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

In relation to the Malawi Social Cash Transfer Programme, the research reveals:

- **The dynamic structure of households should be a key consideration in approaches to re-targeting and graduation of cash transfer recipients**
- **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 understanding of programme operations at village level**
- **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, focuses on the findings related to the impact of cash transfers in Malawi and draws out key policy messages that suggest significant challenges inherent in the current design of the Social Cash Transfer Programme limit benefits of the programme.

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.

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Malawi's Social Cash Transfer Programme *(Mtukula Pakhomo)*

The programme targets 10% of households nationally which are ultra-poor and labour constrained. 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 2006 pilot and was rolled out to all districts by 2018. It costs equivalent of 1.6% of GDP and the US$40mill/year is largely funded by international donors.

Designs for targeting and graduation must take account of the distinctive fluid structure of rural households

Our research followed the households in one village for more than ten years. Households in southern Malawi are typically small but matrilineally related kin reside in very close proximity. Moreover, composition of household membership is extremely dynamic. Size and membership of households vary rapidly in response to births, deaths, marriage and migration (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

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

"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)

Many people we interviewed in rural communities, including 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 gift, 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 they are afraid to raise issues for fear they would be removed from the recipient list.

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

The social cash transfer was also understood in the community to be a programme targeting individuals rather than households. Individuals were usually understood to have been selected because they were elderly. Yet it was also understood to be a heritable property. 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 as 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, and in one case the transfer was bequeathed to a 14-year-old grandchild who subsequently moved back into her parents' home following her grandmother's death.

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

Community perceptions of deservingness strongly support the elderly as deserving recipients of cash transfers, although there was considerable disharmony related to the very limited number of beneficiaries. Many respondents spoke of negative consequences of envy, anger, jealousy and stigmatisation 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 beneficiary households are not obviously any different from others. Given the porosity and fluidity of households (see PB 2), any attempt to rank households according to assets, income or dependency ratio is unlikely to retain legitimacy.

> *"…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)

> *"…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)

Perceptions of deservingness shape how beneficiaries are selected at local level. Not only did communities subvert the criteria to select elderly people, but they excluded cash transfer recipients from other schemes such as public works programmes. The chief also spoke of having instructed beneficiary households to pair up with other households to share the transfers. Such complexities of social relations and power dynamics within communities have significant implications for the feasibility of using automated centralised databases of recipients. Irrespective of official targeting processes, practices are likely to be manipulated in accordance with both cultural beliefs and hierarchical power structures within rural communities.

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