistence)	100	-	2	Highly dependent on rainfall	1	Most people rely on this as their main source of income
Crops (sale)	44	3 166				
Selling vegetables	12	5 000	2	Highly dependent on rainfall	1	Offers independence; people always want at least tomatoes
Grocery sales	18	5 000	3	Dependent on success of farming. A poor harvest means flour and other commodities are expensive and there are fewer customers to buy the food	1	They do it out of their own will; people always need food
Cooked food (fritters, tea, doughnuts)	14	3 000			1	Provides a daily income for necessities
Bicycle taxi	12	120 000	2	Requires energy and frequent maintenance	1	Very lucrative in Chabuka (few other means of transport; long way to road)
Ganyu	48	7 500	3	Seasonal; plenty available during planting and harvesting period	4	Only do *ganyu* because of poverty when there is no alternative way to provide food for the household
Fish selling	22	8 000	2	Seasonal; fishing prohibited during breeding season	1	Good business because health workers encourage people to eat fish

Source: OPM / Jimat, from discussion with key informants.

How the use of these core livelihood strategies has been affected by the social cash transfer

Beneficiary households were similar to non-beneficiary households in their reliance on the two core livelihood strategies of farming and *ganyu*. However their vulnerability resulting from health conditions or old age meant that they might find it harder than others to participate actively in agricultural labour. Many cash transfer beneficiaries felt they fell into the group of people who could not earn a full day's wages because they were often elderly or suffering from chronic illness or disabilities including leprosy, poor eyesight and HIV/AIDS, and found it difficult to work all day. Participation in *ganyu* was therefore more commonly cited as a livelihood strategy by beneficiaries of working age. Where elderly beneficiaries reported receiving income from this source, it was often earned by a younger relative, though some were continuing to do *ganyu* – at a struggle – even into their 70s and 80s. In Phalombe, the option of cycling to Mozambique to seek better paid casual labour was impossible for many of the households supported by the social cash transfer on account of their vulnerability.

For some households one of the major benefits of the Social Cash Transfer had been that it had enabled them to reduce their *ganyu* work. Several beneficiaries observed this to be especially true for their children, who might now only take part in *ganyu* after school and at weekends instead of during school hours. However while this indicates changes in child labour patterns, it still means that this negative coping strategy continues to be practised. One elderly lady in Phalombe, for example, who lived with six grandchildren – four in primary school and two of secondary school age but unable to afford to go to school – explained that, "when the money ran out" in the household, all the children would do *ganyu*.[13]

Other elderly or chronically ill beneficiaries felt in better health as they were not exhausting themselves by straining to do more physical labour than they could realistically cope with. One beneficiary commented that,

> "I used to be a slave to *ganyu* but now I'm a bit free." (Female beneficiary, Mankhanamba, Phalombe)

The reduction in time spent providing casual labour for others means that people could spend more time working on their own land, initiating a virtuous circle by which the household had less need for money to purchase food from elsewhere.

Not all Social Cash Transfer beneficiaries had chosen, or were able, to reduce their reliance on *ganyu* as a result of the transfer. Some continued to use this livelihood strategy year-round as a substantial contribution to their income. A female beneficiary in Salima, of working age, stated that she carried out *ganyu* year-round and would also bring her children to work when she needed additional income.

A striking finding has been that in all communities some households – most commonly elderly beneficiaries who were too infirm to labour in the fields – were using part of the cash transfer income to invest in hiring labour for their own land. For example, one elderly male beneficiary in Chabuka, Phalombe, reported that he previously could only farm 1.5 acres out of his 5 acre plot of land (equivalent to 0.6 out of 2 hectares) , but that the social cash transfer had enabled him to hire labour to farm the full 5 acres (equivalent to 2 hectares) for the first time in several years; similarly, a female beneficiary in Mankhanamba had improved the cultivation of her land from 3 acres to 7 (equivalent to 1.2 to 2.8 hectares). An 88-year-old blind man in Mankhanamba had also begun hiring labour for his land since starting to receive the transfer as he was unable to work the fields himself. This not only improved the productivity of the land of the beneficiary – and some of that extra production could be sold, not just consumed by the household – but also generated an income for the non-beneficiary worker.

The hiring of labour represents a significant change in the typical livelihood activities of the ultra-poor. Vulnerable households in the comparison community in Phalombe, who did not receive the cash transfer but who were the types of household that might be eligible if the programme were present, laughed at the prospect of their hiring labour as far-fetched:

> "If we do casual labour ourselves, how can we hire labour?" (Male respondents, Mulelemba, Phalombe).

However beneficiary households needed the social cash transfer to be disbursed regularly to be able to maintain the reduction in their own *ganyu* activity or the offer of labour to others. But in 2013 the programme distributed payments only twice, about eight months apart: one around March–April, and another around November–December. As a consequence some households that had stopped

[13] See section 7.4 below for a more detailed discussion of negative coping strategies.

doing *ganyu* were obliged to start again, and were especially in need of the income during the August to October period just when *ganyu* was scarce.

Non-farm livelihood strategies: from begging to business

The investment of household income in small businesses was quite widespread among the beneficiaries that we interviewed in well-connected areas. Siyasiya, situated on the main tarmac road through Salima, is an enterprising community that has many market stalls and shops along the road and runs a much larger market once a week. Female beneficiaries who live in the zone adjacent to the trading centre reported selling boiled maize, doughnuts and pancakes, and brewing beer. Another had started a business of offering small loans to be repaid with a little interest. A focus group with male beneficiaries in a nearby zone revealed that several of them also had small businesses, selling firewood and making and selling brooms and mats. A few people in Mankhanamba, the well-connected community in Phalombe district, were also engaged in small business activities though generally those of working age rather than the very elderly. Such activities there were reported less frequently than in Salima. This may be because the good road passing through Mankhanamba was constructed only last year and the connection is yet to make the desired impact.

In contrast, in the two communities located far from the road – Khonthi in Salima and Chabuka in Phalombe – investment in small businesses was not reported at all by the vulnerable households that we interviewed, whether beneficiaries or not. This was the case even though many were of a similar age and health status to their counterparts near the main road.

With fewer livelihood options available in the remote communities, we find that a few beneficiaries in those areas cited a reliance on support from neighbours and relatives. One elderly widow in Khonthi reported resorting to begging from neighbours as a significant source of income; suffering from poor sight, she was restricted in her ability to carry out farm or non-farm economic activities. Begging was not reported by any beneficiaries in the well-connected areas as a livelihood strategy, although many people in all areas did share items such as flour and salt with others in their community (see discussion on social relations in section 9 below). A few beneficiaries indicated that they had reduced their reliance on neighbours as a result of the cash transfer.

The impact of the Social Cash Transfer on non-farm livelihood strategies

The difference between the communities suggests that the likelihood of the cash transfer being used to promote business was greater in places where there is a tradition of enterprise, where inputs for the business are readily available and where there is a large and accessible customer base. In sum, where there is greater access to markets and opportunities for commercial activities. Messages from programme implementers, including CSSC members and the district teams, indicate encouraging investment activities can be fruitful in this environment, whereas they would be less likely to be acted upon in locations that do not already have a practice of small-scale businesses operating in the local economy. This is borne out by the research findings. In Siyasiya, among the beneficiaries who stated that they had a business, a few reported that they had started their business since receiving the cash transfer. A female beneficiary in Siyasiya indicated that, before enrolling onto the programme, she did not have the capital to start a business. Now she and her fellow beneficiaries encouraged one another to start businesses while they could, recognizing that the opportunity afforded by being a cash transfer beneficiary might not last forever. This encapsulates the perspectives and understanding towards new production strategies among beneficiaries in that locality. On the other hand, in Khonthi and Chabuka not a single beneficiary met reported having initiated their own business activity as a result of the cash transfer.

Savings: risk mitigation

Households were encouraged by the CSSCs to invest in livestock as a way of building up a stock of assets that could be drawn upon in time of need and also be used as sustainable sources of income following programme closure. A significant number had done so: several beneficiaries reported having bought chickens or goats while one had bought pigs. The cash transfer had made it easier for households to make these investments. This positive outcome had been driven in part by the uncertainty about how long the cash transfer would continue, which incentivized households to make the investment while they could. Most respondents who had invested in livestock had done so with the intention of letting them reproduce, and then holding onto the animals so that they could be sold in time of need, rather than using them to provide regular income such as from the sale of milk or eggs. One beneficiary in Mankhanamba, to cite one successful example, said that he had begun with one goat and had reached a total of ten before selling one to obtain cash needed to pay school fees.

There was a risk that households that were not used to keeping livestock might experience difficulties looking after them and might lose their investment. In one village a group of male beneficiaries said they had only bought goats as chickens were prone to die of disease. In another village just two kilometres away some beneficiaries had bought chickens and they had indeed died. This served as a disincentive for others to follow suit. In another location households had become hesitant about owning livestock on account of recent thefts. If the Social Cash Transfer programme continues to advocate for the purchase of livestock, which seems a good investment strategy and one that encourages households to reduce their dependency on the transfer, it would be valuable to ensure that advice from relevant community members such as agricultural extension workers is available so that households can maximize the benefits from owning livestock.

We found little evidence of households putting money aside for a general contingency, rather than saving for a specific purchase. One respondent in Phalombe district reported having begun to save money as a result of receiving the transfer, but this was not common.

7.2. Households' expenditure patterns

We mentioned in Figure 7 above that households might choose to spend their income on buying items for consumption or might invest in assets to generate future income. Expenditure patterns fluctuate during the year, depending on e.g. the season, the availability of food stocks and the school term. We explore here the pattern of items purchased by households over a period of six months and discuss how the cash transfer had changed this. Some major expenditure items of food, education and housing are reviewed in turn, as well as other items such as clothing, and the purchase of assets. Box 2 presents an overview of beneficiaries' expenditure patterns.

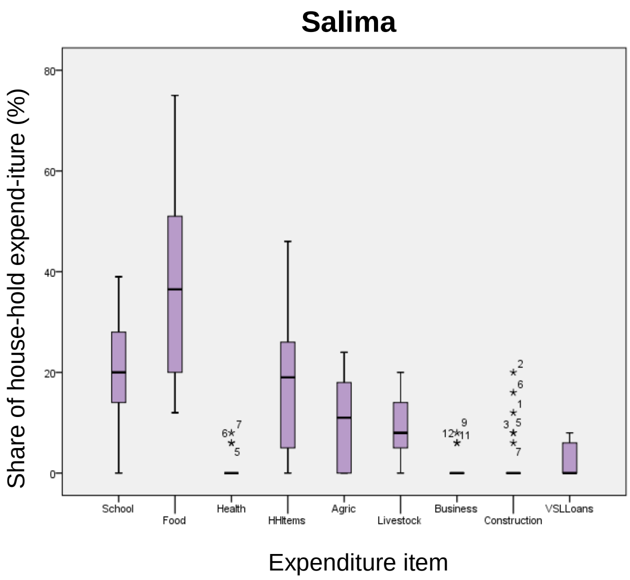
Food

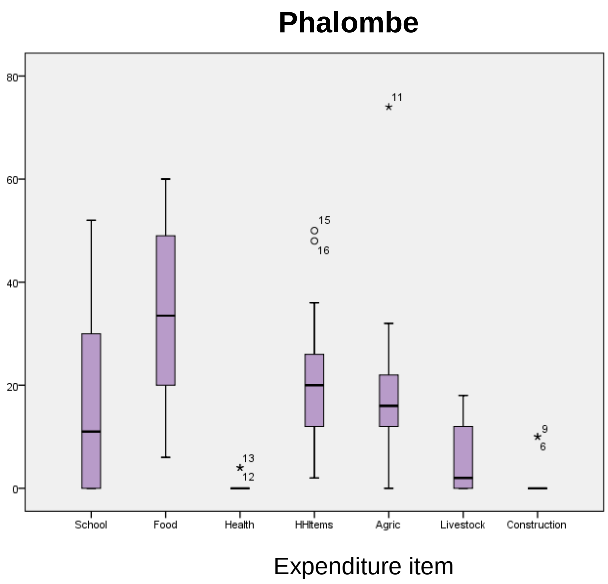
Beneficiaries in many communities spent a major portion of their income on food, especially in the lean months before harvest. This was also true of non-beneficiary households, as one respondent in the comparison community in Phalombe observed:

> "Food plays the starring role." (Male respondent, Mulelemba, Phalombe)
> During the lean season, when food is more plentiful, households might spend less money on food and more on non-food items such as fertilizer, soap and salt.

Box 2 The distribution of beneficiary households' expenditure

As in the exercise for household income, we asked beneficiaries to estimate the distribution of their expenditure on different items. The recall period was the previous six months, which covered several months of expenditure without the cash transfer, plus spending from the one lump-sum cash transfer payment in late 2013. The results are presented visually here (see Box 1 on p. 29 for a description of the sample size and an interpretation of box plot diagrams).





Overall, respondents in Salima spent an average of 37 percent of their budget on food, with school costs (21 percent) and household items (18 percent) making up the other major consumption items. Health costs were almost completely absent from beneficiary household budgets, reflecting the access afforded by free primary health care in Malawi. Some 16 out of the 26 respondents reported spending money on agricultural inputs, including in some instances hiring labour and land; this spending amounted to an average of 16 percent of those beneficiaries' spending and an average of 10 percent of all beneficiary household spending (taking into account those with no expenditure in this area). A large majority (21 out of 26) of beneficiaries in Salima were also able to invest in livestock, with spending among those beneficiaries averaging 10 percent (and 8 percent overall). A small number of beneficiaries (six beneficiaries from Siyasiya village cluster) also had sufficient budget to invest in construction work on their houses.

In Phalombe beneficiaries' average spending on food was similar to that of Salima, at around one-third of their annual total (34 percent). However, in more market-centred Mankhanamba, beneficiaries were more heavily reliant on buying food and spent on average almost half (46%) of their budget in this way, while in the more remote Chabuka, where beneficiaries grew their own staple crops on their plots, they estimated spending on average only a quarter (26 percent) of their budget on food. The other main consumption expenditures for beneficiaries in Phalombe were on household items (on average, 21 percent) and school costs (16 percent). As in Salima, health costs were not a significant burden on beneficiaries. In addition to consumption spending all but one of the respondents in Phalombe were able to spend money on agricultural inputs, including hiring labour in some instances. This amounted on average to almost a fifth (19 percent) of beneficiary spending. As we discuss in section 7.2 below, the cash transfer had allowed many beneficiaries to invest additional cash in their plots. This increased investment in agricultural inputs did not extend however to investment in small businesses which, as we have seen in section 7.1 above, was not a feature of the livelihood strategies among our respondents. None of the beneficiaries reported spending money on business costs and only one beneficiary reported an income from running a small business.

For beneficiaries in the remote community of Chabuka, Phalombe, food comprised a lower proportion of spending than elsewhere. For some this was because their generally larger plot sizes enabled them to produce more of their own food, so they did not need to buy very much extra; others said that their small expenditure on food reflected the fact that they could not afford to buy as much as they would like to rather than that the quantity of food was sufficient.

Table 8 Distribution of expenditure in last six months, reported by female beneficiaries in Chabuka village cluster, Phalombe

Expenditure item	Expenditure allocation in last six months (% of total)						
	Ben 1	Ben 2	Ben 3	Ben 4	Ben 5	Ben 6	Ben 7
Education	30	-	34	28	-	-	-
Food	14	6	36	24	54	24	36
Housing	18	10	6	18	-	28	20
Farm inputs	12	74	-	14	26	26	16
Livestock	18	-	14	4	-	-	-
Health	-	-	4	4	-	-	-
Clothes	8	6	6	4	8	22	6
Household utensils	-	4	-	4	12	-	22

Source: OPM / Jimat. Ben = beneficiary

Households relied heavily on the consumption of maize which they purchase when their own crop has run out. Cassava was also cited as a fairly typical purchase in the communities in Phalombe; some households also mentioned buying beans. It was rare – almost unheard of – for non-beneficiary households to buy foodstuffs containing animal protein sources such as meat, fish or eggs. The same applied to beneficiary households before they began receiving the cash transfer.

The Social Cash Transfer has had two main effects on households' expenditure on food:

- A short-term increase in the variety of foods purchased in most communities, lasting a few days only. On the day the cash transfer is paid, and for a few days afterwards, beneficiaries bought a wider variety of foodstuffs than is normally the case. This might include eggs, meat, fish, beans, sugar or tomatoes. In Khonthi many beneficiaries also enjoyed a cup of tea at a teahouse, enabling them to feel better integrated briefly into the activities of the local community. Thereafter the effect of the cash transfer declined and households reverted to purchasing the same foods as they would normally eat, principally maize. Yet in the most remote zone of the more remote village cluster visited in Phalombe beneficiaries stated they did not diversify their food immediately after payday. This may be because of the limited produce available at their local trading centre, or because their relative isolation meant they interacted less often with other beneficiaries or programme staff and hence received less encouragement to diversify their diet.

  Health extension workers communicate messages about the importance of dietary diversity as part of their public health campaigns in communities, not only for cash transfer beneficiaries. These messages seem to have been absorbed by many of those we talked to even though some acknowledged that it was hard to abide by them. It was hard or example, to justify buying fish when you could feed so many more people with maize of the same value. As one beneficiary in Phalombe observed:

  > "I know I should be eating four [sic] different food groups but it's hard to find the money." (Male beneficiary, Chabuka, Phalombe)

- An increase in the quantity of the usual foods purchased, especially maize. By buying greater quantities of food, such as bigger sacks of flour, households could feel secure that they would have food to eat for longer, or that they could eat larger or more frequent meals. We found evidence of both these impacts in Salima and Phalombe. For instance, one elderly respondent in

Phalombe observed that she had been able to increase the number of meals she ate per day from one to two, and that:

> "I now feel proud as I have enough food again." (Female beneficiary, Mankhanamba, Phalombe).

Another elderly beneficiary in the same community said that his family had increased their food consumption from two meals a day to three. In Salima one respondent acknowledged the improvement in the quantity of food she could eat because of the Cash Transfer, comparing it with her previous situation:

> "We could eat lunch merely to gain strength for walking around but we only took a proper meal in the evening." (Female beneficiary, Siyasiya, Salima).

Box 3 **Case study of an elderly beneficiary in Mankhanamba, Phalombe**

Peace is a widow aged about 75 and living in Mankhanamba. Her household comprises ten members: herself; her elderly and disabled uncle; her eldest living child, Rose; and seven children (Rose's three children, and four orphans, the children from her two eldest deceased sons). Only one orphan is attending primary school. The others refuse to attend but they neither help on the family farm nor undertake work. This is a problem. Peace was selected as a beneficiary about three years ago when, after attending several community meetings, she and Rose were informed by the committee she was selected. Rose explained that they did not find out at the start of the meetings that cash was going to be provided: it was only once her mother was selected that they were informed.

Although the cash does not come regularly, Peace and Rose spoke of the importance it played in their lives and how the cash had brought significant changes for the household. The most important change was having more food. Before, they had faced a big problem finding enough to eat, especially during the hungry season before harvests. Rose explained that she would resort to asking relatives for help and doing *ganyu* to pay for food. Now with the programme they had food every day and were sometimes able to buy fish. Importantly Rose said that she now did less *ganyu*. This left more time to work on the family farm of about 6 acres (equivalent to 2.4 hectares) which was planted mostly in maize, and also with groundnuts, soya, pumpkins and sunflowers. Other than sunflowers, all that was harvested was used for feeding the household. As for inputs, she used only very small amounts of fertilizer as they had not been selected for the government Farm Input Subsidy Programme. Rose had always hired some *ganyu* for certain tasks (e.g. weeding) and was now able to hire more with the transfer.

Rose and Peace had invested in house repairs, rebuilding the walls through payments for labour and materials. It was clear that Rose was very proud of the home improvements she had managed to make, pointing out to us the improved walls. The programme had also enabled the family to buy a goat for the first time. This was on the advice of the 'volunteer' committee member, who visited regularly and who told them to think about how they would manage the household after the programme ended.

As her mother's representative and primary carer, Rose made all the decisions regarding the use of the cash transfer, also in consultation with her aunt. The money was mostly spent quickly after payday on food, schooling expenses and on the house (including basic needs such as blankets and plates); nothing was saved. In addition, Rose firmly said no, she would not buy on credit or take out loans for fear of not being able to repay them. Anyway, she said, people would refuse to lend to her: she had already tried once.

Note: Names have been changed.

Despite challenges, a health worker and key informant in Salima district said that malnutrition among beneficiaries had reduced, and a village head reported that the cash transfer had helped beneficiaries access food which they had found hard to do in the past. Both spoke well of the impact of the cash transfer programme on food consumption in the district.

The ability of the cash transfer to contribute to meeting households' food requirements was however reduced under certain conditions:

- In larger households the transfer lasted a shorter time and its impact was diluted since its value is the same for all households of four people or more. One widow in Phalombe who was raising eight children had bought a 50 kg sack of flour with the cumulative nine-month transfer paid at the end of 2013, but it had already run out after three months and she and her children had returned to doing *ganyu* to earn an income for food.
- In remote areas the cost of food – including staples such as maize – is higher because traders may buy it at main trading centres and then charge a premium for bringing it to the remote location. Transportation costs are higher for traders who have to negotiate dirt roads rather than tarmac roads.
- Delays in payment could have a dramatic adverse effect on households' ability to buy food. The long payment delay in 2013 was said to have caused beneficiaries to express despair:

> "*Cash disbursement is delayed; we shall die of hunger*." (Non-beneficiary reporting comments made by beneficiaries, Khonthi, Salima)

A beneficiary in Chabuka, Phalombe, recollected the day that he ran out of food: "The food ran out on 8th October". Between that date and receipt of the transfer he reported having survived on vegetables and handouts from neighbours.

Education

Education represented a major expenditure item for households with children attending school, even though there are no fees for primary education (see Table 8 above).

Costs included the purchase of uniforms and stationery as well as secondary school fees. Education was greatly valued by beneficiaries and non-beneficiaries alike:

> "I put the bulk of the money I get into my children's education because I want them to have a bright future." (Female beneficiary, Siyasiya, Salima).

> "An educated child becomes help in the parent's home." (Female non-beneficiary, Siyasiya, Salima).

Many beneficiaries reported that they had enrolled their children in school since they had started receiving the cash transfer. Their expenditure in this area had therefore increased. The CSSC and the district team had been active in raising awareness among beneficiaries that the transfer is intended to promote enrolment and attendance at school, for those who have children. This active messaging, together with the 'soft conditionality' offered by the prospect of a bonus payment for children who are in school, seems to have had a positive response and impact. However some households who wished to spend more money on education were unable to do so because the transfer arrived at the wrong time, too late for the start of school in September; those households had in fact to withdraw their children from school owing to a lack of funds (see also section 7.4 below).

Teachers in one school in Phalombe noted a marked improvement in the educational materials belonging to the estimated 50 students from households on the cash transfer programme. Most were dressed better, wearing uniforms; they carried school bags and had adequate school supplies. Moreover they observed that this has had an important impact both on the children's attendance rate and on their self-esteem, as exemplified by the case of one female pupil who was now "chatting more with others" and "participating in and contributing to group work". However they also noted that some jealousies were present among families (see section 9.1 below).

Housing

A small but nonetheless surprising number of respondents had been able to use their income from the cash transfer to renovate or build a house (see Box 3 for an example). This was unexpected to the research team, given the modest size of the transfer. For some households the long delay in payment during 2013 and subsequent windfall made it easier to save up for this larger purchase. Housing activities included buying plastic sheeting as an underlay for thatch; replacing the thatch; replacing the roof with corrugated iron sheets; and hiring labour to build bricks or to affix the roof. Even the basic renovation of lining the roof with plastic generates substantial positive health benefits for the household as it prevents the entry of tics that live in decaying thatch, thereby reducing the incidence of skin rashes. The cost of materials such as sheeting and thatch was estimated at around MK 2 000–2 500, equivalent to about one month's cash transfer; labour for fitting a roof or moulding bricks is more expensive, at around MK 5 000–10 000.

Both men and women were of the opinion that men were able to complete housing renovations at a lower cost than women. This was because they could more easily mould their own bricks, and only had to hire labour for the roof; one group of female beneficiaries we talked to not only said that they would have to hire labour for the walls, but also that they risked being charged a high price if builders knew they were widows without alternative male support, and that they would therefore have no option but to pay. These findings suggest that an impact from the cash transfer on housing quality can be achieved more cost-efficiently by male beneficiaries than by females. Another group of female beneficiaries thought it implausible that they could afford to make house renovations using the cash transfer, perhaps because they had not been exposed to any good practice of this sort.

Other non-food items

In Siyasiya respondents placed a particular value on buying clothing (as part of ‘household item’ expenditure) with their income from the cash transfer. No longer standing out as ultra-poor to passers-by had an important cultural and social value to beneficiaries for maintaining their dignity and fitting in with their community, thus improving their social relations:

> “The Social cash transfer programme has transformed us and God is our witness: you would hardly recognize us if you met us dressed all in white on our way to a men’s guild meeting at the church.” (Male beneficiary, Siyasiya, Salima)

> “I have bought more clothes because whenever I dress shabbily people think I waste money on beer. I thus dress neatly so that they appreciate the good use to which I put the money.” (Male beneficiary, Siyasiya, Salima).

A church elder in Siyasiya observed, too, that when beneficiaries had bought clothes for their children using the cash transfer, they now played with children from better-off households without them being able to tell the difference. The emphasis on spending some income on clothing was less pronounced in other communities. It might be that the value of having good clothes was equally strong in those places but that the feasibility of buying them was lower: in one remote community in Phalombe female beneficiaries indicated that they had little opportunity to buy new clothing because they could not walk as far as the trading centre to purchase any.

Other items consuming a smaller proportion of expenditure included household goods and health care. Expenditure on health care was reported to be minimal because public health facilities are free. A vivid example of an improvement in living conditions brought about by the cash transfer was provided by one beneficiary whose children no longer slept under sacking and on top of mosquito nets:

> "Children used to use mosquito nets while others used to use hessian sacks for baling cotton for blankets, but now they use proper blankets to sleep under if the truth be told." (Female beneficiary, Siyasiya, Salima.)

Investments in agriculture

It has already been noted that some beneficiaries had invested some of their income in livestock, as a form of saving, or occasionally (mainly in Siyasiya) in inputs for small businesses.

The other major area of investment for households was the purchase of farm inputs including fertilizer, chemicals, certified maize seed, hoes and sickles, and the rental of farmland. For the vulnerable households that we interviewed these types of investment were often difficult to make, or at least to buy in the desired quantities. The FISP had generated some benefits for households in terms of improving financial access to these items; some cash transfer beneficiaries, though, were excluded from that assistance on the grounds that local communities preferred households not to receive multiple benefits (see discussion in section 9.1 below). As for the Social Cash Transfer programme itself, many beneficiaries reported that the transfer had increased the amount they were able to spend on these assets. In an exceptional case in Salima, for instance, one beneficiary reported using income from the cash transfer to rent land for farming. In Phalombe some beneficiaries had bought seeds of crops that they had not previously grown, including sunflowers, groundnuts and tobacco. The consequence of the purchase of farm inputs had been a diversification of crops grown and the cultivation of a greater area of land with the prospect of increased yields. In turn this might allow beneficiaries to use the transfers received immediately after harvest on meeting basic needs other than food, such as the purchase of soap or clothing.

7.3. How households make decisions about expenditure

Households with more than one adult report that they generally make decisions together about how their income should be spent. None of the respondents in Salima reported a gender bias in this regard. As for Phalombe, in the Lomwe culture that is predominant in the district, men have traditionally been viewed as the main decision-makers though this is changing: as one group of women commented, laughing:

> "Women can be more intelligent than men so they have to come to a consensus."
> (Female beneficiary, Chabuka, Phalombe).

Some households in both districts also report consulting with their older children.

Beneficiaries in all communities in both Salima and Phalombe reported that the social cash transfer overall had not altered decision-making patterns within households. Beneficiaries were able to make their own decisions about how to spend the cash transfer. A few young people said that they consulted with older male relatives such as uncles. Elderly beneficiaries were sometimes influenced in decisions by their representatives or other able-bodied relatives who spent the money on their behalf, particularly if they were unable to walk to a trading centre to spend it themselves. In some cases this experience was positive, for others, as indicated by non-beneficiary respondents in one community, it could have negative consequences if they were unable to specify how the money should be used. As mentioned above they also said that they received guidance about good practice from the CSSC and district officials, as well as occasionally from other opinion leaders such as the village head or Village Development Committee. This included advice on buying diverse and more nutritious foodstuffs, devoting resources to education and investing in livestock.

7.4. Household well-being: challenges in overcoming detrimental risk-coping strategies

The two most commonly cited risk-coping strategies that households employ in time of need, but which are detrimental to the long-term promotion of their livelihood, are the withdrawal of children from school and the sale of livestock. We find that the cash transfer had reduced the frequency of use of the former strategy by beneficiaries and increased use of the latter. This last was viewed in a positive light by respondents because it meant that at least households now had livestock to sell.

Non-enrolment and non-attendance at school

Households' negative coping strategy of keeping children away from school has two motivations. First, it enables households to increase their immediate income because the children can be used for *ganyu*; and second, it enables them to reduce their expenditure because they do not have to meet costs such as uniforms or secondary school fees. In principle a cash transfer – especially the cash transfer with its bonus for school attendance – should relieve both these pressures.

We find that the social cash transfer had improved children's attendance at school but not entirely stopped absenteeism. It was already noted above that as a result of the cash transfer many beneficiaries reported withdrawing their children from school less frequently to earn an income through *ganyu*. However some households had resorted to involving school-age children in *ganyu* during school hours as a survival strategy especially after the long delay in disbursement in 2013. In Khonthi, Phalombe, for example, herding goats was reported to be a common labour activity for children. Other children still work after school and at weekends. One key informant in Mankhanamba, Phalombe, suggested that even this might lead to eventual dropout as students were unable to concentrate on their studies on account of tiredness; this meant they risked experiencing frustration and poor performance in class.

One community in Salima reported that the CSSC members had improved attendance of beneficiary children at school through negotiating with the School Management Committee. The CSSC reached an agreement with the school that children could attend without wearing school uniform, while families were waiting for the delayed cash needed to be able make the purchase. This is a good example of the positive engagement and interaction of the CSSC with local institutions to further the objectives of the Social Cash Transfer programme.

The long delay in payment of the cash transfer in 2013 had caused some households to cease enrolling their children in school altogether. A key informant in Khonthi, Salima, observed that some girls from beneficiary households had managed to reach secondary school with the assistance of the cash transfer, but that because no funds were available in September they abandoned their studies because they were not able to pay the fees. Once the money arrived around November the households felt it was too late for them to return. Two beneficiaries in Chabuka, Phalombe, reported having suffered the same problem.

Nonetheless the incentive of the cash transfer and its education bonus was still not enough to enable or persuade some families to enrol their children in school. A few beneficiaries – in Salima, Phalombe and in both remote as well as well-connected areas – kept some of their children out of school because they said they did not wish to go. Other households opted for their children (usually girls) getting married instead. The basis for the latter was not always clear, but financial constraints are known to be one reason among several that can motivate early marriage in Malawi (see e.g. Human Rights Watch, 2014).

While the regularity of the cash transfer payment was an important contributory factor for encouraging school attendance, it was perhaps less important than the availability of school meals. The head teacher of a school in Phalombe, attended by cash transfer beneficiaries, noted that the School Feeding Programme operating in the district had been suspended at the end of 2013 owing to funding problems.[14] Attendance at school (by beneficiaries and non-beneficiaries alike) had dropped dramatically over the following month, both because children were too hungry to concentrate on their studies and because their families needed them to earn money to get a meal.

The sale of assets such as livestock

Respondents observed that for a household to be able to sell off assets such as livestock in time of need it must be sufficiently well off to have owned the asset in the first place. The sale of livestock was therefore not usually an option that was available to the ultra-poor because they had none. The fact that some beneficiaries had begun acquiring livestock with the prospect of subsequently selling them may therefore be viewed as an improvement in their living conditions since it meant they have an additional safety net.

Nonetheless it is unfortunate that several of these beneficiaries had begun to sell off their assets soon after acquiring them, especially because of the long payment delay in 2013. In Salima, two women in Siyasiya and a male beneficiary in Khonthi had already sold one or more of their animals – a goat or chicken – to meet immediate food and non-food needs. Similar instances were cited in Phalombe. Respondents indicated that, with the exception of distress sales during the payment delay for the cash transfer, they were most likely to sell off livestock during the lean period of the rainy season around December to February when money and food were in shortest supply. Where households have sold off animals that were born after their original animal had reproduced they may still remain with a greater stock of assets than they had previously.

8. How the social cash transfer affects the local economy

Cash transfers have the potential to influence the local economy in many ways:

- Changing opportunities for trade (demand for increased quantity and greater variety of goods and services).
- Increased labour market opportunities through the creation of new businesses or the extra demand on existing businesses.
- Increased competition.
- Inflation of market prices.
- Improved creditworthiness of beneficiaries.

The extent to which the market responds in each of these ways depends on the local conditions. If cash transfers generate an increased demand for products and the market can obtain additional supply to match demand (or if demand is met by households' own production) then prices may remain unchanged; but if demand outstrips supply then prices may rise (Barrientos and Sabates-Wheeler, 2006). We show here that the social cash transfer generated some short-term changes in trading practices around payday and had offered occasional extra labour market opportunities in the form of *ganyu* on beneficiaries' land. However market prices had not increased and there had been little impact on the creditworthiness of beneficiaries. Overall, the multiplier effect of the transfer on

[14] This programme, supported by the World Food Programme, provides a free meal every day for each child, prepared by local community members on a rota. It was set up in Malawi in 1999 in response to the effect of seasonal food shortages on children's attendance at school. It is credited with improving attendance rates (Burbano and Gelli, 2009).

local goods, services and labour markets was not strongly felt by the communities enrolled on the programme.

8.1. The short-term effects of the transfer on local trade

It was noted in section 7.2 above that trading increased on the day the cash transfer was paid out, and for a few days afterwards, when beneficiaries bought with some excitement goods that they might normally not buy like eggs, cooking oil, meat and tea. The CSSC and district officials encouraged households to go directly home with the cash and to return to the market later, once they had drawn up a budget for the purchase of necessities. Many beneficiaries reported having been advised in this way, and some had followed the advice, but for others it was more practical to combine the long walk to the pay point with a visit to the trading centre in which the pay point was located.

Traders noticed a particular increase in bulk purchases by beneficiaries after the large payout in late 2013. Traders in Mankhanamba ran out of their regular supplies of maize and had to bring in more to meet demand; a maize mill owner in the same area, who charges customers for grinding maize, observed an increase in the activity of the mill around payday as beneficiaries brought in their extra maize to be ground. The effect was not long-term.

As beneficiaries make up a very small proportion of the total population the overall effect on traders' businesses was not large. In Khonthi, Salima district, for instance, beneficiaries indicated that they liked to buy a cup of tea on payday but the tearoom operators themselves had not noticed much difference. Similarly, bicycle taxi operators in Siyasiya had not noticed a significant improvement in business because of the cash transfer either on payday or at other times. Nor did traders feel any great increase in competition in the market from beneficiaries starting up new enterprises even though one might expect that, over time, the improvement in yields on beneficiaries' plots might enable them to compete to sell surplus produce. The reluctance of beneficiaries in remote Khonthi to invest in small businesses, as described in section 7.1 above, explains this lack of increased competition.

Nonetheless a key informant in one interviewed community, the head of a CSSC, had calculated that the local economy in his village cluster benefitted from around MK 3 million (about US$7 000) per year as a result of the social cash transfer.[15] He believed that the injection of this amount of cash must generate some multiplier effect in the wider community even if traders were unaware of its origins. The extent to which this is the case depends on the degree to which households were using the cash transfer as a substitute for previous income sources, such as child labour or *ganyu*, or were using it as an additional income source or to generate additional income through investment: we have seen in section 7.1 above that the transfer produced a combination of both these effects. The FAO's quantitative analysis of the local economy effects of the transfer, being conducted in parallel to the present study, may shed further light on this.

In one community, the remote village cluster of Khonthi in Salima, it was found that trading practices had changed as a result of the cash transfer. Door-to-door vending of goods such as dried fish and tomatoes had started with sales on payday. It has now become a regular feature in the community, offering an alternative to the small trading centre in the area.

In many communities impromptu trading centres sprang up around the pay point on payday. Vendors turned up selling ready-to-eat food such as *mandazi* (doughnuts) or sugar cane so that beneficiaries queuing for payment could buy something to eat. Prices for these goods could be higher than the usual market rate as the traders knew that they had a captive customer base.

[15] This is equivalent to 100 beneficiaries each receiving about MK 2 500 per month.

8.2. Small changes in labour market opportunities

The main change in labour market opportunities has already been discussed: a few beneficiaries were now periodically hiring labour to assist with farming on their plots. Besides this and the occasional hiring of labour to help with renovations such as roofing or moulding bricks, the generation of additional employment was not strongly noticed by the community. Traders did not report having taken on extra staff to meet demand. This concurs with the absence of a long-term impact on volumes of trade.

8.3. No long-term change in prices

The cash transfer did not have any inflationary effect on market prices, according to informants, aside from the temporarily higher prices charged by traders to queuing beneficiaries on payday. Prices of goods were said to have increased over recent years but this was not due to the transfer. This suggests that traders may be able to accommodate the short-term spike in demand for goods around payday by bringing in additional supplies as illustrated by the maize traders in the example in section 7.2 above.

8.4. Fluctuations in the creditworthiness of beneficiaries

Beneficiaries might become more creditworthy if the cash transfer payments were regular. Initially vendors were willing to supply goods to beneficiaries on credit, trusting that they would be able to repay the debt when they received the transfer. The long eight-month delay in disbursement during 2013 appears to have eroded that trust. Several traders in both Salima and Phalombe reported having been caught out by offering credit to beneficiaries who were unable to repay it for a long time. A few traders claimed they would not exclude the possibility of lending credit to cash transfer beneficiaries, but would do so on the expectation that they had other income sources – such as wages from *ganyu* – that would cover the repayment. The decision to lend credit to beneficiaries would therefore be made on the same basis as for any other very poor household.

One shopkeeper who was interviewed in Phalombe had found an innovative way to limit the risk to his business from defaults on credit without denying credit to beneficiaries altogether. He kept a book with a record of transactions whereby cash transfer beneficiaries, on presenting their programme identity cards, could take goods on credit up to a ceiling of MK 300 (about US$0.70). By keeping to this level he presumed that his business would not suffer excessively if the repayments were late.

However, beneficiaries were themselves rather risk averse. There was not a strong appetite for taking goods on credit as respondents were uncertain how and when they would be able to repay their debts. In Phalombe both communities were generally risk averse in that most expressed a fear of borrowing, for instance, even when they thought that creditors would not refuse them a loan. This observation applies equally to men and women: a gender difference was not observed in this respect. Only in Siyasiya in Salima district, where there is a greater familiarity with small-scale enterprise, was there a corresponding greater acceptance of risk. This aversion to risk also manifested itself in beneficiaries' reluctance to lend money, especially in Khonthi. This may be because the lack of exposure of that remote community to trade and enterprise meant they lacked examples they could emulate. We find no evidence that enrolment on the Social Cash Transfer programme had altered these attitudes towards risk; this may be because the irregularity of the payment did not allow beneficiaries the certainty of knowing either that they would be able to repay a loan on time, or that they could do without a share of their income if they were to lend it out.

8.5. Beneficiaries' interactions with Village Savings and Loans (VSL) schemes

VSL schemes are a feature of the financial services landscape in Malawi that is rapidly increasing in popularity and one of very few financial services available in most rural communities. Members pay in contributions that go into a pot. This pot is then used to provide short-term (usually month-long) loans to both members and non-members. The interest rate is high for both groups, but even higher for non-members than it is for members.[16] Once a year all the interest earned from loans is divided among members in proportion to their contributions. VSL groups choose to cap their membership at a manageable number, generally around one or two dozen contributors. This means that in any given village there may be several VSL groups operating, each having its own set of contributors and its own committee of supervisors. It was reported anecdotally by one committee member in Phalombe that women tended to predominate in the membership when groups were initially set up as the men often viewed the schemes as women's social clubs; but after a year or so of operations, when they saw that the women had received the economic benefit of their first payout, men became eager to join.

Interviews with treasurers of VSL schemes in Salima and Phalombe highlighted the enormous variation in the approach taken by individual groups with respect to the permitted contributors and borrowers, the level of contribution required and the conditions of the loan. One group permitted any member of the community to join, regardless of their ability to contribute to the pot. Members could make payments of any size whenever they could manage it, and would simply receive a share of the accrued interest at the end of the year in proportion to the amount that they had contributed it. This group was equally flexible about lending money out: a person could borrow money for any purpose, whether or not for investments such as small businesses. In contrast, the other interviewed group vetted applicants for their perceived trustworthiness (in the opinion of its committee and sometimes the village head) and imposed strict requirements on contributors to pay in at least MK 200 each week.

The experience of social cash transfer beneficiaries with contributing to, and borrowing from, VSL schemes was therefore highly variable. It depended on the setup of the individual scheme. A committee member of the VSL that was flexible about the regularity of contributions said that three beneficiaries were members of the scheme (though they had been members already before the start of the transfer). During the long interval when the cash transfer was not paid they had problems making contributions but they attended the weekly meetings anyway to socialize. The consequence of failing to make contributions was that they received very small payouts at the end of the year. However once they had received the lump-sum payment, one beneficiary had immediately invested MK 2 000 into the scheme, saying that he did not know when he might next be able to do so. On the other hand, no beneficiaries were members of the scheme that required weekly contributions. In the view of the secretary of the latter group many social cash transfer beneficiaries might be too elderly to consider contributing to schemes that encourage long-term savings and investments.

Beneficiaries who borrowed from VSL schemes to compensate for delays in the payment of the social cash transfer ran the risk of rapidly becoming indebted. In Phalombe, a key informant cited the example of a beneficiary who had borrowed MK 2 000 from the VSL as a non-member during the long gap between payments. The interest on the loan was MK 600 per month. It is fortunate that the cash transfer payment arrived just one month later; had the transfer been delayed any longer, the interest on the loan could have accumulated and risen to unmanageable levels.

[16] As an example, one interviewed VSL group in Salima district cited interest rates of 40 percent per month for members and 50 percent for non-members: a loan of MK 1 000 would have to be repaid the following month at MK 1 400. A VSL group in Phalombe district reported interest rates of 25 percent for members and 30 percent for non-members.

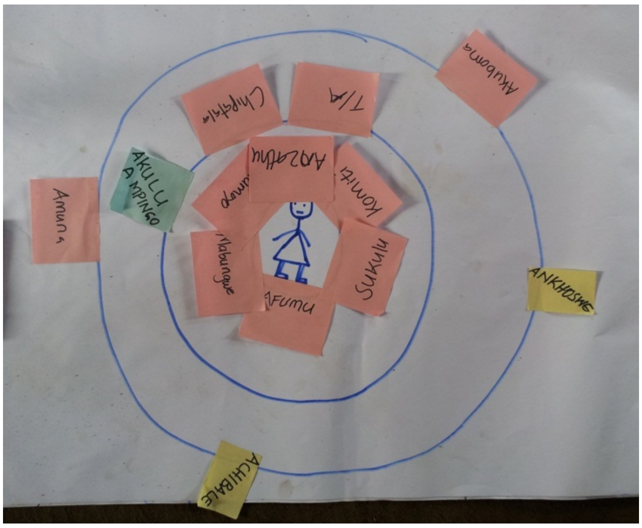
9. Social networks

To what extent does a cash transfer programme change relations in the community between people who receive it, and those who do not? Does it help beneficiaries to become more involved in financial risk-sharing arrangements and to participate in local activities, or does it create tension that marginalizes its recipients from community life? MacAuslan and Riemenschneider, commenting on the effect of cash transfers on social relations, assert that the "impact of cash transfers on social relations is large, often positive but sometimes negative" (2011, p.1). The findings presented here on the Social Cash Transfer programme confirm this mixed picture with respect to beneficiaries' relations within the community, and also suggest that the social cash transfer in Malawi has had a limited impact as yet on empowering beneficiaries to have greater involvement in local decision-making processes.

9.1. Social networks in the community, before and after the transfer

Beneficiaries and non-beneficiaries alike were integrated into broad networks of relations and acquaintances. This included their immediate and extended family; neighbours, to whom they were also sometimes related; and friends. Particular importance was given to their relationship with the village head who oversees all key decisions affecting the life of the village. They also interacted with many local social institutions such as the church, mosque, school and health facility and with more political institutions, e.g. government officials at district level and local politicians. For beneficiaries, the CSSC was an additional core part of the social network (Figure 9).

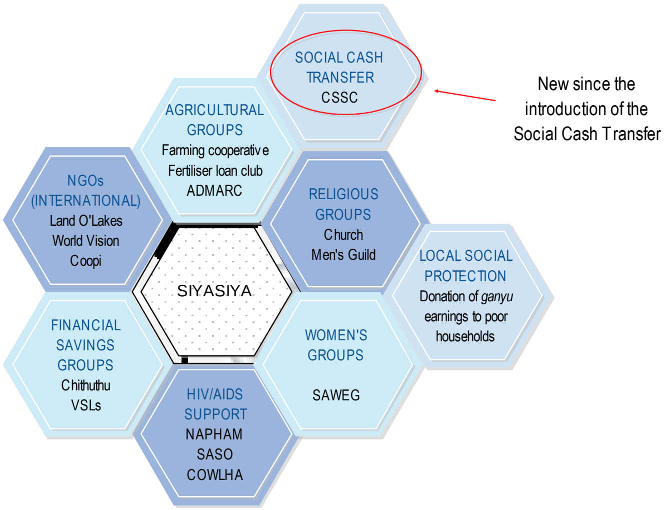
Figure 9 Social networks of beneficiaries in Siyasiya, Salima district



Source: OPM/Jimat. Note: Diagram produced by non-beneficiaries in reference to the social networks of social cash transfer beneficiaries. Paper size and colour show the importance of the relationship (the large pink paper represents the most important); the three circles indicate how easy it is to access that network. Many relationships here are seen to be both important and easy to access (village head/school/CSSC/friends/health extension workers/NGOs). In this focus group discussion, respondents placed relatives on the outer ring as being distant (though important), alongside government officials.

The strength of social networks varied from one community and even one household to another given different contexts, even without the cash transfer. As an example, a strong sense of community solidarity was observable in Siyasiya, Salima district. In one zone the village head had introduced an informal social protection system in 2005 by which groups of farmers volunteer to carry out *ganyu* locally, and donate a portion of their earnings to support vulnerable households in the village. The village also requires that funerals are attended by the entire community regardless of one's status. Local solidarity has been bolstered in Siyasiya by assistance from numerous community- and district-level organisations as well as international NGOs (Figure 1).

Figure 1 Organizations providing social and economic support in Siyasiya, Salima district



Source: OPM/Jimat. Notes: (1) Women's groups: SAWEG = Salima Women's Network on Gender. (2) HIV/AIDS support: NAPHAM = National Association for People Living with HIV/AIDS in Malawi; SASO = Salima Aids Support Organisation; COWLHA = Coalition of Women Living with HIV/AIDS in Malawi. (3) Financial savings groups: *Chithuthu* is a rotating savings scheme; members make monthly contributions and the total is given as a lump sum to a different member each month. (4) Agricultural groups: ADMARC = Agricultural Development and Marketing Corporation.

The more remote the community, the less we found evidence of formal social networks in the form of development actors supporting specific community groupings. Mankhanamba, the community along the main road in Phalombe, receives interventions and support from some religious associations such as the Salvation Army and Church of Christ; mention was also made of Muslims assisting the needy regardless of affiliation, especially during festivities. Economic associations active in the area include the Community Savings and Investment Promotion association (COMSIP), and a Women's Forum supported by ActionAid which creates farming groups. The latter raises money through sales of the crop that participants choose to grow which distributed among the members: people unable to provide manual labour because of advanced age or infirmity can participate by babysitting.

Very few such organizations were recalled by either key informants or vulnerable households in the less well-connected areas far from the main road (Khonthi in Salima district, and Chabuka in Phalombe district). Examples were confined to the Friends of Jesus and the Adventist Development and Relief Agency (ADRA) in Chabuka, and the NGO World Vision in Khonthi.

There also appeared to be fewer *informal* social networks in remote areas compared with Siyasiya. Neighbours were widely cited as being easily approachable but the amount of support they were able to provide varied between communities. One group of female beneficiaries in Phalombe, for instance, stated that their neighbours were among the first people they would turn to in time of need; in contrast, another group in Salima felt that their neighbours would not respond as readily as their relatives might. While some respondents said that their neighbours would willingly share items such as salt if they themselves had run short, others observed that it was becoming increasingly difficult to borrow from neighbours. However everywhere people felt that they had friends they could rely on to support them:

> “A friend is very important because you easily ask for assistance from them, like asking them to give you some flour when in need.” (Female non-beneficiary,Siyasiya, Salima)

In the remote areas no examples were cited of systems for social protection initiated by the community.

Where informal networks were less strong this was not because the Social Cash Transfer programme was weakening them: the gradual weakening of informal networks was also noted by respondents in the control community of Mulelemba. Similarly, the introduction of the cash transfer was not reported to have resulted in the closure of existing structures and associations for social support. In Siyasiya, for instance, the system of voluntary donation of earnings from *ganyu* continued. One of the cash transfer beneficiaries had previously received assistance from this group three times and now worked in it himself. Beneficiaries were also members of some of the associations such as the fertilizer loan club and *Chithuthu*. One exception was reported in a community in Phalombe where non-beneficiaries were said to have refused to contribute to a school project, asserting that the beneficiary families should be helping the school in return for receiving the transfer on behalf of their children. This negative impact of the cash transfer programme on social support networks appears to be an unusual case as we did not hear of other such instances.

However the social cash transfer had affected the use of these support structures by beneficiaries in opposing ways. These changes had a fundamental impact on the opportunities for social and economic support that were available to the households:

1. Beneficiaries were now better integrated into networks where inclusion is dependent on financial contributions – most of all the church. Being able to attend church is considered by the community to be one of the most important and visible ways for a household to participate in the life of the community. It is perceived as a traditional norm widely practised among community members. There is a strong tradition of tithes, or donating a portion of one's income to the church. Some churches set a defined contribution level which is unaffordable to the ultra-poor. In other cases there is no set value preventing very poor households from attending, but they may feel unable to attend because they are embarrassed by the condition of their clothing or their lack of shoes. The social cash transfer had transformed this situation: beneficiaries and non-beneficiaries and church elders alike all remarked warmly about the increased ability of beneficiaries to attend church. This in turn had the potential to allow beneficiaries to draw on the assistance of the church or of other members of the congregation in time of need, thus further strengthening their social networks.

2. Beneficiaries were now sometimes excluded from other material support that was destined for vulnerable households, notably the FISP that offers vouchers for discounted fertilizer to a proportion of households in each community. Beneficiaries of the cash transfer programme in Khonthi, Salima district, also reported having been excluded from the recent distribution of food relief. In some cases the value of the support from which the household has been excluded may exceed the value of what they receive under the cash transfer.

This exclusion of beneficiaries from multiple support programmes is not formally sanctioned. The targeting of the FISP, for instance, does not preclude the possibility that social cash transfer beneficiaries receive a voucher. Moreover during exchanges at central government level, as well as with one District Social Welfare Office, respondents noted a preference for a strong social protection system that provides sufficient support to beneficiaries to enable them to be weaned off safety net programmes: this implies that a programme of multiple support invested in vulnerable households may be most effective.

Rather, the research shows that there was a strong sense of “fairness” within communities, according to which they felt that households should distribute benefits or take turns being the recipients of any assistance that arrives in the village. Village heads, and others involved in the targeting of welfare programmes, ensured that one household received the fertilizer, another received the cash transfer, another might receive free school uniforms, etc. With regard to the FISP voucher, some households are registered as recipients of the voucher on condition that they share the benefits with their neighbours, something which is not aligned with programme policies. The same practice of taking turns with benefits was noted in the control community in Salima, even without the social cash transfer.

The rationale given by informants for dividing out the benefits, from the perspective of the community, is twofold. First, poverty levels of households within a community are considered to be so similar that no single household is deemed more deserving than any other of support. If they cannot all receive the assistance they then feel who ends up on the beneficiary list is a matter of mere luck:

> “Luck comes to a select few people at a time.” (Female non-beneficiary, Khonthi, Salima)

Second, as was explained in Siyasiya, the exclusion of beneficiaries of one programme from other social protection programmes reduces jealousy between beneficiaries and non-beneficiaries: it limits the likelihood that one household's material condition will improve to the extent that they will leapfrog over their neighbours in socio-economic status.

The consequence of this practice is that households are less likely to achieve a sustained improvement in living conditions that is sufficient to enable them to graduate from receiving support altogether: there is a risk of prolonging dependency on the external assistance.

Despite efforts to promote a fair distribution of resources, jealousy remains an issue. Private social networks had been affected by the introduction of the social cash transfer. In some cases there had been temporary or more permanent breakdowns in communication.

> “There is a lot of ill talk against us.” (Female beneficiary, Siyasiya, Salima)

The ill-feeling on the part of non-beneficiaries – if it occurs – could be directed either directly towards the beneficiary or alternatively towards the CSSC for having selected other households for inclusion rather than themselves. It can take the form of name-calling, or derogatory comments. One beneficiary in Phalombe observed that when her child once misbehaved other adults remarked that it was only to be expected because his mother was a cash transfer beneficiary. Another elderly female beneficiary in Mankhanamba said that people were visiting her less as they were envious of her. While in one community in Salima district non-beneficiaries reported that they and the beneficiaries tended to avoid one another only around payday: non-beneficiaries were nervous that they might be perceived to be fishing for money if they approached beneficiaries around the time of payment. Once the money had been finished they resumed their interactions with one another. Beneficiaries regret the loss of some friendships but generally accept this as a price to pay for participation in the programme: one group member declared:

> “When people talk ill of us because of the cash transfers we simply block our ears” (Female beneficiary, Khonthi, Salima)

The problem of jealousy was not found everywhere. In some communities, beneficiaries agreed that there had been no significant change in their interaction with their neighbours. One female beneficiary commented that, while relations might become more strained with people who were distant acquaintances, the reactions of closer friends and relatives were often warmer as they were pleased at the improvement in their friends' living conditions. A contributing factor might be that the beneficiaries are no longer that reliant on their close acquaintances for material assistance as they were before the transfer. Overall, this sense of feeling happy for beneficiary households seemed to be a common view among persons met in the communities, who perceived those in the cash transfer programme as deserving of assistance. One CSSC member felt that the endorsement of the list of beneficiaries by the whole community at a meeting was an effective strategy for minimizing later jealousies and complaints.

While the cash transfer had weakened some personal ties, it had created others. The team observed in one community that beneficiaries themselves had become a more tight-knit group: beneficiaries mentioned an occasion when one was ill and some other beneficiaries helped out on his land.

9.2. Little change in the contribution of beneficiaries to community decision-making

Beneficiaries of the Social Cash Transfer programme, similarly to other vulnerable households, had limited opportunities to take on positions of authority in the community. Factors accounting for this included the fact that communities tended to select literate individuals for committee posts and that many beneficiaries felt they were too old to participate actively in decision-making processes. Occasionally, where beneficiaries were found to have a position of responsibility it was a post they generally had from before the cash transfer, not as a result of it.

Despite little change in their formal standing in the community, beneficiaries very widely reported feeling a greater sense of dignity arising from their increased material well-being. As one beneficiary in Mankhanamba concluded:

> "I feel better because I am being helped." (Male beneficiary, Mankhanamba, Phalombe)

10. Operational issues

Many of the operational processes of the social cash transfer are widely appreciated by both beneficiaries and implementing partners. In particular they perceive that the targeting strategy that has been used until now has successfully identified households that fit the intended criteria for the programme and that are clearly deserving of financial support. The system of implementation by means of community-level committees, the CSSCs, gives the programme a visible presence in the places where it operates and a convenient point of contact for beneficiaries.

The agencies implementing the programme recognize that some aspects of its operations have not been able to run lately as was intended in the programme design; the refinement of some operating procedures, associated with the change of funder in 2013 and the expansion to new districts, may offer an opportunity to reconsider how best to carry out these activities to maximize the programme's effectiveness. Above all this applies to the regularity of payment which has been erratic during 2013. It also applies to the practice of case management: beneficiaries who remain enrolled on the programme, but who require amendments to their details that affect the transfer value, have been unable to make the changes. The frequency and accuracy of monitoring and reporting is variable. Where beneficiaries and key informants reported having concerns about programme operations it tended to be about these challenges of payment, case management and monitoring which are known to be problematic.

Improvements in these activities will enable the programme to continue to achieve its objectives of improving the living conditions of the most vulnerable in the community. If undertaken together with an increased focus on the complementarity of the Social Cash Transfer programme with other interventions targeted at the same households it may help households further towards graduating from needing sustained financial assistance.

10.1. Human resources: the community – and district-level teams

The CSSCs are the face of the programme at local level and are vital to the success of the programme. These nine-member committees in each village cluster have a strong, visible presence for beneficiaries and non-beneficiaries alike. In focus group discussions beneficiaries routinely stated that their local CSSC member was among the most important contacts in their social circle and easily accessible. They knew who their CSSC representative was and where he or she lived. They appreciated the committee member's proximity to their village. Beneficiaries reported consulting with the CSSC member mostly with regard to the payment date, and sometimes with other queries about changes in household composition which the CSSC representative might or might not be able to deal with; many said that CSSC members provided them with good advice on how to use the cash. The strategy of dividing each village cluster into three geographical zones, and electing three CSSC members per zone, has greatly helped in providing this accessible point of contact to vulnerable households who may experience difficulty in walking long distances to request assistance. This convenience was recognized by beneficiaries themselves in several communities as well as by a village head interviewed in Siyasiya, Salima.

It is unfortunate that CSSC members have not been receiving the modest financial and material recompense that is due to them, as this creates a disincentive for their efforts. CSSC members are expected to receive a small monthly stipend in recognition of the time they spend implementing the programme in their community. They are expected to receive this at the same time that the beneficiaries receive their payout. Financial constraints during 2013 meant that committee members were given their monthly stipend only for the month in which payment was disbursed and not for the intervening eight-month gap. Key informants interviewed at all levels – at central government, in the districts and among the CSSC members themselves – found this very regrettable and disheartening because the involvement of the CSSCs is not confined to paydays. They play a lead role initially in the targeting of beneficiaries and then their active support is expected and needed throughout implementation[17]. This might include, for example, helping districts to maintain up-to-date records of the programmes by informing them about households who have ceased to be eligible, a measure which could allow programme resources to be redirected promptly to newly eligible households.

Besides the small payment, CSSC members were also meant to have received bicycles to facilitate their work. The CSSCs in the two communities in Phalombe reported having received a bicycle from the programme, while this was not mentioned by any committee member in Salima district. However, where bicycles had been received, CSSC members reported that many had fallen into disrepair and were unusable. From discussions with respondents it seems that this is due to a lack of clarity as to the ownership of the bicycles, i.e. confusion as to whether they had been donated to each individual committee member as a gift which they could subsequently treat as their own property, or whether the bicycles were a programme resource on loan to the committee members during the time they supported the programme operations.

[17] See responsibilities summarized in Table 2, p. 8.

A useful addition to material compensation is the provision of training to CSSCs. Committee members who were interviewed for this study expressed interest in receiving further training in topics such as providing guidance to beneficiaries on accessing support from other sector experts at community level.

The study team understands that the role of the CSSC is under review. In the opinion of many of the key informants interviewed at central, district and local levels (and a view that we endorse) these teams would benefit from being strengthened and supported rather than diminished. One concern voiced is that the ratio of committee members to beneficiary households may appear generous. However the beneficiaries are rather dispersed: even one zone, a subdivision of a village cluster, contains numerous small and scattered villages with only a handful of recipients in each. For example, one village head reported that his village had a population of 36 households, of whom three were enrolled in the cash transfer programme; their CSSC representative lived 2 km away in the neighbouring village and looked after several villages at once. If the role of the CSSC in providing general social support to the community is to be expanded beyond the cash transfer programme, as envisaged by the Ministry of Gender, Children and Social Development and the Ministry of Economic Planning and Development, their workload will increase and the value of the extensive local-level network will be felt more keenly.

District-level teams play a similarly pivotal role, acting as the link between the CSSCs and the secretariat at central level. The district teams for the cash transfer programme are understaffed compared with the intended programme design. The result of this has been lengthy disbursement rounds as the district-level desk officer has to be present during disbursement in each village cluster. The team understands that this staff shortage has been resolved and that new recruits were imminent at the time of the study. One District Social Welfare Officer interviewed expressed an expectation that this would improve the speed of payment and of the reconciliation of records.

10.2. A successful targeting strategy... but no graduation strategy

The beneficiaries interviewed for this study were all successfully identified through the process of community-based targeting described in section 2.3 above. Information obtained from both district officials and respondents in the village clusters shows that the procedures for identifying and enrolling beneficiaries onto the programme were to a large extent followed. Almost without exception the households were perceived to meet the criteria of being labour-constrained, having either no able-bodied adult of working age, or a high dependency ratio of working-age adults to children and elderly people; they also appear to match the criterion of being ultra-poor. This indicates that the process of subjective ranking of applicant households, which is now being replaced by a computerized ranking method, has been effective. Applicants were not always informed what they were being enrolled for at the time of the targeting exercise.

An odd consequence of the targeting method employed by the programme, which relies on the CSSCs and the district-level enrolment team identifying potential recipients and helping them to complete an application form, is the sidelining of the Village Development Committees. These committees take responsibility at local level for the harmonization, planning and implementation of community-level development activities in their locality yet are excluded from involvement in the cash transfer programme. One District Social Welfare Officer explained that this was done to avoid undue influence of the Village Development Committee in the selection of beneficiaries. However, the result is that the working relationship between the CSSC and the Village Development Committee is at best informal, sometimes strained, and lacking sufficient communication and information-sharing. This in turn makes it difficult for the programme to be integrated with other local-level activities, to the detriment of the rate of potential improvement in the livelihoods of the beneficiaries as discussed further below.

Financial resource constraints mean that the programme cannot enrol all the ultra-poor households in a community. Naturally, all communities wished that more households could be reached and with a greater transfer value. When asked which of these last two factors would be more valuable the communities expressed a preference for increasing the number of beneficiaries rather than increasing the transfer value, if resources were to become available. This may reflect their inclination for a fair distribution of benefits among the community as a means of minimizing resentment, as discussed in section 9.1 above.

While standard procedures are in place to enrol households onto the programme, there has until now been no comprehensive process governing how and/or whether those households would ever cease to be beneficiaries. There is only a procedure for households to exit the programme if the beneficiary passes away or moves away from the programme area. This creates uncertainty and generates inefficiencies. Households that remain highly vulnerable – including many that need to use the transfer for immediate consumption – are uncertain of the extent to which they can plan to save up for investment in productive assets because they do not know when they will leave the programme. In any case they may be unable to make these investments since the programme is well targeted at the very poorest in the community. Meanwhile there is no regular mechanism for households that have been able to make investments and sustainable improvements to their living conditions to graduate. This means that, within the context of resource constraints described above, some households can continue to receive transfers despite no longer being eligible according to the targeting criteria. An option proposed by one key informant, which merits close consideration, is a fixed-term benefit according to which recipients might be supported for, say, three years, during which time they would be expected to accrue productive assets that could help to sustain them after they left the programme. This would eliminate the uncertainty. A separate issue would be to consider whether such households could be re-enrolled after the fixed term.

10.3. The challenges of irregular payment

The year 2013 was particularly problematic for the regular transfer of cash to beneficiaries of the Social Cash Transfer programme. Glitches during the switch of funder from the Global Fund for AIDS, Tuberculosis and Malaria to the German agency, KfW, are reported by central-level staff to be at the root of the lengthy eight-month delay in payments nationwide. It is to be hoped that, with the changeover now having been completed, more regular payments will resume. Respondents observed that payment delays had also occurred prior to 2013 but they were of a shorter duration (e.g. three to four months).

Some beneficiaries reported that the delay in payment was a, “blessing in disguise”: the late lump-sum payment enabled them to buy goods in bulk or pay for more expensive items that would not have been within their financial reach unless they had saved the transfer for several months. Mostly, though, the consensus among informants met was that beneficiaries would prefer to make their own decisions about saving, especially because some expenditures such as school fees come at fixed times of the year and a payment delay means that the household might miss the opportunity to spend the money when needed. Moreover some beneficiaries depend on the cash transfer for their very survival. Women in one group of elderly beneficiaries declared that they might not be alive if it were not for the cash transfer. Several other beneficiaries passed away during the gap between the two payments in 2013; while this is in no way directly attributable to the late payment, it was mentioned and is an obvious indication of people’s perception of the precariousness of the livelihoods of the enrolled households.

Besides the infrequency of the payment another challenge is posed by the uncertainty as to the precise payment date. District officials are reluctant to announce the payment date much in advance, citing security concerns. CSSCs often do not know when the payment is coming until the day before, when they have to inform all beneficiaries. This can make it difficult for households to mobilize in time to to attend the pay point. In these instances the CSSCs in some areas, being trusted by their communities, have found a solution by collecting payments on behalf of households who are unable to reach the pay point, and giving it out to them at their homes so that the beneficiary does not face an even greater journey to the district office to collect the money. In both Salima and Phalombe there were also reports that transfers were sometimes announced for one day but paid on the following day, resulting in beneficiaries having to incur time and financial expenses for two trips to the pay point. At other times payments were made late in the day which was cited as a security problem for beneficiaries walking home in the evening.

A positive aspect of the payment process is the practice of holding meetings at the pay point to convey messages from the district team to the beneficiaries. The District Social Welfare Office also encourages beneficiaries with success stories to speak to others about their success during this payday talk, which is an excellent way of promoting innovative usage of the transfer.

10.4. Case management and monitoring

A cash transfer programme needs to have a way of allowing beneficiaries to update their status to take into account changes in household circumstances that may affect their payment. Programme officials also need a means of removing households from the programme if they are no longer eligible. Key informants at district and central levels explained that the social cash transfer programme has had some success in the latter activity: households are removed when the CSSC informs the district team of changes on the payment day. However they observed that it has not instituted a functioning system for the former.

An inability to update a beneficiary's status can work in the household's favour or against it. Households which received the “education bonus” for children enrolled in school at the time of initial enrolment, continue to receive that bonus regardless of whether or not the child still attends. Conversely, a household whose child begins school or moves from primary to secondary education after the programme has started will not receive the education bonus that they are due. Several such instances were cited: in one case, for example, an elderly lady looking after orphans had not realized at the time of filling in the application that it was necessary to inform the enrolment team that she had two children enrolled in school, so she has never received the education bonus. Over the course of a few years of operation these anomalies accumulate so it is difficult to see the relationship between the household's situation and the value of the transfer they receive, reinforcing the impression within communities – of beneficiaries as well as non-beneficiaries – of the programme's arbitrariness.

The absence of a process for updating records means that one of the main sources of grievance among beneficiaries cannot be addressed. For example, the above-mentioned beneficiary who had discovered she was being underpaid as she had not specified that her children were in school submitted a request to her local CSSC member for the issue to be addressed. However her grievance has never been resolved because there is no mechanism through which to do so.

Information relating to case management is most easily collected during committee members' monitoring visits to households. These visits are erratic. Committee members in some communities reported making two visits to beneficiaries each month (although it was not clear that there was a system for rotating through all beneficiaries in turn). Elsewhere some beneficiaries said they received regular visits while others just a few kilometres away said they had never been visited. Accessibility of households may be a challenge, particularly in outlying areas, during the rainy season or where committee members do not have bicycles. Visits by district officials to the communities provide another good occasion for sharing information about beneficiaries, but these are rarer still. The District Social Welfare Offices said they had not received funding to make monitoring visits since 2012, again owing to technicalities relating to the changeover in programme funding arrangements.

The retargeting exercise now underway is allowing the programme to update its records. But this is no substitute for a system whereby records are kept updated before every transfer. The CSSCs are likely to be at the heart of any process of continuous updating, and should be given the necessary resources to enable them to obtain the relevant information from households to pass on to district officials.

10.5. Complementarity of interventions

The social cash transfer by itself may not be enough to raise the living standards of very vulnerable households on a permanent basis, enabling them to earn sustainable levels of economic well-being. Its impact will be greatly improved if beneficiary households are also able to take advantage of other interventions in the community, in the opinion of some respondents. It was already noted in section 9.1 above that some communities are restricting households' receipt of multiple benefits, accepting this as a trade-off to maintain harmonious relations. Some other opportunities to combine community development interventions could be undertaken to positive effect. Programme personnel at central and district levels thought that a multiple programme approach could be valuable.

Extension workers in relevant sectors such as education and health regret that they do not have greater involvement in the programme. Sectoral extension workers do not visit the beneficiaries in a formal capacity under the cash transfer programme (though they may meet them as part of their usual activity in the community) because they are not paid an allowance and therefore consider it outside their remit; the allowance they receive to attend the payday and promote awareness of activities in their sector is also found to be too small, relative to that paid by other programmes, to make it worth attending. One schoolteacher who was interviewed had been involved in the enrolment of households onto the cash transfer programme but was subsequently told (to his disappointment) that his services were no longer necessary, even though he felt that he could have made a useful contribution in supporting the beneficiary households whose children were enrolled at his school. Such a role might have included, for example, keeping an eye on beneficiary children's attendance and visiting their homes to follow up with them and/or the district if it appeared that they were having difficulty with attendance.

11. Conclusions

The Social Cash Transfer programme is making a tangible and largely positive difference to the living conditions of its beneficiaries. These beneficiaries fit well with the programme's target population of ultra-poor and labour-constrained households, of whom there are a greater number in communities than can be supported by the available resources of the programme. Aside from the transfer, beneficiary households generally rely on own-farm production and on earning a very small income from casual day labour, or *ganyu*, on the farms of better-off households in the community. A very small proportion are engaged in small businesses, but only in areas where the activity is already common in the community and where there is an active market. All beneficiaries are using the transfer to meet some of their immediate food and non-food needs, including also the education of their children where applicable. Many are using a portion of it to invest in agricultural inputs to increase the productivity of their land, to diversify production and to expand cultivation to previously unused plots. A few have bought livestock, mostly with the intention of holding an asset that can be sold off in case of need. Some adults in beneficiary households are able to engage less in *ganyu* as a last-resort income strategy, allowing them more time to work on their own farms.

There are indications that as a result of the transfer some beneficiary households have reduced their use of detrimental risk-coping strategies, particularly the withdrawal of children from school in order to engage in *ganyu*. Children continue to be used for *ganyu* after school and at weekends. Some children of beneficiary households remain non-enrolled in school. Others were previously enrolled in school but were withdrawn to resume *ganyu* during the long gap in the disbursement of the transfer in 2013, when some families ran out of other income sources and could not afford the school fees or additional education-related expenses (uniform, stationery, etc.) at the start of term. Even though the transfer has now been paid they have not returned to school because the money arrived at the wrong time of year for children to start term. Beneficiaries' ability to sell livestock in case of need, as just noted, is viewed by households as demonstrating an improvement in their socio-economic status rather than as a negative risk-coping strategy, since having an asset to sell in the first place already represents an improvement in status.

A few beneficiaries in all locations, both remote and well-connected, are using the transfer to hire labour to farm their plots. Those who do so are more commonly the elderly and chronically ill beneficiaries who are physically unable to work on their land themselves.

Beneficiaries using the transfer for economic and investment activity other than agricultural assets – purchasing inputs for petty trading such as selling fritters or making mats, for instance – are in the minority. Investment is largely confined to people of working age living in areas well connected to markets. Individuals who are enrolled on the programme for reasons of their age or chronic ill health are less likely to use the transfer in this way.

The local economy receives a short-term boost from a flurry of trading in the few days immediately following disbursement of the transfer. During this time beneficiaries may briefly diversify the food and non-food products they buy, or more often buy greater quantities of their usual products, notably maize. Traders take notice of when it is payday and may need to bring in extra quantities of goods at that time. Service providers such as maize mill owners also notice a brief increase in activity. The surge effect is not viewed by non-beneficiaries to be sustained in the long term, beyond two or three days per payout. The main other impact on local economic activity is the hiring of day labour by some beneficiaries as just described; however the effect of this on the local economy may be offset by a reduction in day labour offered by beneficiaries themselves. The cash transfer is not thought to have had an impact on local prices other than an opportunistic increase in the cost of ready-cooked food sold to the captive market of beneficiaries waiting in line for their transfer on payday. Traders were initially willing to offer credit to beneficiaries but have become increasingly reluctant owing to the long delays in payment of the transfer. Beneficiaries themselves are generally risk averse and often would be unwilling to take a loan even if it were possible.

Beneficiaries are connected through social networks with their neighbours, relatives and formal and informal associations. These vary in their strength even without the social cash transfer. Formal networks seem to be less prevalent in more remote locations. The introduction of the cash transfer programme has not caused other existing associations to cease or diminish activities but it has affected beneficiaries' interaction with those associations. As a result of the social cash transfer beneficiaries are in some cases now better integrated into networks that depend on financial contributions, most notably the church. But some may find themselves excluded from other forms of social support such as the FISP or other types of material aid, owing to a preference on the part of communities and their leaders to be seen to be fair in the distribution of assistance. Successful enrolment on a programme such as the social cash transfer programme is viewed by both beneficiaries and non-beneficiaries as rather arbitrary, a matter of luck, given the number of households who are felt to be deserving of support in comparison to the number enrolled.

The cash transfer has caused some jealousy and tension within communities, but not everywhere nor with everyone. Sometimes the resentment, where voiced, is targeted at the programme's institutional structures, especially the local-level CSSCs, rather than directly at beneficiaries. Where beneficiaries have been the focus of ill-feeling they regret the circumstance but consider it a necessary side-effect of being a programme recipient. Sometimes the tension in communities lasts only a short while, immediately after payday, and warmer relations resume once the payment is used up. The programme has also created new social networks through the closer interaction of some cash transfer beneficiaries with one another. There has not been much change in the standing of beneficiaries in the community in terms of involvement in decision-making structures, e.g. local committees, perhaps because beneficiaries are often not literate or are elderly and with limited mobility and would not be able to fulfil the duties required of such posts. Nonetheless some beneficiaries feel that the cash transfer has enhanced their dignity.

The CSSCs play the central role in the implementation of the social cash transfer at local level; they are an essential first point of contact for beneficiary households and a key to the programme's success at large. The geographical distribution of committee members among zones and groups of villages is an arrangement that aims to ensure that all beneficiaries have a representative within a few kilometres' walk of their home; this has been a very effective aspect of the programme design. CSSC members are well known to beneficiary households and well trusted. These committees would benefit from receiving consistently the small financial compensation that they expected to receive by design, and also from additional training in providing advice to beneficiary households. Without this they will lose their incentive to conduct monitoring and to provide district-level teams with updated information on changes in household status, an activity which is vital to maximize programme efficiency by ensuring that all recipients are receiving the correct transfer amount according to the composition of their household.

We have seen in section 10 above that the impact of the programme is affected both by its design and by its practical implementation. In terms of design the lack of a graduation strategy limits households' ability to plan investments in productive assets because they receive no clear indication, on entering the programme, how long they will continue to receive financial assistance. As for implementation, three major challenges have been identified affecting programme outcomes; these are the irregularity of payment, insufficient case management and a lack of complementary interventions to the programme. The irregular payment makes it difficult for households to rely on the cash transfer for their day-to-day needs so they may return to *ganyu*, including by children. It also reduces the creditworthiness of the beneficiary households although the majority are in any case quite risk averse. Underdeveloped systems in case management and monitoring result in many households not receiving the correct transfer value in relation to their circumstances, and not understanding or knowing what payments they are entitled to. The scarcity of complementary interventions by other service providers such as education, agriculture and health workers, or through enrolment of the beneficiary household on other development programmes or for in-kind assistance (such as the FISP), limits the prospects of households for making a sustained improvement in their living conditions that would allow them eventually to cease needing support.

Returning now to the five hypotheses of the research framework as shown in Table 1 above (p.3), what can be concluded? Table 9 below summarizes the findings.

Table 1 Findings on the research hypotheses

Research theme	Hypothesis	Conclusion	
Household economy	The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision-making on how to use the additional cash.		**Yes, true.** Even the small transfer greatly improves livelihood choices. Some households make productive investments, though some vulnerable households rely on the cash for their daily needs. If the income flow were predictable the benefit could be greater. Decision-making practices continue to be mostly consultative between the adults (and sometimes older children) in the household, the same as before the cash transfer
Local economy	The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.		**Partly true**. The local community notices the economic benefit for a few days per transfer, but not a long-term change. Some short-term opportunities for *ganyu* have been created by beneficiaries.
Social networks (1)	Cash transfers increase beneficial risk sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity)		**Partly true.** Beneficiaries have a greater opportunity for participation, especially in church activities; they might make more use of savings and loans schemes if payments were regular. Beneficiaries interact well with one another, though sometimes they face more strained relations with non-beneficiaries. They may be prevented from enrolling in other community programmes owing to community values of equity in distribution of benefits to all. The Social Cash Transfer has not resulted in closing out other formal or informal networks in the community.
Social networks (2)	Changes in social networks linked to cash transfers positively affect the most vulnerable and least powerful people in a community through greater inclusion in decision making processes (including through an increased ability to make 'social contributions') and increasing their 'entitlement set' and livelihood choices		**No, little evidence of this.** Inclusion in decision-making processes in the sample communities is determined more by literacy levels and by the ability for active participation in the community. This is difficult for the Social Cash Transfer beneficiaries who are often elderly or have limited mobility and who may not have benefited from education.
Operations	Cash transfers can be improved through a better understanding of likely household and local economic impacts		**Partly true.** The constraint is not so much in *understanding* the likely impacts of the programme, but rather in *implementing* the intended programme. Implementers understand well that payment delays and a lack of case management and monitoring are having an adverse impact on the cash transfer's effectiveness. The greater constraints are a shortage of resources to provide sufficient technical and material support to the CSSCs— the programme's crucial interface with its beneficiaries—and a lack of processes for some aspects of programme implementation (e.g. graduation). It is hoped that this will be resolved with the programme reforms that are underway, associated with the new funding regime, the retargeting and the expansion to new districts.

Source: OPM/Jimat.

12. Recommendations

The findings give rise to three key recommendations on programme operations that are presented briefly here. The research team recognizes that the Social Cash Transfer programme is in the midst of being reorganized and its procedures updated as part of the change in funder to KfW, along with the retargeting exercise and the expansion to new districts. We therefore focus on issues that might be addressed as part of this general revision rather than on responses to glitches under the previous system that may now be overcome (such as the urgency of improving the regularity of the payment).

1. Strengthen the role of the CSSCs, and the material and technical support provided to them. These committees are essential to the efficient functioning of the programme and the promotion of beneficiaries' well-being, including the promotion of productive investments and household planning. The geographic dispersal of committee members among villages has been relatively well designed and is effective in giving beneficiaries an accessible point of contact. However when committee members are not reimbursed other than on payday they lack the incentive to perform their year-round functions of visiting households, travelling to the district to report changes in household status or helping beneficiaries towards complementary interventions (see the other two recommendations below). The Ministry of Gender, Children and Social Development acknowledges with disappointment that it was unable to pay the CSSC members the full financial incentive they were due in 2013, and expresses its wish to resolve this.

   The research team understands that the role of the CSSCs is under review. Findings from this research study strongly indicate that where weaknesses are identified in the way some may currently be operating (such as insufficient monitoring or reporting resulting from the disincentives the committees experienced in 2013) a solution can be found by enhancing the resources and training provided to enable the committees to work as planned, rather than by curtailing their activities.
2. Introduce a case management system that allows continual (at least monthly) updating of beneficiaries' details, including recalculation of benefit amounts and systematic entry and exit of households as appropriate. Beneficiaries whose circumstances changed after they registered on the programme, such as those whose children moved from primary to secondary school, are being unfairly penalized and not paid the transfer they are due. Others may be receiving money that they are no longer eligible for if, for example, their children have left school and they continue to receive the education bonus. This is an inefficient use of programme resources. The ability to maintain an up-to-date system is dependent on an easy process for reporting from committee to district and central levels.
3. Improve integration and harmonization of the Social Cash Transfer programme with other local and central government structures and programmes to build complementarities and boost household livelihoods and well-being. Cash transfer beneficiaries are sometimes inadvertently excluded from other community-level programmes including, notably, the FISP. By design this is not meant to happen: households should be assessed for inclusion in each programme according to their needs, and if they are recognized as still being in need of one form of support (such as the fertilizer subsidy) when they are already enrolled on another (such as supporting their children's education costs) then it should be possible to enrol on both. Part of the difficulty may be posed by the separation of the cash transfer programme structures – notably the CSSCs – from the long established community structures such as the Village Development Committees and the Area Development Committees, who may feel sidelined from decisions regarding the programme. This arrangement may also contribute to the lack of integration of the programme with the work of extension workers in fields such as education, agriculture and health and with other development initiatives. These other activities (e.g. public health messages to the general community or advice from agricultural workers) fit well with, and have the potential to build on,

the programme's objectives. But the personnel operating in these other activities are not sufficiently integrated or resourced to contribute to the Social Cash Transfer programme (e.g. reporting to the CSSC about problems with school enrolment of beneficiary children); this is limiting programme impacts. A result of this fragmentation is the risk that the cash transfer programme, being a well-intended and well-targeted approach to reduce household poverty, to promote economic growth and livelihood development among the most vulnerable, falls short of expectations and misses the opportunity to assist some “capable” households from achieving more secure livelihoods.

The resolution of these operational challenges will enhance the programme's ability to generate the positive material benefits for beneficiary households and, to a lesser extent, for local communities, which this qualitative research has identified. It may also improve the possibility for some households, notably those with adults of working age who are on the programme for reasons relating to the household dependency ratio (rather than chronic ill health or old age), to move away from serial financial support and head towards achieving a sustained improvement in living conditions.

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