OBJECTIVES AND STUDY DESIGN

The Social Cash Transfer Programme (SCTP) is the largest direct consumption support intervention in Malawi, which aims to reach 10 percent of the population. The SCTP targets ultra-poor, labor constrained households in all rural districts of the country. The Malawi National Social Support Programme (MNSSP II), which provides the strategic vision and implementation framework for the provision of social support in the country, explicitly recognizes social, demographic and life-cycle vulnerabilities in the population, and uses these vulnerabilities to develop a framework for action. The motivation and objective of this study was to provide policy options on how the SCTP can strengthen its approach to addressing lifecycle vulnerabilities as mandated by the MNSSP II. The study was commissioned by the Ministry of Gender, Community Development and Social Welfare (MoGCDSW) through UNICEF-Malawi, and implemented by the Center for Social Research (UNIMA), the University of North Carolina and the UNICEF Office of Research-Innocenti in 2019. The full report is available at https://www.unicef.org/malawi/reports/addressing-lifecycle-vulnerabilities-beneficiaries-malawi-social-cash-transfer-programme.

The mixed methods study entailed both qualitative and quantitative components. The qualitative component included focus group discussions (FGDs) and in-depth interviews (IDIs) with three groups of individuals living in SCTP households. These groups were identified during the initial phase of the study as being an important subset of beneficiary household residents and/or having unique vulnerabilities that potentially required further support within the SCTP: 1) Adolescents and young people age 15-24 years; 2) Elderly household heads with special needs or a chronic health condition; 3) caregivers of children under age five years. The qualitative data was complemented with a quantitative survey of 1,500 SCTP households administered in the districts of Salima, Mulanje and Nkhata Bay. Policy options resulting from the study findings were developed with the Study Reference Group consisting of the MoGCDSW, the Ministry of Economic Planning and Development and Public Sector Reform, and development partners.

TARGETING IN THE SCTP

The SCTP indirectly reaches many individuals who display social, demographic and life-cycle vulnerability as identified in the MNSSP II. These include the elderly, the specially-abled, and female headed households. However, none of these are explicit eligibility criteria of the programme. High household dependency is considered a demographic vulnerability in the MNSSP II, and is an explicit eligibility criterion of the SCTP. The unique demographic composition of the SCTP-eligible population compared to the...
Children and young people living in SCTP households are required to earn money and engage in domestic chores, which reduces their ability to attend school. Ultra-poor labour-constrained households face a harsh trade-off when it comes to the long-term development of adolescents and young people. As the typical recipient is elderly, and as noted above 58 percent have some health condition, young people are often called upon for caregiving and income generation, which leads to school drop-out. Having a head with a disability is associated with a 20 percentage point increase in domestic chores and a 25 percentage point increase in ganyu for young people, and a corresponding reduction in school enrolment of 28 percentage points. This is in spite of the school bonus. A key issue is that the school bonus itself represents just 10 percent of the estimated out-of-pocket cost of attending school.

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LIFE CYCLE VULNERABILITIES OF SCTP HOUSEHOLD MEMBERS

The typical SCTP recipient is elderly, with a chronic health condition or physical disability. As shown in Figure 1 above, SCTP eligible households are older, more likely to be female headed and have disproportionately more adolescent and young adults than the typical ultra-poor rural household. Due to their age, 58 percent of recipients suffer from either a chronic health condition, disability or both, a much higher percent than among all ultra-poor rural households. Female heads are more likely to suffer from a chronic illness than male heads. The most common physical disability is walking or climbing steps. In in-depth interviews, elderly heads described having weak social networks to depend on and limited physical capacity to engage in ganyu and other income-generating activities. While the SCTP alleviates some of the household’s financial constraints, the near-constant health issues and associated financial costs of health care lead to difficult choices in terms of how to use the transfer, and the need to rely on other household members, often adolescents and young adults, for care and income-support.

Overall rural ultra-poor in Malawi is illustrated in Figure 1 above. SCTP households (left hand panel) have more females, and more elderly and adolescents compared to the generally rural ultra-poor (right-hand panel), and fewer prime-age adults. On the other hand, an important vulnerable group as identified in the MNSSP, children under age 5 years, are neither indirectly nor directly reached through the SCTP. Among the rural ultra-poor 16 percent of household members are children under age 5, compared to just 8 percent among SCTP households.

Caregivers of children under age 5 in SCTP households are young mothers who have dropped out of school and lack financial or emotional support. The research team interviewed young mothers in order to identify the unique challenges they face in caring for their child. Naturally any intervention aimed at improving the well-being of young children would need to account for the circumstances of the mother. Most of these women had their child at age 15, and subsequently dropped out of school. Although most would have liked to return to school, given their current age, they did not feel that formal schooling was an option. Social isolation is also an important concern, and not being able to meet or talk to other people that share their life circumstances and experiences. This group does not have direct access to the cash transfer because they are not the main recipient of the programme, and so must rely on the benevolence of the main recipient, which also increases their vulnerability.

SCTP households with specific vulnerabilities have significantly lower food and total consumption relative to other SCTP households, and thus require additional support. There are important, statistically significant associations between the key vulnerabilities identified above and overall household welfare as measured by total or food consumption. The strongest (negative) association is having a young mother of a child under age five years, which is associated with a 26 percent reduction in per capita food consumption and 24 percent reduction in total consumption of the household. Having a head with a chronic illness or disability is also associated with lower consumption by 17 percent and a 20 percent reduction in food consumption. As mentioned earlier, adolescents and young people in these households also have significantly higher school-drop-out and rates of ganyu.

The key conclusion of the empirical analysis is that not all SCTP households are the same, and the programme is significantly less protective for households with specific vulnerabilities.

A STRATEGIC DECISION ABOUT THE FUTURE OF THE SCTP

The key strategic decision facing the MoGCDSW at this time is whether to maintain the SCTP as a narrowly targeted, small programme aiming to reach about 10 percent of the population, or whether it wants to transition to a broad-based social protection programme that addresses lifecycle vulnerabilities as envisioned in the MNSSP II, and become the center piece of social protection in Malawi. Typically, as countries build their social protection systems, they move from narrowly targeted programmes to broad, inclusive programmes. Such programmes directly target lifecycle vulnerabilities such as preschool children, the elderly, disability and chronic illness. These eligibility criteria are transparent and easy to communicate to the public, and by addressing a life-cycle vulnerability, which affects everyone, they receive broad support from taxpayers. The report provides simulations of coverage and costs for alternative programmatic options, some of which are shown in Figure 2.

Figure 2 shows the targeted (10 percent) and actual (7 percent) coverage of the current SCT. The bar labelled ‘65+’ shows that just two percent of households would be reached if the programme targets rural ultra-poor households with a person age 65 or over. The next bar indicates that 7 percent of households would be reached by a programme that targets rural ultra-poor households with a child age 2 and under. The next bars labelled ‘65+ and 0-2 years’ show coverage rates for a programme that targets households with either an elderly or a child age 2 and under. This programme, which explicitly targets two vulnerable groups, would reach slightly less (9 percent) than the current target for the SCTP. An important benefit of such a programme is that it is much more transparent which reduces targeting costs, it is easier to explain to the public, and of course directly addresses lifecycle vulnerabilities. Figure 2 also shows the simulated coverage of a programme that reaches all households with a child age 5 and under, and then one that reaches households with either a child age 5 and under or a person age 65+.
Cost estimates for each of these programmes are provided in Figure 3. These costs are based on the current average transfer to an SCTP household of MK 6,400 per month, and so assume the transfer structure and beneficiary profile will be such that the average transfer size will be the same. Nevertheless, in the first instance it is good to hold the average transfer size constant to understand the effect of the change in coverage on total costs. The results show that a programme that explicitly targets rural ultra-poor households with a child age 2 or under or a person age 65+ would cost MK27 billion in transfers alone (~US$37 million), compared to the actual current cost of transfers of MK 22 billion (US$29 million).

Support specific vulnerabilities within the current targeting approach: If a significant change in the eligibility criteria as described above is not opted for, the alternative is to ensure that individuals and households within the current programme with particular vulnerabilities receive adequate additional support. Of particular concern is the situation of households with heads who have a disability or are chronically sick—these households, and young people within them, are significantly worse off than other SCTP households. One approach, currently used in Zambia, is to provide an additional top-up if the recipient (or any member) has a disability or chronic illness. Linkages and referrals would also be appropriate, but these may be outside the influence of the MoGCDSW.

Nutrition bonus for children age 5 years and under: The current SCTP targeting approach tends to exclude families with preschool children. In addition, while families with school-age children are provided a ‘school bonus’, no similar support is provided for families with preschool children, who also have unique needs related to nutrition and preventive health care. A ‘nutrition bonus’, which would be analogous to the ‘school bonus’, could be considered for all children age 5 and under. This would recognize the vulnerability and developmental needs of all children in SCTP households, not just children age six years and above, and would bring the SCTP in line with the recommendations of the MNSSP II. The nutrition bonus would automatically convert to the current school bonus once the child turns 6 years old.

Support to mother-child sub-families within SCTP households: Young mothers with preschool children in SCTP households are an important vulnerable group, as they do not have direct access to the cash transfer. The nutrition bonus described above would support the child, but additional services should be considered for the young mother, such as linkages with adult or non-formal educational services (including apprenticeships for skills training), peer groups and other social support networks.

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