THE TRANSFER PROJECT

RESEARCH BRIEF

Malawi Social Cash Transfer Programme Impact Evaluation: Community Perceptions of Poverty and Wellbeing

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Introduction

The Government of Malawi's (GoM's) Social Cash Transfer Programme (SCTP) is an unconditional cash transfer programme targeted to ultra-poor, labour-constrained households. The transfer amount varies based on household size and the number of children enrolled in primary and secondary school. The impact evaluation for Malawi's SCTP is government led, and is being executed by The University of North Carolina at Chapel Hill and the Centre for Social Research at the University of Malawi. The impact evaluation uses a mixed methods, longitudinal, experimental study design, combining quantitative surveys, qualitative in-depth interviews, and focus group discussions (FGDs). The evaluation is being implemented in two Traditional Authorities (TAs) each in Salima and Mangochi districts.

Focus group discussions were held in the four TAs to understand how these communities define poverty and the factors responsible for poverty dynamics. At the time of the baseline survey in 2013, communities estimated that on average, 45 to 71 percent[1] of households were ultra-poor (*ovutikitsitsa, masikini*) and their key characteristics included having nobody or few people fit to work, which is a key targeting criterion for the SCTP. Migration was cited as an important avenue to escape ultra-poverty, and the Fertilizer Input Subsidy Programme (FISP) was cited as an important government programme that increased economic mobility.

The focus group discussions used the Stages of Progress methodology[2] to understand poverty and wellbeing as it is perceived by the rural communities receiving the SCTP. Group Village Headmen were asked to recruit a group of community members who have been long-time residents and have deep knowledge of the community and changes that have impacted the local area. FGDs were conducted separately for men and women to allow for free discussion. During the FGDs, participants discussed the local community's perceptions of poverty and movement into and out of poverty since 2004. Participants described the characteristics of poor households in the community and defined the stages of progress in material wellbeing, moving from deep poverty to prosperous. To list the stages, participants were asked to identify what a poor household might do with some additional cash at each stage as they improved their material wellbeing.

Community definitions of poverty

Participants described different groups that are part of their communities. These generally were defined as ultra-poor, poor and non-poor (See Figure 1).

Ultra-poor households constituted between 45 to 71 per cent of the communities in theses study TAs in 2013. They are characterized by having food shortage and poor quality of food; housing in disrepair; no one able/ old enough to work; no children in school because lack of clothing and soap; and children needed for *ganyu,* or informal day labour.

"These people have trouble finding food, their clothes usually don't look good, their place usually doesn't look good and their houses sometimes leak during the rain" … "because they don't have enough food they usually eat once a day in the evening so that they could have a good sleep."

-FGD participant

[1] All figures are estimates given by knowledgeable community members during focus group discussions, not actual statistics.

[2] Krishna A. Stages of Progress: A Community-Based Methodology for Defining and Understanding Poverty, v. 2.0. October 2005. Available at: http://www2.sanford.duke.edu/krishna/SoP.pdf

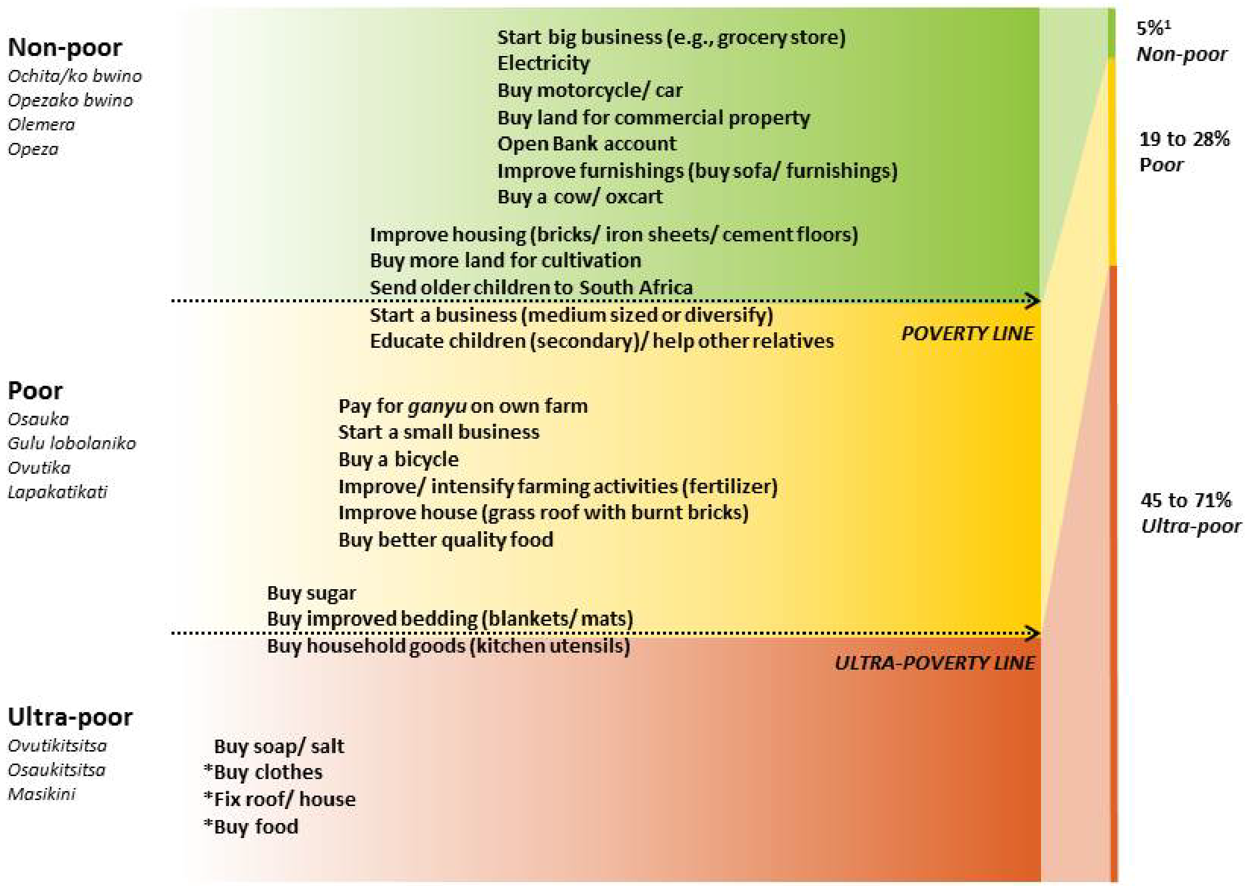
Poor households make up 19 to 28 per cent of community members in study TAs. These households eat better quality food than the ultra-poor, have better housing and utensils, and use more farming inputs, such as fertilizer. Many own a few chickens or a goat, and they may have a small business. Some of the children are in school, but very few attend secondary school.

According to the FGD participants, ***non-poor households*** represent a marginal portion of the current population in the study areas (about five per cent), but in one TA participants estimated that about 27 per cent of the households in the community are categorized as non-poor. These households have no worries about food. They have nice 'permanent' housing (with cement floors, brick walls, fences and metal roofs). As they receive more income, they generally buy more land and intensify agriculture. They own more livestock than other households, such as goats and sometimes an ox and ox cart. In non-poor households, older children are able to attend secondary school, or go abroad to South Africa or Mozambique to pursue economic opportunities. Wealthier households may own motorcycles or a car for personal transport. Those at the highest economic levels may have a bank account and install electricity in their homes. They are often owners of larger businesses (such as a grocery, etc.).

It is notable that electricity was listed as one of the highest stages of material wellbeing for a household in these rural areas. This compliments the finding from the quantitative survey that not a single SCTP eligible household has electricity.

Figure 1 describes the incremental steps households make as they have access to more income, as described by the local residents. Households can move up or down this ladder at any time, depending on community or household shocks and resources to support resilience in the face of such shocks. The figure also shows the poverty cut off lines between the stages of progress. Discussions across communities came up with similar standards, especially at the poorer stages, which is consistent with findings from other Stages of Progress studies.[1] As the figure shows, the stages listed fall on a spectrum. The exact cut off for poor and non-poor categories varied only slightly across group discussions.

Figure 1. Stages of Progress as Defined by SCTP Evaluation Communities



* These are consistently the first three items mentioned for how an ultra-poor household would spend additional resources.

[1] The colored bar to the right shows proportions of ultra-poor, poor and non-poor households in these communities. In one community, it was noted that about 27% per cent of households were non-poor, but this appears to be an outlier in the study areas.

Table 1. Movement of Households into and out of Poverty , 2004 to 2013[1]									
	2004 (per cent)			2013 (per cent)			Net Change 2004 to 2013 (percentage point)		
	Ultra-poor	Poor	Non-Poor	Ultra-poor	Poor	Non-poor	Ultra-poor	Poor	Non-poor
Salima-Maganga TA	46	34	16	67	28	6	21	-6	-10
Salima-Ndindi TA	78	15	3	71	22	8	-8	7	5
Mangochi-Jalasi TA	50	30	20	71	19	10	21	-11	-10
Mangochi-M'bwana Nyambi TA	55	27	19	45	25	27	-10	-2	8

[1]The numbers represent an average of the women's and men's groups' responses. During discussions, groups did not always categorize 100 per cent of the households, so totals in the table do not necessarily sum to 100 per cent.

Movement into and out of poverty

Net changes in poor, ultra-poor, and non-poor households, 2004 to 2013

Communities were asked to describe key factors that led to movement into and out of poverty in the last several years. The year 2004 was chosen as a reference date since it was the year that Dr. Bingu wa Mutharika was voted into power and most people remember that event.

Participants estimated the percentage of households in the community that fall into each of the stages in Figure 1 as of November 2013. They were then asked to estimate the percentage of household that were in each stage in 2004. Table 1 shows the percentages in each major category for 2004 and 2013. The last three columns represent the *net change*. Since participants were only asked to identify the total percentage of households in a category in 2004 and 2013, we are unable to determine to what degree the net changes are driven by movement into *versus* out of poverty. For example, a positive net change of 12 percentage points in the ultra-poverty category could be attributed to a 15 percentage point increase in the number of households moving out of ultra-poverty and an additional three percentage point increase in the number of households falling into ultra-poverty from either non-poor or poor categories.

In general, Salima-Ndindi and Mangochi-M'bwana Nyambi TAs have fewer ultra-poor households in 2013 than in 2004. The percentages of non-poor have made an almost equivalent increase. Conversely, Salima-Maganga and Mangochi- Jalasi TAs estimated that significantly more households are living in ultra-poverty in 2013 as compared to 2004, with fewer poor and non-poor households.

Reasons for movement into and out of poverty

Community members cited reasons for moving *out of* poverty ranging from environmental factors and personal initiative, to government and other support programmes. Reasons include:

- Good rainy seasons bring higher yields
- People work hard instead of relying on government hand outs
- Children finish school/ grow up and make money
- Remittances from abroad (South Africa/ Mozambique)

"Some will see that they are in dire poverty and will cultivate crops that season for sale. They will use the proceeds to make a passport and for transport to South Africa."

-FGD participant

- Government Programmes
  - FISP- the use of fertilizer is a newer practice and increases yields
  - Local Development Fund (LDF), Malawi Social Action Fund (MASAF) and Ministry of Forestry projects all create employment for these communities
  - Ministry of Agriculture Extension Services help increase crop yields and combat pests
  - NGOs have programmes for irrigation, intensive agriculture, grain storage, seed loans, micro-credit and grants for school fees and uniforms
  - Clubs and organizations help people access money and other resources

Similarly, reasons for moving *into* poverty spanned a range of factors, including environmental stresses, personal losses or mistakes, and lack of institutional or government support. Reasons cited by the community members include:

- Climate change, drought and flooding affect crop yields

"… in the old days we used to harvest granaries of maize, enough to eat and all other money we would find was used for other things. These days our money is all being used for food."

-FGD participant

"…in the last two years, we had floods at the beginning of the season and a dry spell at the end of the rainy season. That means that all the plans that one had….are all destroyed. In the end you see that someone who was doing well is even struggling to find n'sima."

-FGD participant

- Death of a spouse or old age
- Mismanagement of wealth or a failed businesses
- Unstable prices (e.g., for buying or selling maize)
- Devaluation of currency (MWK)
- Change in ruling party in government led to some people losing positions of power
- Ultra-poor do not have access to micro-finance
- Many have to pay or have connections to get seasonal employment
- Limited access to necessities in the community because people are too poor to buy the items regularly

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Community suggestions for decreasing rural poverty

The FGD participants cited particular government programmes that have helped their communities in the past, and actions they think would support poverty alleviation in the future. These suggestions include:

- Increase and monitor FISP and food programmes to keep vendors from reselling
- Create jobs through government programmes like MASAF (e.g., road building)
- GoM and NGOs should give loans for small business
- Control inflation and costs of food, fuel, and transport
- GoM-owned Agricultural Development and Marketing Corporation (ADMARC) should be open all year
- GoM should provide treadle pumps for crop irrigation
- Revive government led farmer clubs for fertilizer loans
- GoM should build more public facilities (primary schools, health clinics, boreholes) in the communities and provide related resources

Conclusions

Results from FGDs suggest that households selected by the GoM's SCTP targeting criteria (ultra-poor and labour-constrained) are the same types of households that community members felt were the poorest and most vulnerable. FGD participants estimated that between 45 to 71 percent of community members were ultra-poor, and a further 19 to 28 percent were poor; this is in agreement with baseline quantitative ultra-poverty and poverty rates (60 percent and 85 percent, respectively). A key characteristic community members ascribed to ultra-poor households was the absence of household members who were old enough or able to work. Baseline quantitative data support this claim, as 26 percent of SCTP-eligible households had no fit to work adult. The implications of labour constraint and ultra-poverty described by community members are also echoed by the quantitative baseline data on characteristics of SCTP-eligible households, including food insecurity, poor quality housing infrastructure, low enrolment levels in primary schools, and high rates of child *ganyu* labour participation. We can conclude that the GoM SCTP eligibility rules are targeting the poorest and most vulnerable households, and that these are the same households community members would select for programme participation.

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