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

Policy brief 8: Malawi's Social Cash Transfer Programme

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

Key points

Research concerning Malawi's Social Cash Transfer Programme reveals that:

- **Plans for (re)targeting and graduation must take account of the dynamic structure of rural households**
- **Rural communities have limited buy-in to the Social Cash Transfer Programme in part due to lack of clarity regarding what the cash handouts are for and poor communication concerning programme operations**
- **Community perceptions of deservingness and complex power dynamics within rural settlements have implications for the validity and usefulness of an automated centralised database of recipients**

This policy brief, number eight in a series of eight, examines the impacts of social cash transfers on household and community relations in Malawi. It demonstrates that aspects of the current design of the Social Cash Transfer Programme limit the benefits that can be achieved in relation to poverty reduction in rural communities. Key policy messages are outlined.

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**

The Social Cash Transfer Programme *(Mtukula Pakhomo)*

The programme targets 10% of households nationally which are ultra-poor and labour constrained (dependency ratio above 3). Payments range from MWK2600 (US$3.50) a month for households with one member to MWK5600 (US$7.70) for households with four members, plus MWK800 (US$1) top-up for each resident aged under 22 in primary school and MK1500 (US$2) for each resident aged under 31 in secondary school. The distribution of unconditional monthly cash payments to household representatives began in a donor initiated pilot in 2006 and was rolled out to all districts by 2018. The scheme costs the equivalent of 1.6% of GDP and the US$40 million per year budget is largely funded by international donors.

Targeting Methodology: 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.

Plans for (re)targeting and graduation must take account of the dynamic structure of rural households

Maternally related kin are distributed across multiple households in the village

Households in southern Malawi are typically small, but matrilineally related kin reside in very close proximity. Thus a household that appears to comprise a grandmother and grandchildren with no income and minimal assets may be located within a few meters of the grandmother's working aged daughters and their husbands—who might have waged employment. Moreover (and partly due to the small size of most households), the composition of households is extremely dynamic. Size and membership of households vary rapidly in response to births, deaths, marriage and migration. The research was undertaken largely in one village in which the team had previously conducted intensive research in 2007-8. Households had changed considerably over the intervening decade, and even over the two year data collection period for the current project (Box 1). Households merge and split in response to events such as the collapse of houses, which is common in rainy weather. Size and composition may also be altered in response to the availability of cash transfers. Children and young people are sometimes moved between households to capture payments, which might explain why more are living with grandparents than in 2007. Some children are even shared across more than one household, indicating that they have become a valued commodity due to the advent of cash transfers. The fact that household membership, composition and dependency ratios are not static needs to be a key consideration in approaches to re-targeting and graduation of cash transfer recipients.

Box 1: Fluidity of the Malawian 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

Apart from the movement of people across apparently distinct households, resources also flow. Cash transfers directed at one household are very likely to be spent in others. The research revealed a strong belief in the importance of sharing . When a person "finds some money", everyone expects a share. When men receive money they are particularly inclined to support their own natal kin who usually live in a different village.

Within the community there was a strong sense that the way in which cash transfers are distributed is arbitrary, because they often do not reach those whom the community considers to be the most needy people. The most deserving were generally said to be elderly people who do not have kin nearby to support them, rather than those living in households without income or assets of their own.

Rural communities have limited buy-in to the Social Cash Transfer Programme

Many of the people we interviewed in rural communities, both beneficiaries and non-beneficiaries, have limited understanding of the objectives and functioning of the social cash transfer programme. They lack clear knowledge about how and why particular households are selected to receive the payments; what the cash is for; or how the programme operates. Because the transfers are understood as a random and unexplained gifts, rather than an entitlement, recipients are reluctant to criticise the programme or to challenge operational deficiencies such as delayed payments. They view themselves as having "got lucky" but have little confidence that payments will continue in the future. The cash transfer is not a regular and predictable part of rural life but remains viewed as a temporary programme over which people have no ownership. Furthermore, those to whom complaints should be directed are part of the same community that beneficiaries belong to, so people are afraid to raise issues for fear they might be removed from the recipient list.

"All we hear is that there is an organisation that is coming to help people like the elderly, the poor, that's what we hear" (Elderly grandmother who receives a cash transfer)

"…we don't work anywhere to receive the money, but it's the programme of the government to give us money. So it's a gift and we cannot make any quarrels because of that money" (Man whose wife's daughter inherited cash transfer from her late grandmother)

The social cash transfer was also understood in the community to be a programme targeting individuals rather than households. The key criterion was generally assumed to be that the individuals were elderly. There was a widespread sense (as also in our research in Lesotho) that elderly people were deserving of grants because they cannot be expected to work for themselves. However, it was also suggested that elderly people are not all equally needy. Some elderly people have adult children living with them or nearby who have good livelihoods and are able to support their parents, while others have no one to assist them.

"At the time they were picking beneficiaries they were picking old people" (Granddaughter of cash transfer recipient)

Interestingly, while the cash transfer was understood to be an individual property, it was also understood to be heritable. Of the eight beneficiary households in the case study village, seven had had elderly residents at the time the targeting took place, and it was the elderly people who were the first named beneficiaries on the registration cards. Three of these elderly people had since died, and the transfers had subsequently been "inherited". In some cases there was conflict among kin concerning who should inherit. One woman who had been living with her elderly mother was eventually persuaded to share the inherited transfer with her two sisters who lived in other households. In one case the transfer was bequeathed to a 14-year-old granddaughter who had been staying with her grandmother but subsequently moved back into her parents' home following her grandmother's death, taking the transfer with her.

"There are also some grandparents that are able to fend for themselves and they have well-to-do children who help them. When these grandparents receive the social cash transfer, some people complain" (Non-recipient women)

It is not surprising, then, that the distribution of cash transfers is understood by recipients and non-recipients alike to be rather arbitrary and unfair.

Perceptions of deservingness and power dynamics limit the value of a centralised database

Community perceptions of deservingness strongly support the elderly as recipients of cash transfers, although there was considerable disharmony related to the very limited number of beneficiaries. Many respondents spoke of negative consequences including envy, anger, jealousy and stigmatisation that arose when some villagers received cash benefits from the Social Cash Transfer Programme while others did not. This was exacerbated by the sense that everyone is poor, and that beneficiary households are not obviously any different from others. Given the porosity and fluidity of households (see Policy Brief 2), any attempt to rank households according to assets, income or dependency ratio is unlikely to hold legitimacy.

Perceptions of deservingness shape how beneficiaries are selected at local level. Communities play a role in selecting which of the households on the government's database are eligible for grants, and commonly subvert the criteria by selecting elderly people rather than households with high dependency ratios. Community members also engage in informal inheritance and sharing practices, in collusion with local officials. Moreover, they choose to exclude cash transfer recipients from access to other schemes such as public works programmes, on the basis that such benefits need to be distributed across the community.

The chief of our case study village actively promoted the sharing of grants across households. When an emergency cash transfer was delivered in response to a food emergency in 2016, the chief instructed beneficiary households to pair up with friends in other households to share the money. This led to tensions among neighbours, as not all recipients were willing to share and some shared only a small fraction of their grant.

In general, young adults viewed the cash transfer scheme as problematic. While the elderly were considered legitimate beneficiaries as they are unable to work for themselves, for younger people who are capable of working, community development schemes that benefit the entire village were regarded as preferable. In the absence of community-wide schemes, it can be expected that the operation of cash transfers will continue to subvert the intention to lift vulnerable households out of poverty through multiple coordinated interventions. Irrespective of official targeting processes, practices are likely to be manipulated in accordance with both cultural beliefs and hierarchical power structures within rural communities.

> *"…we are not the only ones suffering in this village. There are lots of poor people here…we are suffering in the same way so it would be better if more people were also receiving the cash transfer"* (Adult son of beneficiary)

Such complexities of social relations and power dynamics within communities have significant implications for the feasibility of using automated centralised databases of recipients to target multiple interventions.

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

Research jointly supported by the ESRC and DFID