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

Policy brief 2: Household targeting: problematic misconceptions of household dynamics

Findings from an ESRC-DFID-funded research project January 2019

Key points

Cash transfers provide invaluable support to communities. Many schemes target the most vulnerable using the household as the basis for selection, yet this research highlights that such targeting is flawed. The research indicates that:

- **Households are not the clear and stable entities envisaged in cash transfer targeting: they have porous and fuzzy boundaries**
- **Households in receipt of targeted transfers may differ little from non-recipient households**
- **Targeting that fails to match community perceptions of deservingness results in resentment of recipients**

This policy brief, number two in a series of eight, draws attention to the problematic assumptions inevitably inherent in household targeting of cash transfers. It supports a preference for universal transfers.

The research

Social cash transfer schemes, which disburse cash to poor people, are known to address symptoms of poverty among their target populations, particularly children and the elderly. However, poverty cannot be fully understood by focusing on symptoms alone. Poverty is produced through structural power relations including social relations of gender, age, generation and class. To fully understand the impacts of cash transfers, this research examines how cash transfers intervene in, and are negotiated through, these social relations. It focuses on Lesotho's Old Age Pension and Child Grants Programme and Malawi's Social Cash Transfer Programme. Based on in depth qualitative research in one rural community in each country, the research contributes to a more nuanced understanding of whether, and to what extent, cash transfer schemes are transforming poverty in rural African communities.

For details, see **www.cashtransfers-youth.net**

Cash transfer targeting in Malawi and Lesotho

Many cash transfer schemes in sub-Saharan Africa are targeted at households that are deemed to be particularly vulnerable. Schemes are designed for different purposes, including poverty reduction and humanitarian relief, and this influences the targeting design. Different methods of targeting have also been selected in different schemes as outlined in Box 1.

Box 1 : Targeting methods
community-based targeting community groups or intermediary agents identify recipients
proxy means testing information is collected on household or individual characteristics that correlate with welfare levels and a computer algorithm is used to identify recipients

Lesotho's Child Grant Programme and Malawi's Social Cash Transfer Programme both target households but use subtly different combinations of community-based targeting and proxy means testing (see Box 2).

Box 2	Target households	Targeting method
Lesotho's Child Grants Programme	**Poor households with at least one child**. This reaches 22% of households in programme areas.	Survey data from all households are entered into the National Information System for Social Assistance (NISSA). The households listed are allocated by the community to one of four categories. A proxy means test is used to assess whether those categorised as 'poor' and 'ultra-poor' qualify as beneficiaries. The Village Assistance Committee presents the list to the community for validation. Complaints can be placed with the Ministry of Social Development.
Malawi's Social Cash Transfer Programme	**Ultra-poor households** (those in the lowest income quintile) that are **labour constrained** (no able bodied adults aged 19-64, or a dependency ratio higher than 3). This covers 10% of households nationally.	Data is collected from households and entered into a Management Information System (MIS). A list of households ranked by vulnerability status is presented to a community meeting for confirmation. Amendments are entered into the MIS and a final ranking is approved at a District level Social Support Committee meeting.

Both methods assume households are defined units of production and consumption that remain relatively static over time. In practice, diverse household structures exist in different geographical settings and they are seldom neatly bounded.

Households have porous and fuzzy boundaries

In Lesotho, rural households are traditionally extended units comprising the (male) head of household, their male descendants, wives and unmarried female offspring. In southern Malawi, household units typically comprise a married couple and their immediate offspring but are co-located with the households of maternal kin. These structures are changing, partly in response to social cash transfers.

Migration of people

Southern Africa has long experienced high levels of labour migration. People often move out of rural households in search of work, but subsequently return. Individuals also move when they marry or divorce. Therefore, a household that is labour constrained one week may benefit from an abundance of labour the next. Children are frequently moved between households of an extended family, which may reside in close proximity or at a distance. In Malawi, some children were moved between closely related family households, and sometimes even registered as part of more than one household, apparently in order to capture cash transfers. More dramatically, households split and reform over time. When mud brick houses collapse (a common occurrence in the Malawi village), matrilineally related households in close proximity absorb the residents until a new structure is completed. Cash transfers cannot keep pace with such rapid changes (see Box 3 for examples of household changes).

Box 3: Fluidity of the Malawi cash transfer recipient households

Household	Change in household membership 2016-8
1	Son moved out, granddaughter moved in
2	Recipient died, granddaughter moved out to stay with parents, taking cash transfer with her
3	Daughter and grandchildren moved out having rebuilt their house
4	Great grandmother died, two grandchildren moved out, one grandchild moved in
5	Adult daughter moved out
6	No change (but 7-year-old daughter stays with grandmother elsewhere)
7	Two grandsons moved out when they married
8	The elderly couple moved into the village from a neighbouring village

Movement of remittances

Rural households, particularly in Lesotho, are often supported by family members who live and work elsewhere (given the lack of paid employment available locally). Remittances from such individuals are hard to factor into proxy means testing. Lesotho's proxy means test enquires about household members living abroad or in paid employment, but these are easily hidden if they stay elsewhere. Moreover, remittances are often sporadic and unreliable, hence including them in assessments of household resources is problematic.

Births

Targeting of cash transfers usually relates to the number of children in a household, yet in both case study communities it proved difficult for parents to get new children registered. Children born to non-recipient households might cause these households to match the criteria for receipt of a transfer. However, without a new registration exercise, such households remain outside the cash transfer scheme.

Deaths

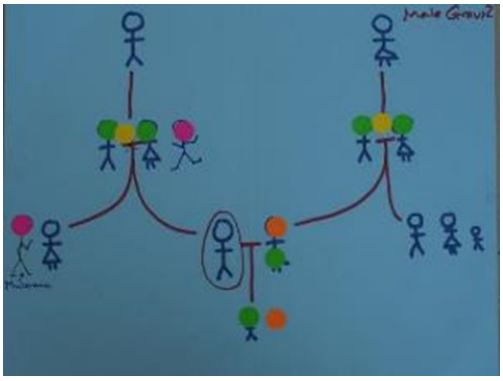
Deaths of recipient household members may alter the profile of the household dramatically, particularly where an elderly head of household dies. Yet deaths often go unreported. Where the officials recording such changes in households are also the distributors of transfers, people are suspicious that any funds they cease to claim will be embezzled. In Malawi, households that were allocated cash transfers based on the presence of an elderly person, continued to claim that transfer following the person's death. Sometimes such households were absorbed into others, but the individuals continued to receive a transfer, in some instances leading to battles over its 'inheritance' (see Box 4).

Box 4: Grace's inherited cash transfer

In her early teens, Grace moved out of her parents' house to stay with her elderly great-grandmother in the neighbouring house, to provide her with company and assistance. The great-grandmother was selected as a cash transfer beneficiary and Grace was named as the alternative person to collect the transfer. When her grandmother died, Grace moved back with her parents, who were among the more prosperous in the village. Her stepfather had completed secondary education and had a salaried job on a tea estate. Nonetheless, Grace 'inherited' the cash transfer from her great-grandmother. This was facilitated by the local cash transfer committee, but opposed by Grace's great aunt, who felt that she, as the next of kin, should have inherited the transfer, although she was resident in a different village.

Social obligations

Households are seldom simple units of consumption. Income is shared, but not exclusively among those identified as household members. In matrilineal southern Malawi, for instance, men talk of obligations toward their natal families that may outweigh those toward their own wives and children. Moreover, sharing among co-resident household members may be uneven, depending partly on the kinship relations. Elderly people often feel an obligation to their grandchildren, but not to their own adult children (who traditionally should support the elderly rather than receiving from them). Younger people may be responsible for older kin, irrespective of whether they reside together. Parents have obligations toward their children, irrespective of whether the children stay with kin elsewhere. Moreover, different social norms apply to the spending of different types of money so it cannot be assumed that cash transfers will be shared in the same way as earned income, for which a person has 'sweated'.



Participatory exercise: mapping how cash transfers intervene in relationships of assistance and decision making in Malawian families

Pseudonyms are used and photographs are illustrative only: they do not portray the individuals profiled

Households in receipt of transfers may differ little from non-recipient households

Unsurprisingly, the households in receipt of targeted cash transfers were not unequivocally the most vulnerable. In Lesotho, the Child Grants Programme's own criteria did not match with households currently receiving the grant. In both settings, application of a Multi-dimensional Poverty Index identified a different set of households as deserving (Box 5).

Box 5: Applying measures of vulnerability to child grant recipient households in the Lesotho village

- Six of the seven households receiving child grants have very few assets (jobs, fields and livestock), but some very poor households do not receive any cash transfers.
- Applying the **National Information System for Social Assistance (NISSA) Proxy Means Test** to data collected by the research team, fourteen households with children were identified as the most vulnerable. Of these, six receive child grants—but not the two with the lowest scores.
- The team also calculated a **Multidimensional Poverty Index.** Ten households had MPIs exceeding 0.5, seven of which included children but only one of these was among the households in receipt of a child grant.

Community perceptions of deservingness play an influence in community-based targeting. In Malawi, for instance, 7 of the 8 households initially targeted were headed by individuals aged 60 or over. This reflects a view that younger adults are undeserving of 'free money' (See Policy Briefs 3 and 4).

Community perceptions of unfairness result in resentment among recipients

From the perspective of community members, targeting appears rather arbitrary. In Lesotho, child grants are referred to as *seoa holimo,* meaning 'money falling from the sky'. Those who receive often express bafflement as to why they have been selected (see Policy Brief 6). In Malawi, many talk of having 'got lucky'. At the same time, they report that they are gossiped about and experience resentment from neighbours. Interviews with non-recipients similarly reveal a lack of comprehension of the basis for targeting and often a view that certain households are favoured, for instance because they are related to the chief.

"They aren't happy, I would say that because, truly these people are really struggling, they live in difficulty, just as ourselves" (Young woman in household receiving child grant, Lesotho)

"If only everybody benefitted from it, that would be great. If that were to happen, I think people would stop looking down on others" (woman receiving cash transfer, Malawi)

"To other people, it is as if I am getting it by mistake; just like when one enters here in the house and finds this bag [of maize], not knowing what I have done to get it while he has nothing" (Male head of household receiving child grant, Lesotho)

An ESRC-DFID-funded three-year collaborative research project (ES/M009076/1)

www.cashtransfers-youth.net

Email nicola.ansell@brunel.ac.uk

Prof Nicola Ansell, Brunel University

Prof Lorraine van Blerk, University of Dundee

Dr Elsbeth Robson, University of Hull

Dr Flora Hajdu, Swedish University of Agricultural Sciences

Dr Evance Mwathunga, University of Malawi

Ms Thandie Hlabana, National University of Lesotho

Mr Roeland Hemsteede, University of Dundee

E·S·R·C ECONOMIC & SOCIAL RESEARCH COUNCIL UKaid from the British people

Research jointly supported by the ESRC and DFID

Brunel University London

University of Dundee

University of Hull

SLU Swedish University of Agricultural Sciences

University of Malawi

National University of Lesotho