



Malawi Social Cash Transfer Programme (SCTP) Longitudinal Impact Evaluation

2024 BASELINE KEY FINDINGS



Background and Study Design

This Research Brief provides key findings from the baseline data collected as part of the SCTP long-term impact evaluation (IE). The objectives of the long-term IE are: 1) to understand the impact of the programme on current beneficiaries across social, protective, productive and resilience domains, and 2) to understand what happens to households that exit the programme, whether they can sustain the standard of living they achieved while on the programme or whether they fall back into ultra-poverty.

The study consists of a mixed-methods longitudinal design, and baseline quantitative and qualitative data collection was undertaken in April-May 2022. The quantitative design entails four study groups: 1) new entrants into the SCTP (those who were assessed and deemed to be newly eligible); 2) exiting households (those who were reassessed and deemed no longer eligible for the programme); 3) continuing households (those who were reassessed and continue to be eligible for the programme); 4) comparison households (those who are designated as 'pre-eligible' and thus form part of the waiting list). The quantitative component of the long-term study will follow these four groups of households in three districts (Balaka, Dedza and Nkhata Bay),

periodically (every two years) over the next ten years (Figure 1). The qualitative component entails in-depth interviews with continuing and exiting households, and interviews with key informants about program implementation.

Key Findings on Programme Operations

■ **There is confusion about key programme rules among beneficiaries:** Most beneficiaries believe the programme is conditional, and many believe they are being monitored. About half of beneficiaries do not know when they will get their next payment, or how long they will remain in the programme. This uncertainty impinges on the ability to plan and make long-term, forward-looking decisions. There remains confusion about who is eligible for the programme and why some households are eligible, and others are not. Finally, there is limited awareness of the grievance mechanism within the SCTP. These results suggest that the SCTP should strengthen communication around programme eligibility rules, conditionality, and other aspects of the programme such as grievance mechanisms. This communication can be done at the pay point every two months to reinforce the information.

FIGURE 1 Distribution of households (N=3,418)

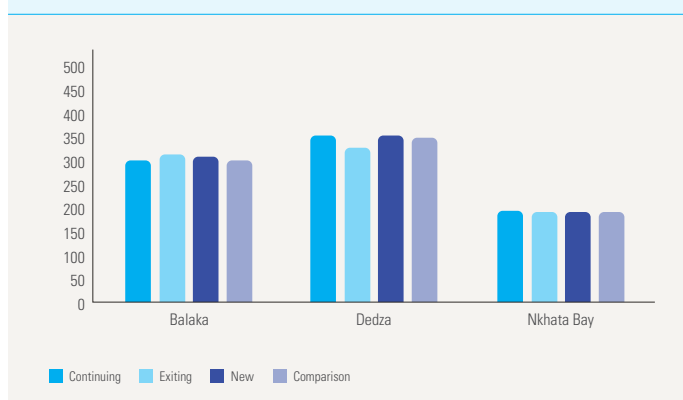


FIGURE 2 Knowledge of programme operations (%)

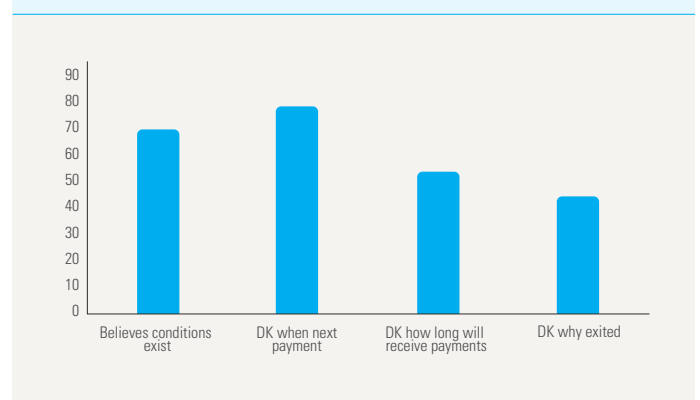
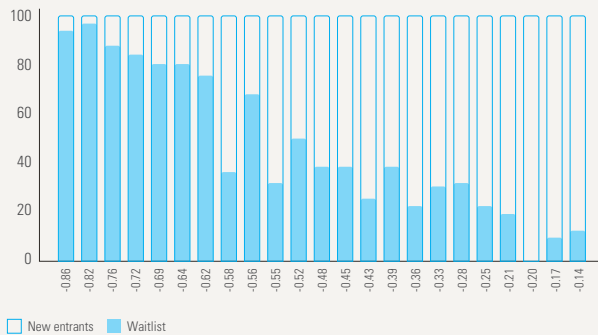


FIGURE 3 Proportion of new and waitlisted households by PMT



■ **Wait times at pay points are extremely long, with 60 percent of households waiting two or more hours, and 40 percent waiting three or more hours:** To address this problem, payments could be staggered, with half the beneficiaries asked to come in the morning and the other half in the afternoon, to reduce excessive wait times. The implementation of the e-payments system would also address this issue.

■ **The value of the transfer has eroded over time such that the median transfer value represents just 14 percent of household consumption:** International experience indicates that a transfer value of around 20 percent of consumption can have a transformative effect on beneficiaries. Currently in the SCTP, just 30 percent of households have a transfer value that reaches 20 percent of their overall consumption. A key implication is that SCTP programme managers should be vigilant about the real value of the transfer and ensure it doesn't erode to the point that the administrative cost of transferring money exceeds the actual benefit of the transfer itself. One approach would be to set up an annual process to review the value of the transfer in relation to inflation. While automatic adjustment of the transfer may not be feasible each year, keeping track of the value and maintaining it as a topic of discussion at SCTP meetings with the wider government and development partners, with the understanding that it is fundamental to achieving the objectives of the programme, will be an important step towards building-in automatic, periodic increases.

■ **There is considerable overlap of Proxy Means Test (PMT) scores among new and waitlisted households:** The SCTP is designed to target 10 percent of households nationally, but this 10 percent threshold is applied to each and every Village Cluster (VC), no matter where it ranks in the poverty profile of the country. Figure 3 shows that there is considerable overlap in PMT scores among waitlisted and new entrants. This is because households with low PMT scores in poorer VCs end up outside the 10 percent threshold despite their overall low PMT scores, while households with a higher PMT living in a relatively better-off VC can qualify. As a result, some households with very low PMT scores have been waitlisted or exited, while other households with higher scores either continue in the programme or are new entrants,

because they live in relatively 'richer' VCs. The Ministry of Gender, Community Development and Social Welfare could consider removing the 10 percent eligibility per VC and moving to 10 percent eligibility at the Traditional Authority (TA) or even district level. This will ensure that the poorest 10 percent of households in each TA or district will have priority for the programme.

Key Findings from Reassessment Process

■ **The profile of new SCTP beneficiaries has changed slightly through the reassessment exercise:** New entrants to the programme are about ten years younger and more likely to be married and male. Figure 5 compares the population pyramid of new versus continuing SCTP households. New entrants have more younger children, especially preschool children, far fewer elderly members, and more prime-aged members (ages 25-54 years). These results suggest an important change in the profile of the typical SCTP beneficiary, something that was also noted during informal conversations with households during the field work. The introduction of the UBR seems to have resulted in a significant move away from the traditional beneficiary profile of the SCTP. In order to retain those vulnerable groups (e.g. disabled, orphans, elderly) the SCTP should consider directly targeting those characteristics through a categorical approach, rather than maintaining the dependency ratio as the eligibility criterion. Continuing and exiting households differ on indicators that go into the PMT score: The PMT score is driven by housing quality and ownership of household durable goods. Exiting households have better quality housing (iron roofs, cement floors) and greater domestic asset ownership (bed, chair), all of which enter the PMT score, thus explaining their exit from the programme (Figure 6). A key issue for the SCTP to resolve is whether this is the appropriate metric to rank and select households for inclusion into the programme. Ultimately the vulnerability of households is driven by lifecycle considerations and their capacity to earn enough money to address their basic needs. Housing quality reflects just one aspect of basic needs yet seems to be the primary driver of the PMT score.

FIGURE 4 Household age structure



■ **Continuing and exiting households do not differ on livelihood indicators:** The premise behind graduation is that exiting households would have improved their economic security such that they no longer need the programme, while continuing households have not attained that level of economic security. However, the analysis shows no significant difference in the main livelihood activities of the two sets of households, with the sole exception of livestock where exiting households do show a statistically significant advantage. There is also no difference in food security between the two sets of households. These results, along with the fact that the PMT score is driven by non-productive indicators, like housing quality and domestic assets, suggests that exiting households may still not be economically viable. This sentiment is borne out in the qualitative data as well, where households did not understand why they had been exited when they felt they were no different from continuing households. Households exiting the programme are still for the most part poor or ultra-poor, and in need of support, as the SCTP itself is not a graduation programme. The Ministry may want to consider a plan to address the well-being of exiting households by linking them to other forms of support. Results from the key informant interviews indicate that better communication around the reassessment exercise at the time of enrollment and perhaps periodically would be beneficial.

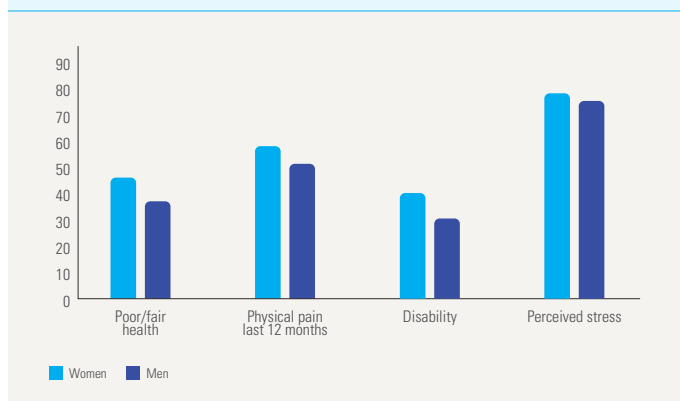
■ **A comparison of continuing households and new entrants provides prima facie evidence of positive programme impacts across a range of domains:** Since both the new and continuing households are eligible for the SCTP, and most continuing households have been receiving transfers for four or more years, differences between the two groups are indicative of programme impacts. There are statistically significant differences in consumption and its components (foods, non-foods), poverty rates, savings, subjective well-being, livestock, and possession of agricultural implements between the two groups, with continuing households showing better outcomes on all these dimensions. This suggests an important, positive impact of the SCTP. The qualitative data, based on interviews with SCTP beneficiaries, confirm the quantitative results. Households state that Mtukula Pakhomo has helped them become more food secure, and to build up small assets such as livestock.

■ **There are significant differences in well-being between men and women beneficiaries of the SCTP:** The ageing process tends to be very different for men and women and the evidence shown in this report indicates that women are significantly worse off in terms of health and well-being relative to men. Women are more likely to be disabled, suffer from pain, and be in poor general health. They are also more likely to report higher perceived stress and are less optimistic about the future. Case management should pay special attention to the health and well-being of older women beneficiaries, and target complementary services, and or linkages and referral to other services to this group, as they are significantly worse off relative to older male recipients.

FIGURE 5 PMT indicators (%)



FIGURE 6 Health of women and men



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