

# Unconditional Cash Transfers and Multidimensional Child Poverty: Evidence from Malawi

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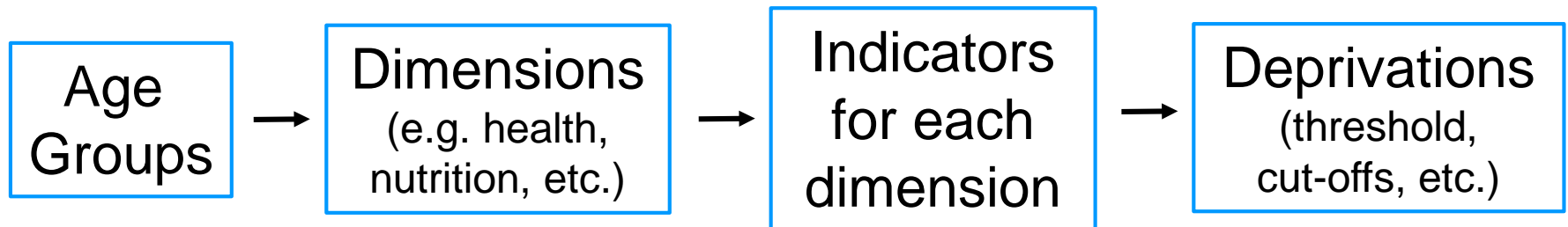
# Multidimensional Child Poverty

- Sustainable Development Goals (SDGs)
  - Goal 1: End poverty in all its forms everywhere
  - Goal 1.2: Reduce at least by half the proportion of men, women and **children** of all ages living in poverty **in all its dimensions according to national definitions**
- Child deprivation vs. child monetary poverty
  - Monetary poverty is typically measured at household level, not child level.
  - Children are dependent on others and less mobile, their environment is especially important
  - Children do not control income; income may not be spent in ways that benefit children, must therefore measure their welfare directly

*Income is the means, deprivations reflect the final ends (education, water, health, etc.)*

# Developing a multidimensional child poverty indicator (MCPI)

- **‘Child focused’** by identifying indicators that directly relate to children’s well-being
- **Life cycle approach**: different indicators for different ages.
- Identify dimensions based on **Convention on Rights of the Child** (CRC)—‘anchored in human rights framework’
- Overlap with Monetary Poverty: Identify the most deprived children, and the need for differentiated & integrated public policies



# Can cash transfers reduce MCPI?

- Strong evidence-base of impacts of cash transfers on:
  - **Monetary poverty** measures
  - Some **domains of deprivation** (e.g. education, food security, resources)
- However, MCPI also takes into account access deprivations (e.g. water, sanitation) and other indicators (e.g. protection), which cash transfers may not affect
- Evidence on this question is scarce:
  - Pasha (2017) examines South Africa CSG and finds **reductions in household multi-dimensional poverty and inequity**, using quasi-experimental methods using three domains (health, education, standard of living) and 10 indicators

# Malawi National MCPI



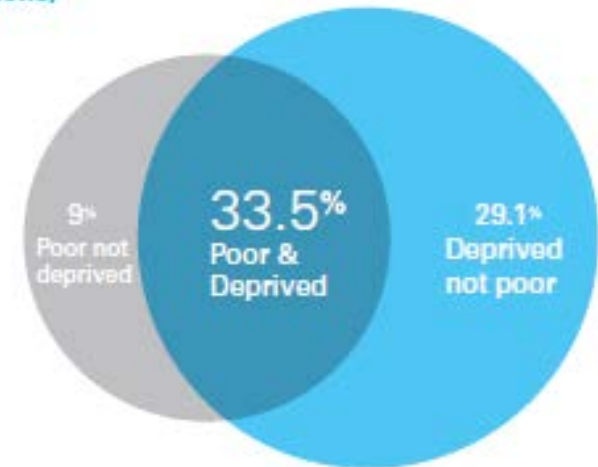
## Child Poverty in Malawi



Government of Malawi  
Ministry of Finance  
and Economic Planning

unicef   
unite for children

Figure 3.1: Overlap between monetary poverty and deprivation (2+ dimensions)



Not poor and not deprived (in 2+): 28.4%

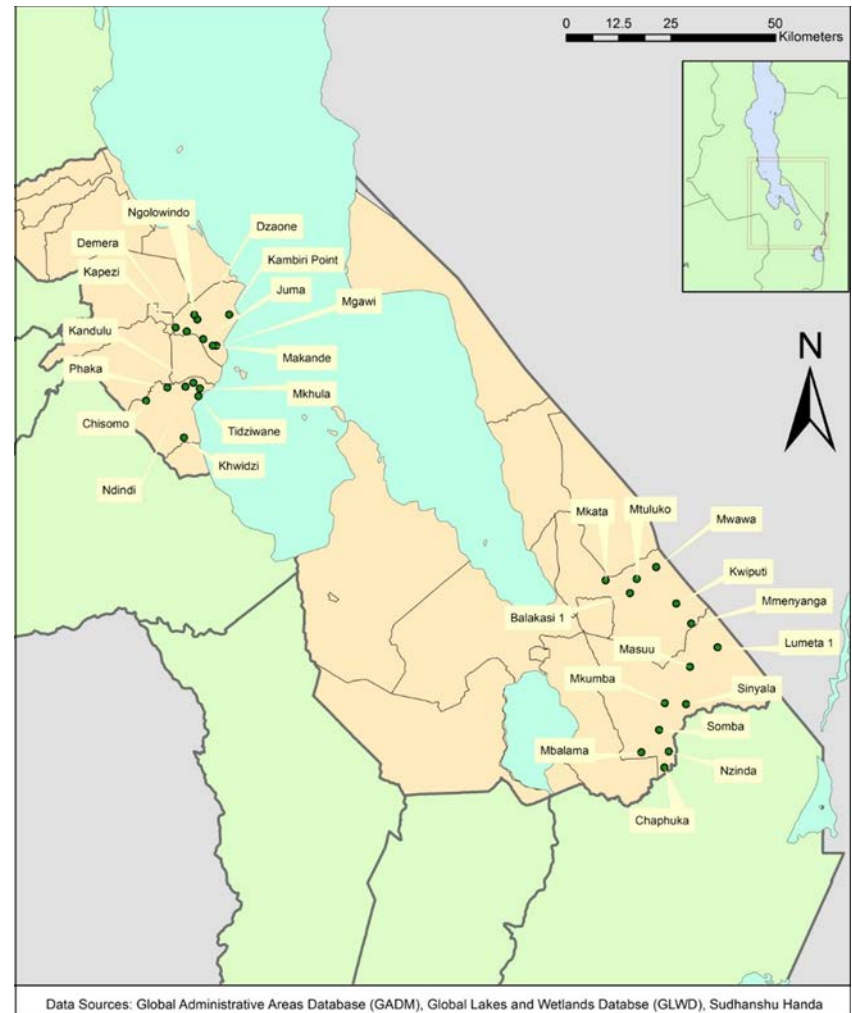
***“1/3 of children are deprived in two or more dimensions yet live in households that are above the poverty line. This result implies that social programs that target on income will miss a significant number of vulnerable children in Malawi.”***

# Malawi Social Cash Transfer Program

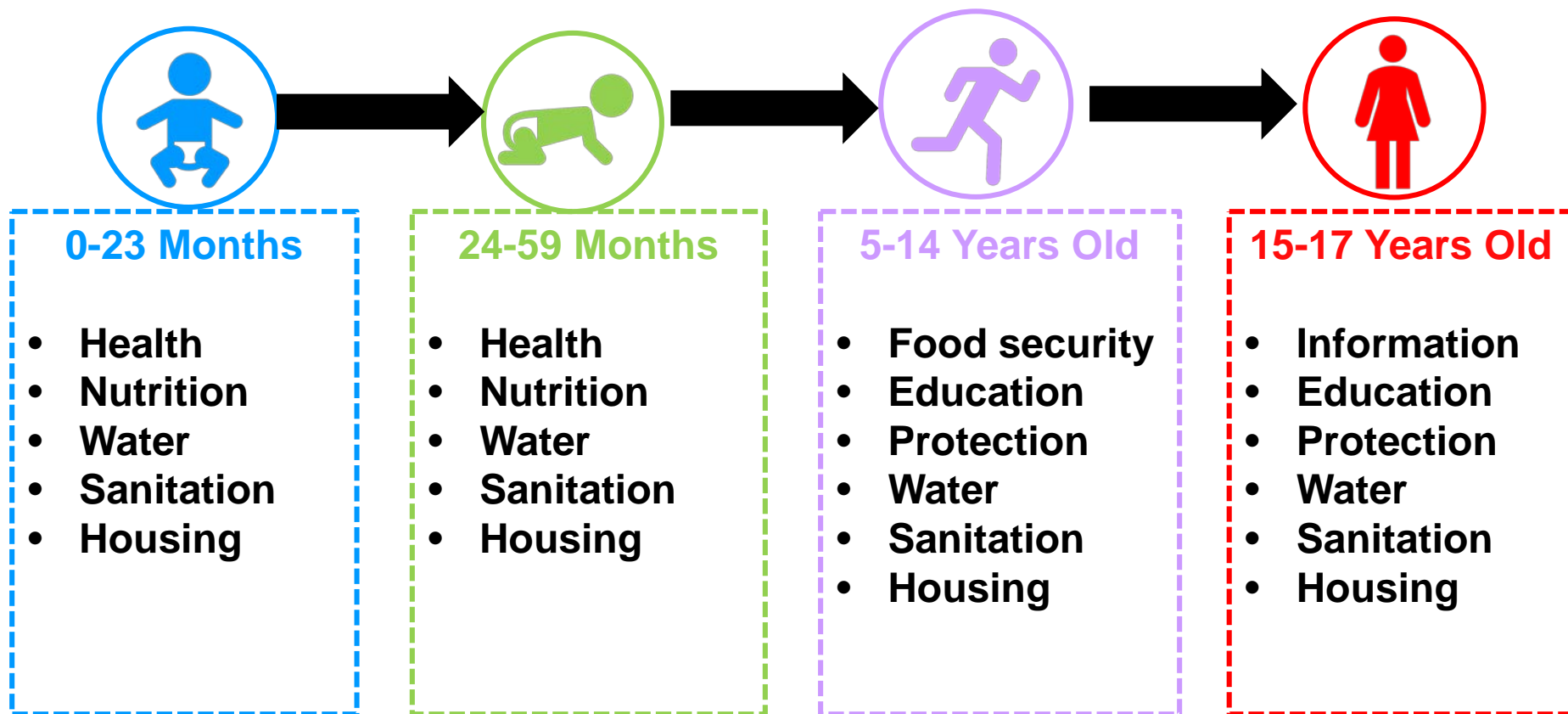
- **Objectives:**
  - To reduce poverty and hunger
  - To improve children's well-being and human capital through education, nutrition, health and HH productivity
- **Targeting:** Ultra-poor and Labor-constrained households
- **History:** Began 2006 in Mchinji district, rapid expansion after 2012
- **Coverage:** 170,000 households, in 18 districts, by Dec 2016
- **Payments: Unconditional** transfer (~18% of pre-program consumption) administered by Ministry of Gender, Children, Disability & Social Welfare (MoGCDSW)

# Evaluation design

- 3-year mixed methods evaluation in **Salima** and **Mangochi**
- **RCT**: Randomization at the village-cluster level (29 split between Treatment and Control)
- Baseline (2013), Midline (17 months), Endline (30 months)
- **94% of baseline households** in 3-year panel (N ~ 3,304 households)



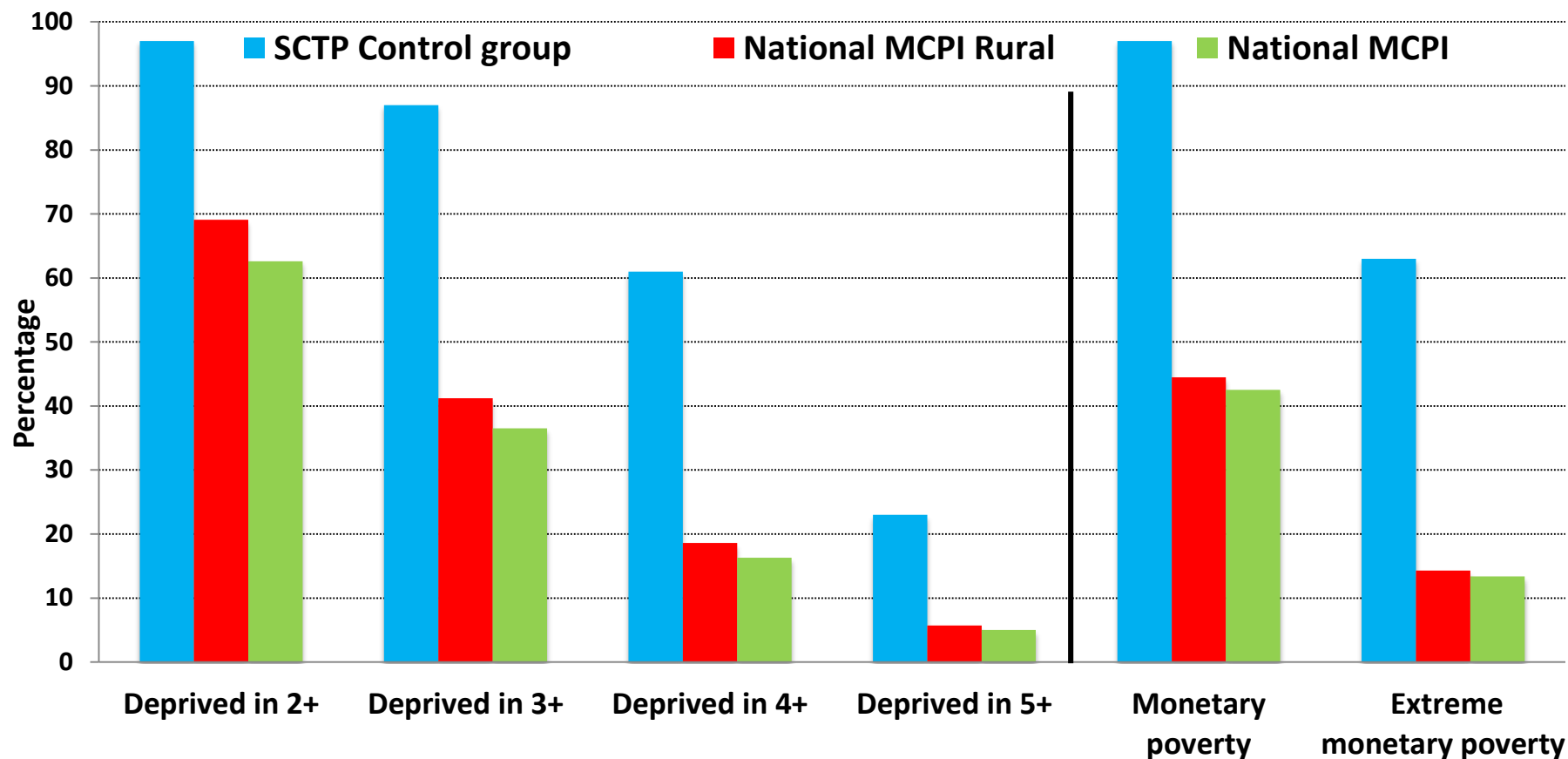
# Dimensions & age groups



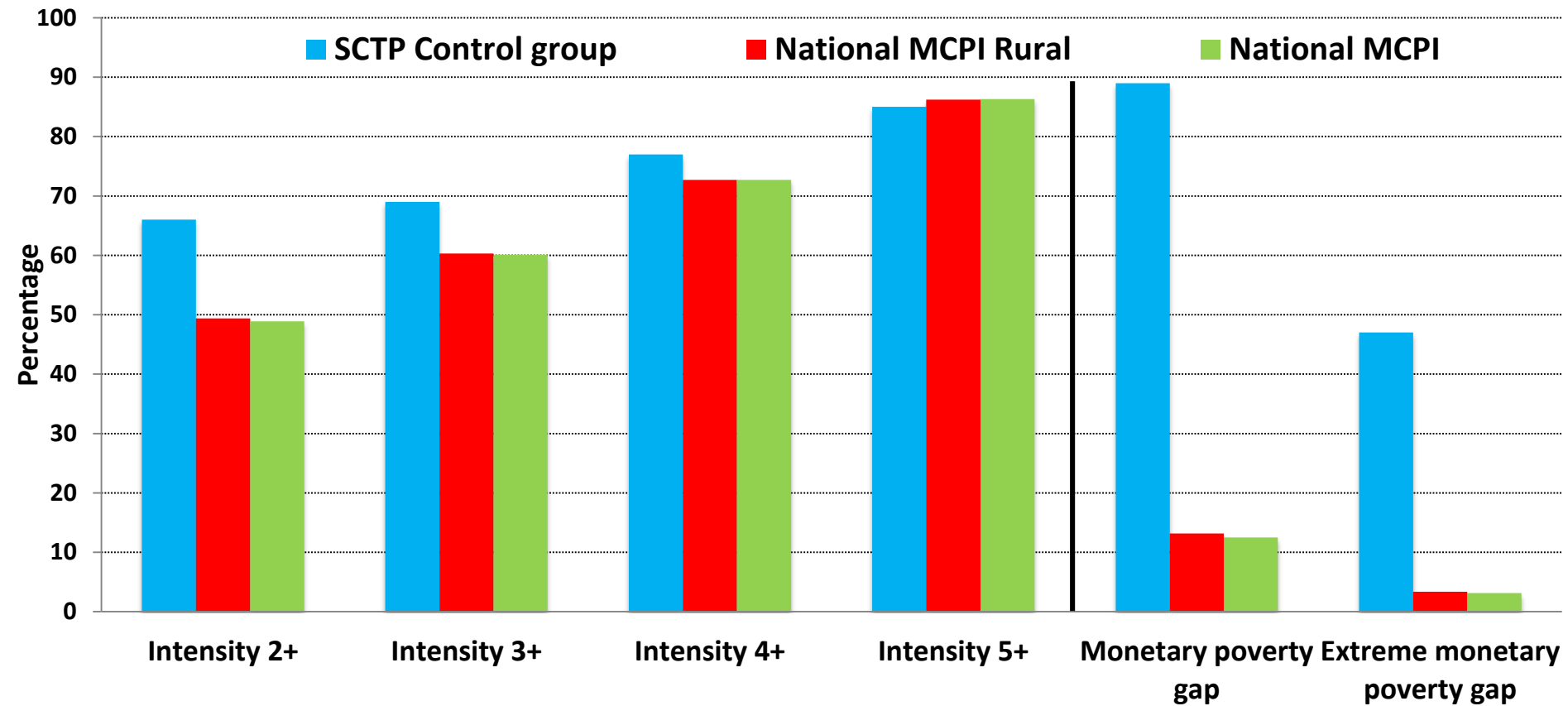
- Total: **20 indicators** across **8 domains**
- Mirror national MCPI with small adjustments



# Deprivation: National MCPI vs. cash transfer sample

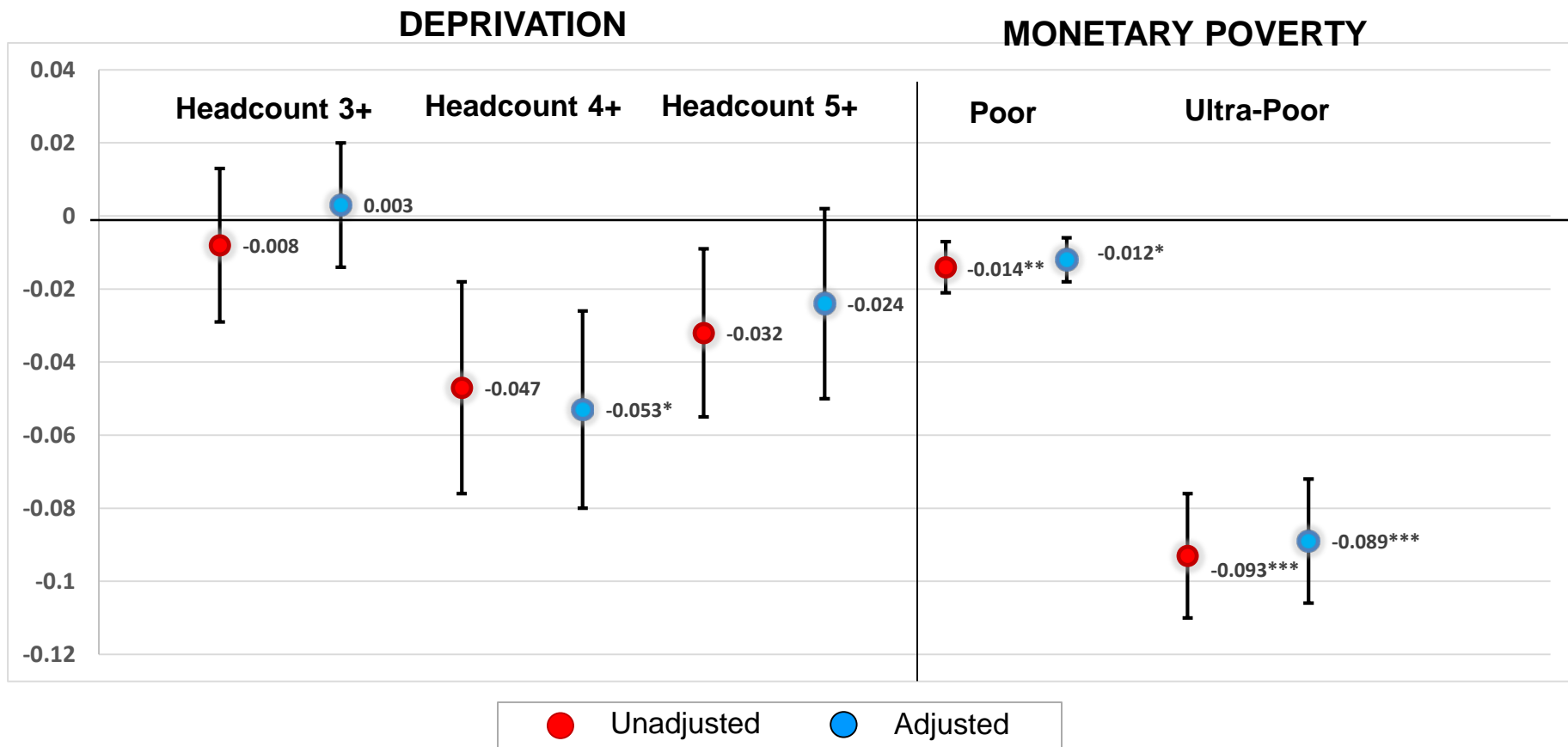


# Intensity: National MCPI vs. cash transfer sample



# Impact of the Malawi SCTP on MCPI & Monetary Poverty (0-17 years)

*\*\*Strong impacts monetary poverty; no/weak impacts on deprivation*

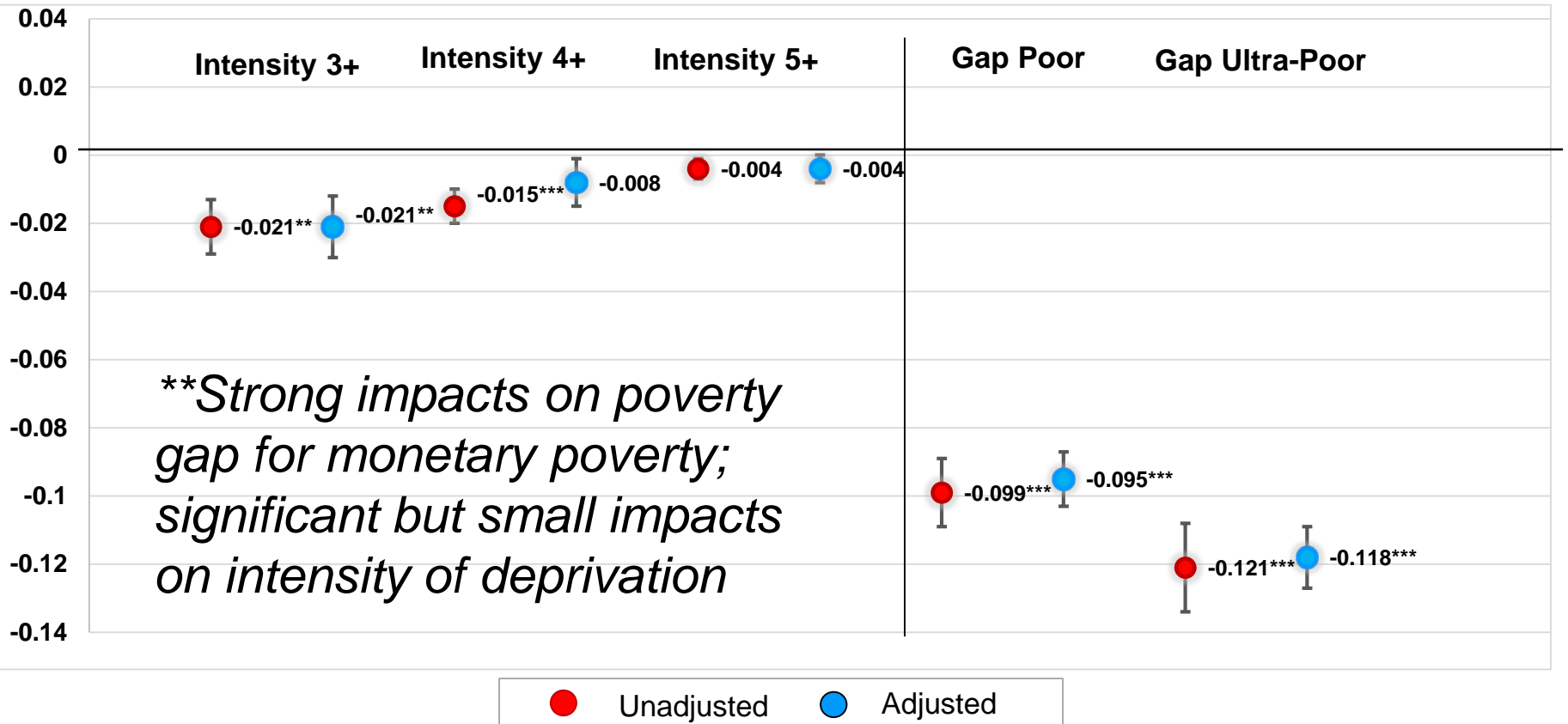


N = 9,730 for full sample. Coefficients and standard errors from cross-sectional OLS regressions at endline (30 months) with complex survey weights. All estimations account for district TA-level fixed effects. Adjusted models additionally account for sex and age of child, household head and demographic characteristics and a basket of community-level prices.

# Impact of the Malawi SCTP on MCPI Intensity & Monetary Poverty Gap (0-17 years)

## DEPRIVATION

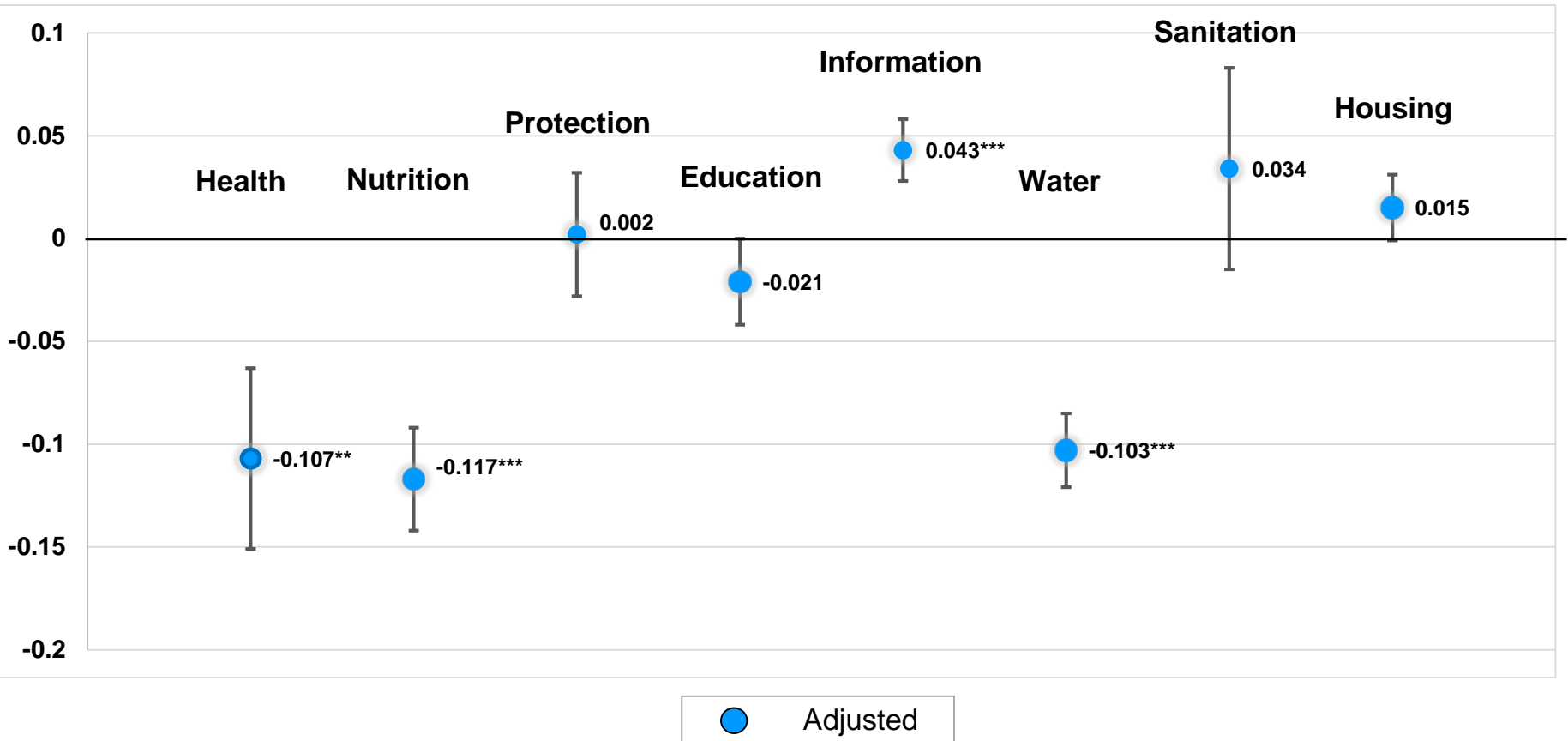
## MONETARY POVERTY



N = 9,730 for full sample. Coefficients and standard errors from cross-sectional OLS regressions at endline (30 months) with complex survey weights. All estimations account for district TA-level fixed effects. Adjusted models additionally account for sex and age of child, household head and demographic characteristics and a basket of community-level prices.

# Impact of the Malawi SCTP on MCPI Domains (0-17 years)

*\*\*Impacts on deprivation driven by health, nutrition & water*



N = 9,730 for full sample. Coefficients and standard errors from cross-sectional OLS regressions at endline (30 months) with complex survey weights. All estimations account for district TA-level fixed effects. Adjusted models additionally account for sex and age of child, household head and demographic characteristics and a basket of community-level prices.

# Summary & policy implications

- **Malawi SCTP** sample shows **greater deprivation** in comparison to national samples
- Strong impact of Malawi SCTP on **income poverty, poverty gaps**
- More limited impacts on MCPI in full sample, however:
  - Some impacts on **intensity**, on specific domains (**health, nutrition & water**) & for **youngest children** (0-59 months)
  - Impacts driven by **BOYS!**
- Limited impact on deprivations could be explained by:
  - The greater degree of **overlapping deprivation** in the SCTP sample, which makes it difficult to show reductions
  - MCPI is a mix of demand and supply factors
- Effective programs should aim at incorporate holistic interventions that break the connection between multiple deprivations: **Cash plus?**

# Acknowledgements

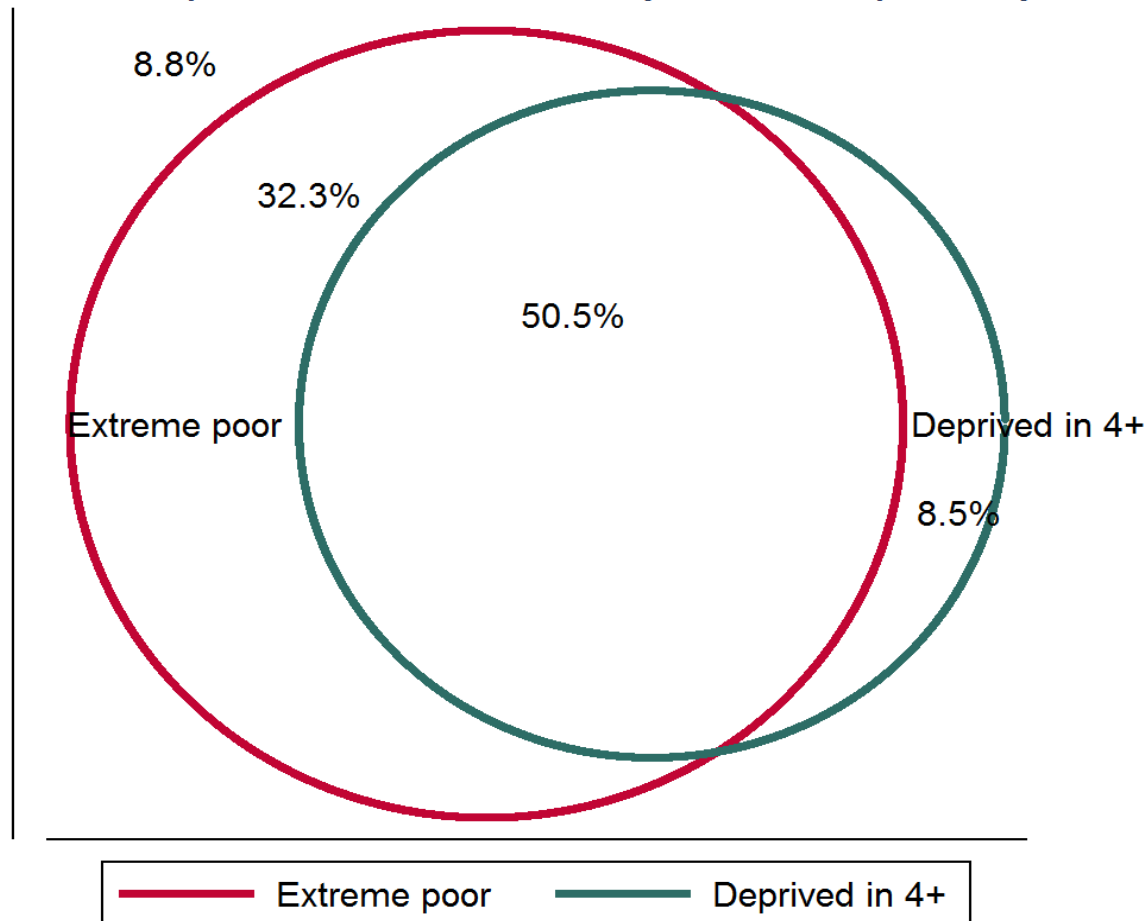
The Malawi Social Cash Transfer Evaluation team consists of: University of North Carolina (Sara Abdoulayi, Gustavo Angeles, Clare Barrington, Kristen Brugh, Sudhanshu Handa, Kelly Kilburn, Adria Molotsky, Frank Otchere, Susannah Zietz), CSR-UNIMA (Peter Mvula, Maxton Tsoka) and UNICEF Office of Research—Innocenti (UNICEF Office of Research—Innocenti: Jacobus de Hoop, Tia Palermo, Amber Peterman).

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# Additional slides

Overlap of Extreme Poverty and MD poverty





# Indicator definitions

Dimensions	Indicators	Deprived if	Data relevant by age group		
			0-4	5-14	15-17
Health	Skilled birth attendance	No or an unskilled birth attendant assisted with child's birth. (Only for under 2 years old)	X	-	-
	Bednet	Not all children under 5 years sleep under bednet	X	-	-
Nutrition	Underweight	Child is underweight (weight-for-age < 2 SD mean)	X	-	-
	Wasting	Child is wasted (weight-for-height < 2 SD mean)	X	-	-
	Stunting	Child is stunted (height-for-age < 2 SD mean)	X	-	-
	Number of meals	Daily number of meals < than 3 (Included children 5 years old)	X	-	-
	Ever have to skip meal	Any children (ages 0-15) ever have to skip a meal because there was not enough money for food (Included children 15 years old)	X	X	-
Protection	Child Labour	Household chores $\geq$ 28 or total hours of economic activity $>$ 0 for 5-11 yo; household chores $\geq$ 28 or total hours of economic activity $>$ 14 for 12-14 yo; total hours of activity $>$ 43 for 15-17 yo	-	X	X
	Early marriage	Child is married before 18 (12-17 years old)	-	X	X
Education	School attendance	Child is not currently attending school	-	X	X
	Attended preschool	Child is not attending school or preschool (only for 5 and 6 years old)	-	X	-
	On time attendance	Child is more than 2 grades behind for age (9-17 years old)	-	X	X
	On time primary completion	Child has not completed primary education by 13 (Included children 14 years old)	-	-	X
	Literacy	Child can't read and write	-	-	X
Information	Information devices	Household has reported not having phone	X	X	X
Water	Not safe water	Household's main source of drinking water is unimproved	X	X	X
	Time to water	Anyone collecting water in the household spends $>$ 1 hour	X	X	X
Sanitation	Unimproved toilet	Household usually uses unimproved toilet facility	X	X	X
Housing	Overcrowding	Household has on average more than four people per sleeping room	X	X	X
	Floor and Roof	Both roof and floor are made of natural material, which are not considered permanent	X	X	X

# Descriptive statistics: Indicators

Indicators	Control Sample of SCTP (endline)	<i>N</i>	MCPI Rural	<i>N</i>	MCPI National	<i>N</i>
Skilled birth attendance	11.0	2599	11.7	871	10.7	1103
Bednet	72.0	893	4.0	1937	3.6	2517
Underweight	18.0	819	9.1	2089	9.2	2423
Wasting	4.0	810	6.9	2002	7.2	2325
Stunting	41.0	807	29.9	1873	30.5	2400
Meals (less than 3)	70.0	1123	32.6	6155	29.7	7698
Ever have to skip meal*	82.0	8165	30.6	4574	27.7	5890
Child Labour	23.0	4291	9.9	5674	9.3	7297
Early marriage	1.0	8664	2.9	2352	2.8	3053
School attendance	19.0	3914	7.0	4941	6.4	6463
Attended preschool	68.0	517	57.0	980	55.0	1241
On time attendance	69.0	2870	51.4	3464	47.5	4528
On time primary completion	86.0	1116	87.4	1489	85.9	1920
Literacy	25.0	686	19.9	1100	18.0	1407
Information devices	81.0	8664	38.5	7935	34.8	10222
Not safe water	11.0	8664	19.8	7937	18.2	10224
Time to water	64.0	7541	4.4	7928	4.1	10215
Unimproved toilet	49.0	8664	35.2	7937	32.7	10224
Overcrowding	27.0	8664	14.2	7937	13.0	10224
Floor and Roof Dimensions	87.0	8664	66.9	7936	59.3	10223
Health	72.0	1783	7.9	2263	7.1	2926
Nutrition	90.0	893	31.6	6760	30.2	8452
Protection	23.0	4291	11.0	5674	10.3	7297
Education	62.0	4291	46.9	5674	44.1	7297
Information	82.0	4291	38.1	5674	34.3	7297
Water	68.0	5182	23.2	7937	21.4	10224
Sanitation	49.0	5182	35.2	7937	32.7	10224
Housing	88.0	5182	69.8	7937	62.5	10224
Notes: Suvey weights utilized in the Malawi SCPT sample.						
*MODA equivalent: did not have breakfast day before survey						

# Citations & to learn more

Government of Malawi & UNICEF. 2016. Child Poverty in Malawi:  
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