## CASH TRANSFERS MYTHS vs. REALI

Cash transfers are regular money payments to poor households

## MYTHS

## REALITY



Alcohol and tobacco represent 1-2% of food expenditures



Across 6 countries, no evidence of increased expenditure on alcohol and tobacco



Transfers are just a 'hand-out' and do not contribute to development

In Zambia, evidence shows cash transfers increased farmland by

136%

and the use of seeds, fertilizer, and hired labor

As more agricultural inputs were used, **overall** production increased by

and farmers engaged more in markets

Majority of programmes show significant increase in secondary school enrolment and in spending on school uniforms and shoes



Cash causes dependency, laziness



In several countries, including Malawi and Zambia, research finds reduction in casual wage labour, shift to on-farm and more productive activities



There is little evidence transfers lead to reduction in work effort



In fact, cash transfers lead to positive multiplier effects in local economies and significantly boost growth and development in rural areas



**Transfers lead** to price inflation and disrupt local economy



No inflation detected in 6 case study countries



Beneficiaries are a small share of community, typically 15-20 %

Local economies can meet the

increased demand

They come from poorest households, with low purchasing power and thus don't buy enough to affect market prices





In Ethiopia, for every dollar transferred by the programme, about \$1.50 was generated for the local economy







In Zambia, cash transfers showed no impact on fertility







Early pregnancy reduced by 34% in Kenya, 10.5% points in South Africa





