

Unconditional Cash Transfer and Household Resilience: Results from the Malawi Cash Transfer Program

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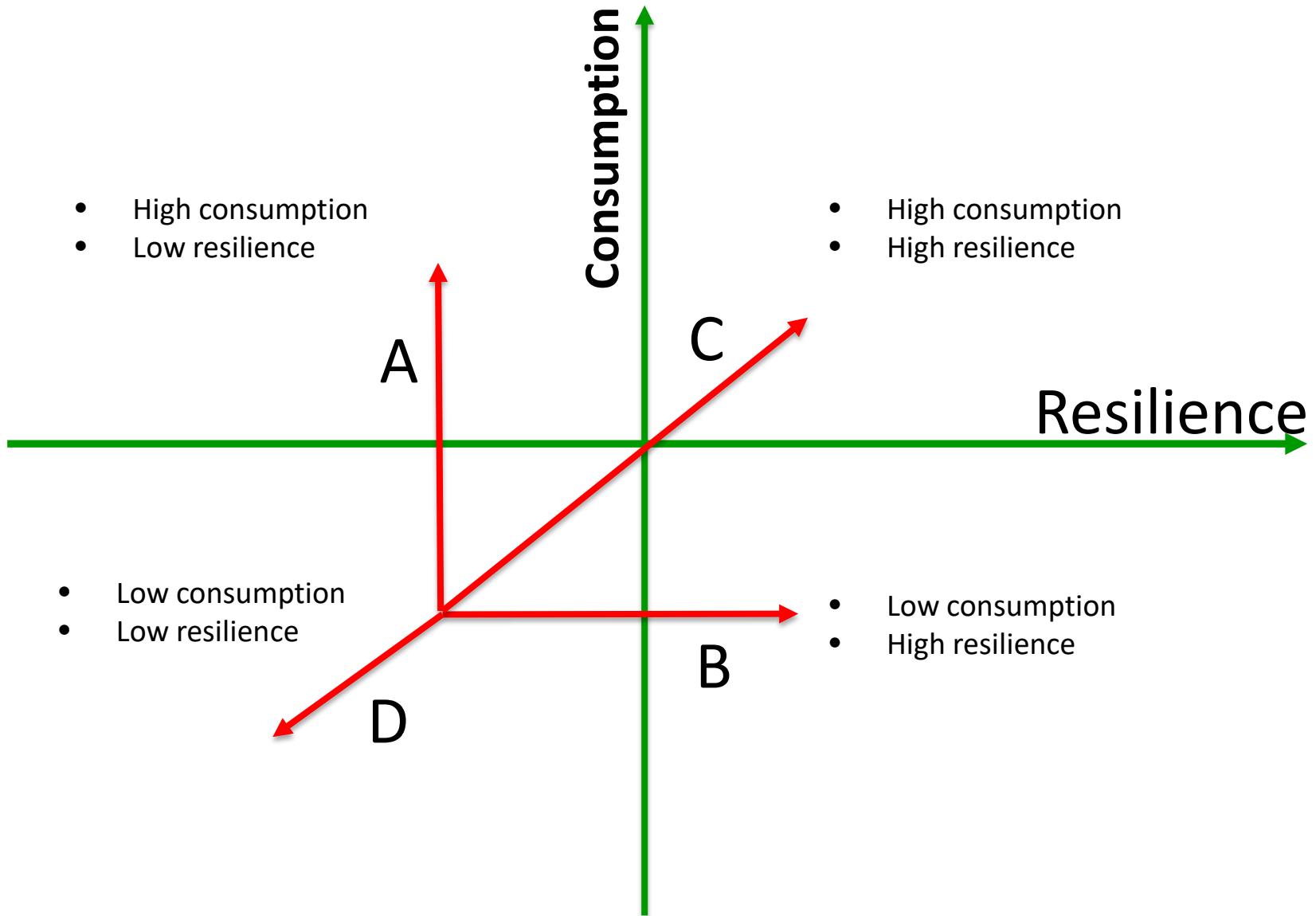
Background

- ❖ ***Resilience*** is one of the key reference constructs in contemporary development practice
- ❖ Various definitions in the literature:
 - ❑ ...capacity of a system to absorb disturbances and reorganize while undergoing change ~ Resilience Alliance (2002)
 - ❑ ...ability of countries, communities and households to manage change, by maintaining or transforming living standards in the face of shocks ~ DFID (2011)
 - ❑ ...the capacity over time of a person, household or other aggregate unit to avoid poverty in the face of various stressors and in the wake of myriad shocks ~ Barrett and Constanas (2014)

Background contd.

- ❖ Bottom line: Resilience is the capacity of a **unit** to anticipate and prevent, or withstand (idiosyncratic) shocks and stressors to their livelihoods without compromising quality of life
- ❖ Several programs exist with the explicit objective of improving on the resilience of communities/households
- ❖ Primary objective of most cash transfer programs is protection (in terms of consumption) with no explicit objective of improving resilience.
 - ❖ *This paper therefore sought to examine the impact of the Malawi Social Cash Transfer Program (MSCT) on Resilience*

Potential outcomes of CT on resilience and consumption



Overview of the Malawi SCTP

- ❖ The MSCTP is a flagship program of the Malawi government targeted at ultra-poor, labor-constrained households.
- ❖ Started in 2006 as a pilot; scale up in 2009, reaching over 163,000 households in 18/28 districts by December 2015
- ❖ Transfer size:
 - ❑ **Varies with household size; but ~20 per cent of monthly household real per capita consumption at baseline**
- ❖ Additional 'schooling bonus' based on number of hh members of primary or secondary school going age (age < 30)

IE Design and Data

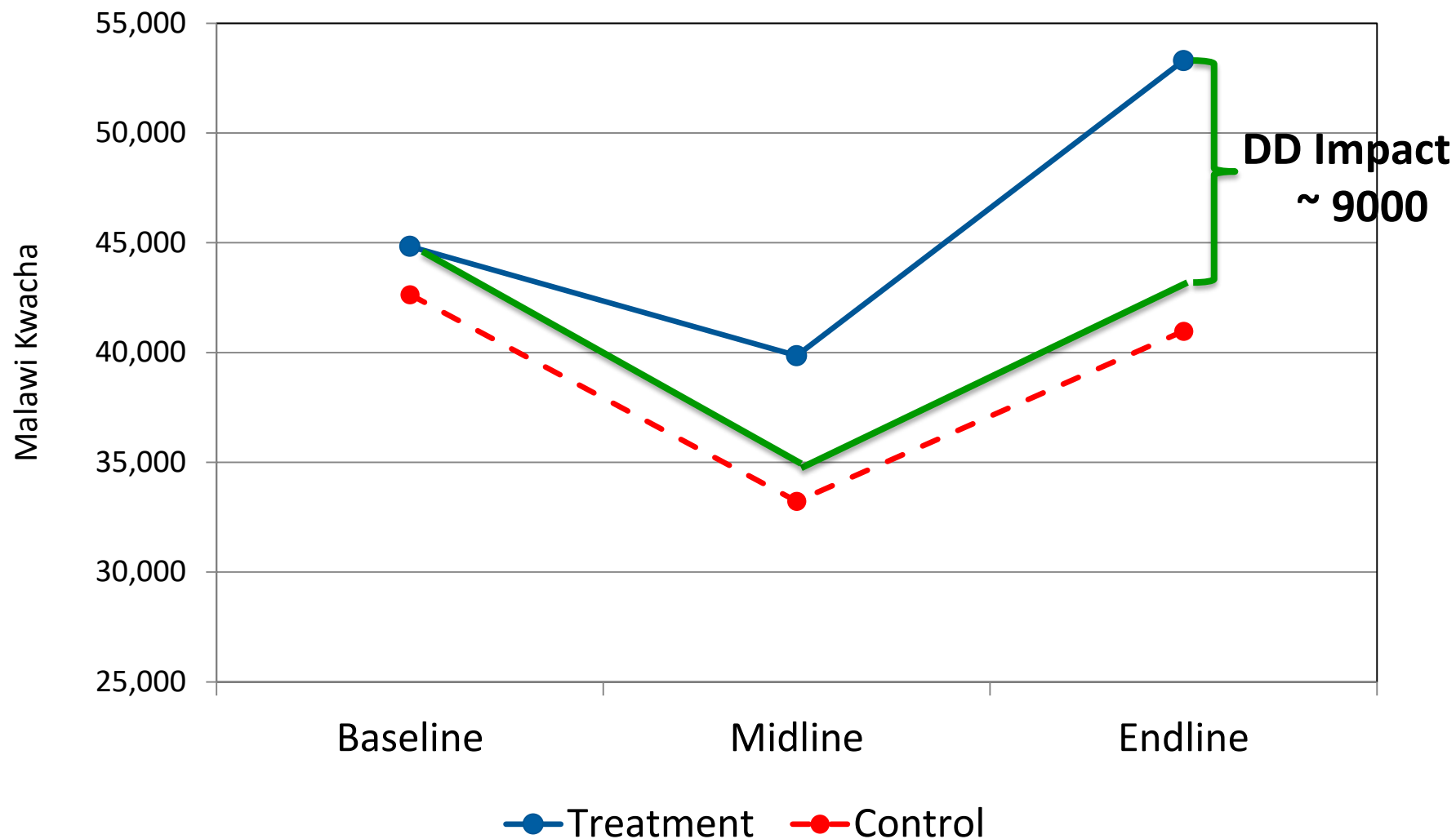
- ❖ Mixed methods experimental study designed for impact evaluation prior to scale up of the SCT in two districts (Salima and Mangochi) starting from 2013.
- ❖ Quantitative component is a cluster-randomized longitudinal study of 1678 beneficiary households and 1853 control households:
 - ❖ Three waves of data: 2013, 2014, 2015
 - ❖ Modules including food consumption, agricultural & livestock production, labor supply, non-farm enterprise operation, household asset, social networks, operational model (to track implementation)
- ❖ Treatment and control arms balanced at baseline (about 100 indicators); no overall attrition at endline; evidence of selective

Key outcomes and analytic method

- ❖ Consumption based on traditional definition of expenditure on food, clothing, health, transportation, housing and amenities, and schooling.
- ❖ Estimation of resilience uses the FAO RIMA II Model
 - ❖ Model based on SEM with MIMIC specification
 - ❖ Outcome indicators: PC food expenditure, Food security, Food Diversity
 - ❖ Pillars: Assets (AST), Social Safety Nets (SSN), Adaptive Capacity (AC)
- ❖ Estimation of impacts uses DD

Impact on Consumption

❖ Per Capita Consumption



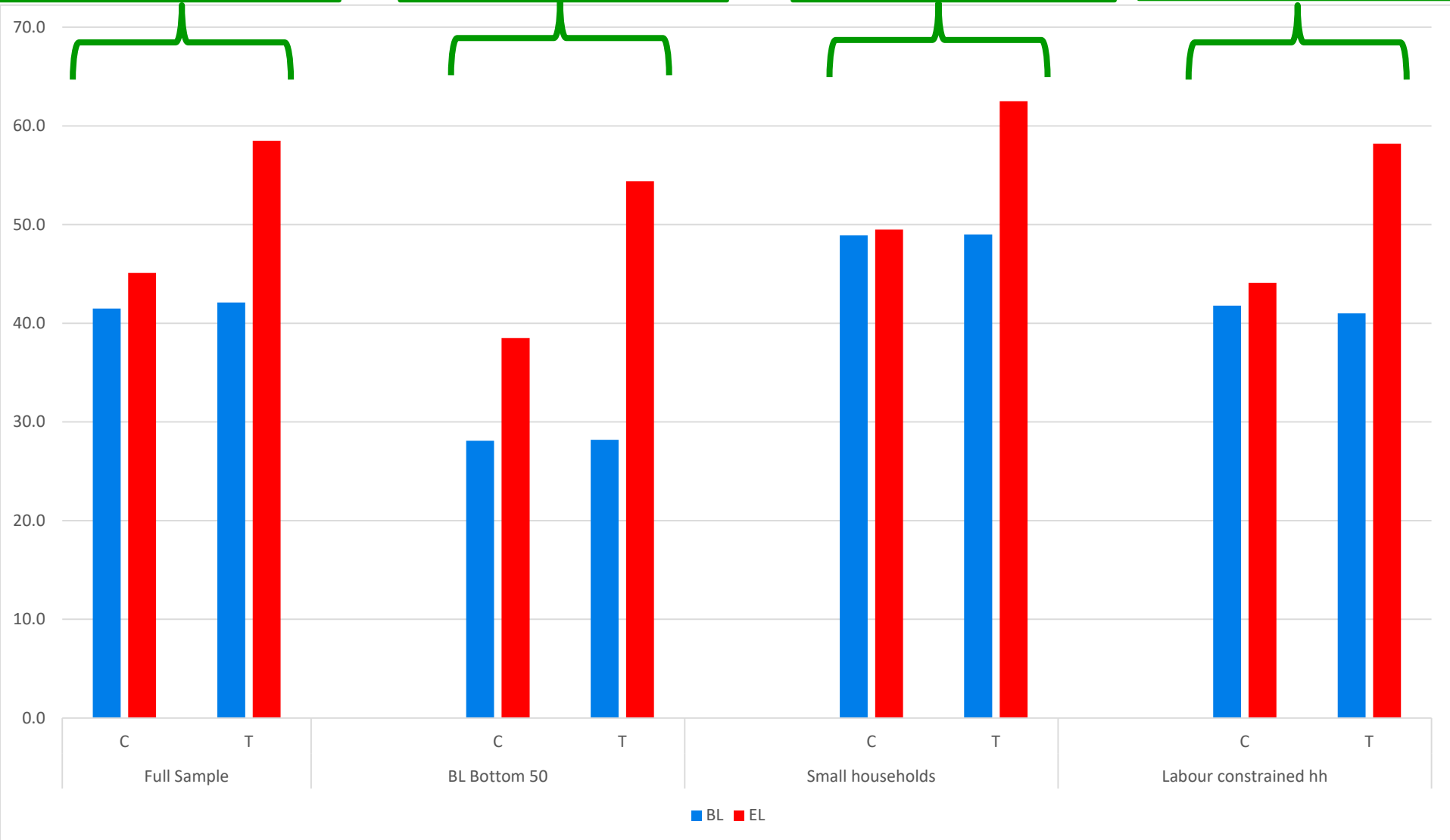
Impact on Resilience (RCI as percentage)

DD Impact: 12.4 pp

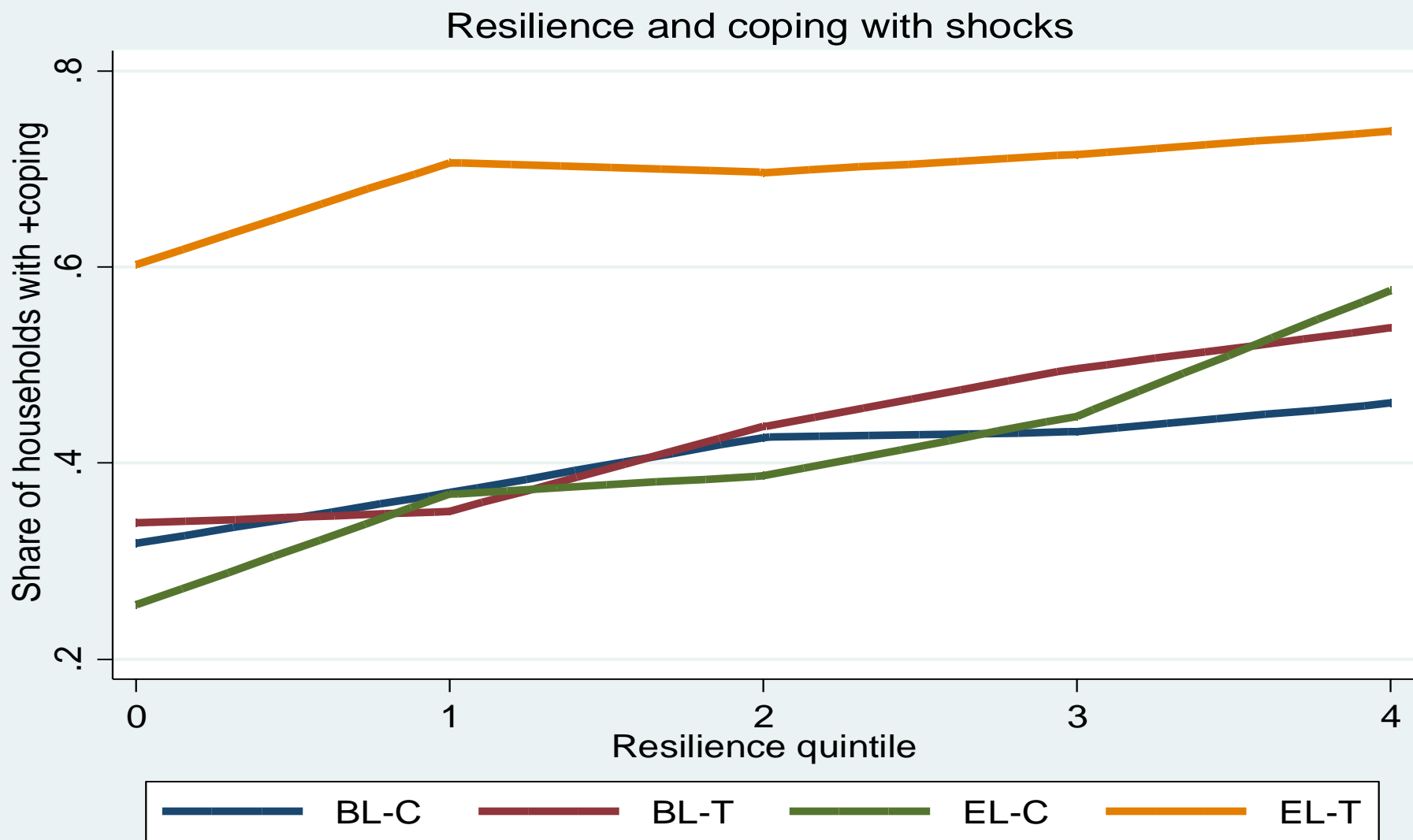
DD Impact: 14.5 pp

DD Impact: 12.0pp

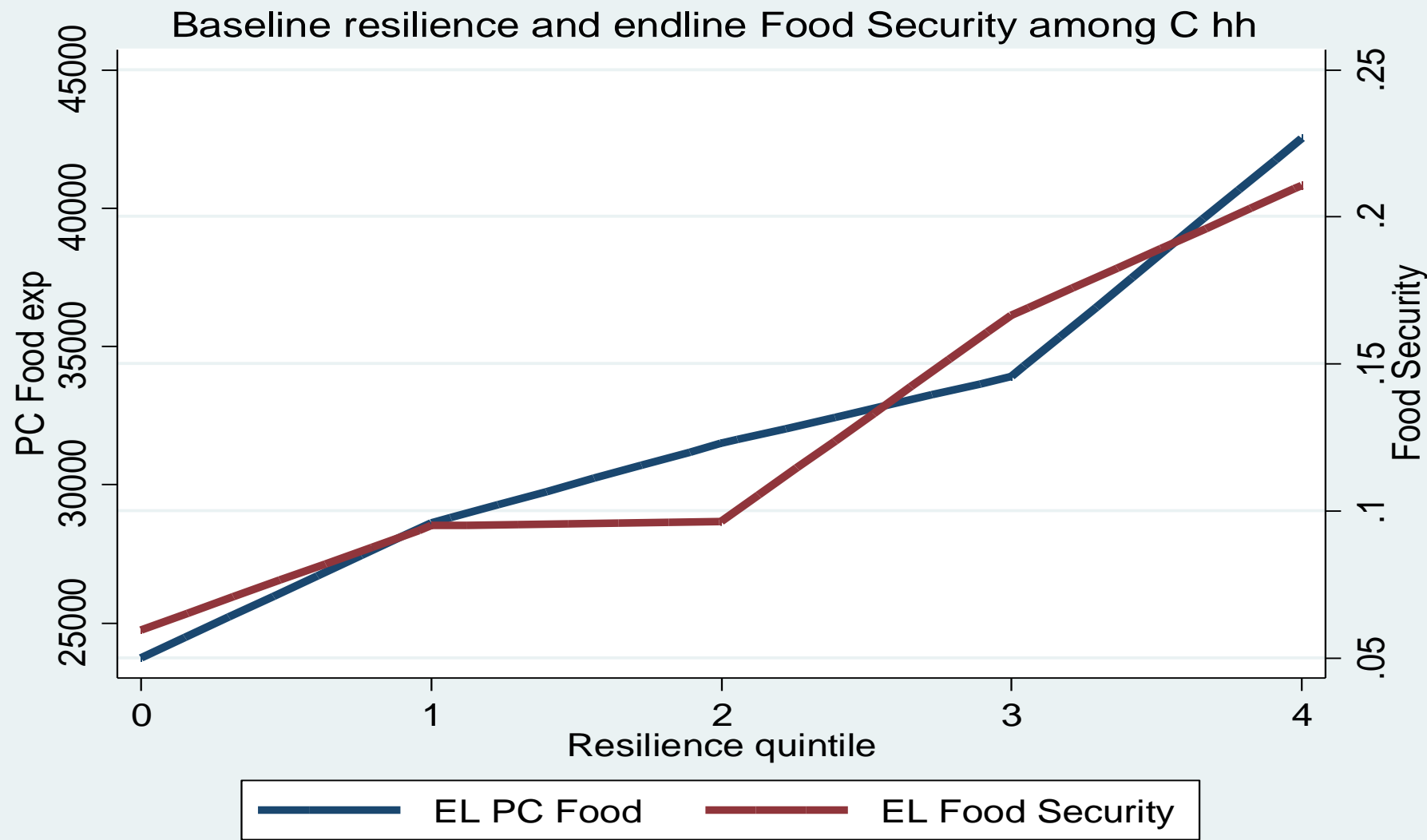
DD Impact: 13.1 pp



Resilience and positive coping to idiosyncratic shocks



Baseline resilience and endline food security (C group)



Consumption and Resilience movements

Treatment

		Consumption	
		Increase	Decrease/Same
Resilience	Increase	45.3	21.5
	Decrease/Same	22.8	10.4

Control

		Consumption	
		Increase	Decrease/Same
Resilience	Increase	18.4	17.5
	Decrease/Same	33.5	20.6

Conclusions

- ❖ We show here that unconditional cash transfer programs can improve resilience
 - UCTs should be considered one of the key policy options for improving resilience
- ❖ Resilience is a reliable predictor of future food security as well as positive coping with shocks
 - Can therefore be used for profiling and ranking when treatments are to be prioritized
- ❖ Income diversity and maintaining pre-existing SSN are favorable to improving both consumption and resilience

END

THANK YOU