

# Social cash transfers, generational relations and youth poverty trajectories in rural Lesotho and Malawi

## Research highlight 4 (Malawi): Rural households and the targeting of cash transfers

Preliminary findings from an ESRC-DFID-funded research project August 2017



### The village and its residents

Our case study village is located in densely populated Thyolo District. 74 households were profiled in 2008 and we returned to most of these in 2016. (The village boundaries are rather fluid and some households now claim allegiance to other villages or declined to participate). Overall, the population of the village has increased, as has average household size. Most households survive on a combination of subsistence agriculture (mainly maize), cultivation and sale of (manually) irrigated vegetables and casual labour. There has been some decline in small livestock, although 7 families have acquired dairy cattle. There has been no appreciable increase in consumer goods, other than cell phones, which remain limited to around a third of households. Most households (58%) said their situation had deteriorated, usually attributing this to a series of poor harvests. Only 14% said things had improved.



### Cash transfers in the village

Households received cash transfers from two sources in 2015/6:

***Mtukula Pakhomo*** (the government social cash transfer programme): Six villagers were selected but had only received payments on three irregularly spaced occasions, owing to persistent administrative difficulties in Thyolo District.

***CADECOM*** (a World Bank / WFP emergency relief programme implemented by CADECOM in Thyolo District): 6 individuals had received monthly payments for the previous 3 months.



## Targeting

Mtukula Pakhomo is intended to target ultra-poor, labour constrained households (those with a dependency ratio exceeding 3). In practice, although half the recipients in our study village met the dependency ratio criterion and two suffered multi-dimensional poverty ( $MPI \geq 0.5$ ), transfers were apparently targeted at elderly individuals (particularly those caring for children) rather than households that met the criteria. The targeting of the CADECOM transfers appeared rather arbitrary.

Scheme	Number of households	Elderly recipient	Dependency ratio >3	$MPI \geq 0.5$	Dependency ratio >3 and $MPI \geq 0.5$	Neither dependency ratio >3 nor $MPI \geq 0.5$	Average household MPI
Mtukula Pakhomo	6	5 or 6	3	2	1	2	0.40
CADECOM	6	2 or 3	2	1	1	4	0.32
Neither	59		5	7	0	46	0.30

## Targeting challenges

Three **features of Malawian households** cause difficulties for household targeting:

**Migration** – some households have members in employment elsewhere who might be making substantial financial contributions. No account seems to be taken of these. The grandson of one Mtukula Pakhoma recipient, for instance, had steady work on a nearby tea estate and had previously been employed in a clerical role.

**The unit of consumption** - most households in the village are nuclear, comprising one or two parents and their immediate offspring. However, such households often share a compound with households of maternal kin (parents, sisters' families etc). Some consumption is shared beyond across the compound. If one household buys maize meal, they often give some to their kin, although they do not eat from a single pot. Moreover, men have obligations to their parents and sisters' families, even when they reside elsewhere.

**Fluidity of the household** – households do not have static boundaries. Some children had moved into the household of an elderly relative since our last visit, presumably to maximise income through the Mtukula Pakhoma's child-related element. We also found two children who were registered with one household for the Mtukula Pakhoma transfer and another for the CADECOM grant.



There is also a **lack of awareness** within the community:

- \* One woman said the names had been presented to the Village Development Committee, but she did not know where they came from.
- \* Many said the targeting should have been more transparent.
- \* Several made allegations of corruption, some referring to the influence of the chief in selecting beneficiaries. Some relatives of the chief received CADECOM transfers and said other villagers complained this amounted to nepotism. It is important to note that we have no evidence of corruption and one person said the chief was not involved in the selection as he was suspended from office at the time.

## Community responses to the cash transfers

### Sense of entitlement

- \* While unhappy with the infrequency and the targeting of the transfers, people felt complaining was inappropriate or futile.
- \* Asked whether she could enquire about why the money was not paid regularly, one elderly recipient responded: “No, I would not ask – who am I? After all, I don’t work for it”.

### Spending patterns

- \* Most said they spent the majority of the money on food. One woman, for instance, said it enabled her to move from eating one meal to two meals per day.
- \* Several had spent money building new houses or on iron sheets to improve their roofs. ‘Mtukula Pakhomo’ was read literally as ‘house improvement’.
- \* Family members sometimes offered conflicting accounts: one woman claimed to use virtually all the money to buy maize meal for her family; her son said she spent it on drugs for her illness, a door for a new house and wood for firing bricks.
- \* One grandmother said that were the payments predictable, she would spend the money differently – on people to work on her garden and on fertilizer.



### Jealousy and stigma

- \* Many complained that others in the community were jealous because they didn’t also receive SCTs.
- \* The grandson of one recipient said people had complained to the chief that his family was receiving grants; the chief had deregistered the family. The boy said it would be better that they didn’t receive a grant because “people say bad things about us”.

### Alternatives to unconditional cash transfers

- \* Some individuals said it would be better if people had to work for the money.
- \* Almost all recipients said they would prefer to receive food. One grandmother commented “I would prefer maize to money because food is life”. Others remarked that the amount of money wasn’t enough to buy much food, or that there would be less jealousy with food as people wouldn’t know its price.

*Photographs in this briefing are illustrative only: they do not portray the individuals profiled and not all are from the case study village.*

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