



**Economic Impact Report  
of the Mchinji Social Cash Transfer Pilot  
\*Draft\***

**Candace Miller MHS ScD**

**Research Assistants**

***Boston Based***

Allison Meisner

***Malawi Based***

Hastings Honde

Emmanuel Kambalame

Zione Themba

Allan Dyless

Center for International Health and Development  
Boston University School of Public Health  
Boston, Massachusetts

and

The Centre for Social Research  
University of Malawi

KUFUNA KUMVETSA  
MCHINJI CASH TRANSFER



**November 2009**

This report was prepared by the Center for Global Health and Development (CIHD) at Boston University for the Government of Malawi and USAID. The opinions expressed herein are those of the authors and do not necessarily reflect the views of the funding agency.

## TABLE OF CONTENTS

<b>ACRONYMS</b> .....	<b>3</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>4</b>
<b>INTRODUCTION</b> .....	<b>7</b>
SOCIAL PROTECTION AND ECONOMIC GROWTH .....	7
THE MALAWIAN CONTEXT AND SOCIAL PROTECTION .....	7
MALAWI PILOT SOCIAL CASH TRANSFER.....	8
IMPACTS ON BENEFICIARY HOUSEHOLDS .....	9
ECONOMIC IMPACT STUDY .....	9
<b>METHODS</b> .....	<b>9</b>
<b>RESULTS</b> .....	<b>12</b>
SECTION 1 .....	12
<i>SCT intervention vs. non-SCT comparison households: Food and non-food expenditures, productive assets and livestock</i> .....	12
<i>Increased income</i> .....	15
<i>Comparing reported expenditures to the SCT</i> .....	15
<i>Where SCT households make purchases</i> .....	16
SECTION 2 .....	16
<i>Description of study site (new data collection)</i> .....	16
<i>Social Networks of SCT Households: Who recipients provide inputs to</i> .....	18
<i>Analysis of non-SCT households that receive inputs from SCT households in one village group</i> .....	20
Household demographics and economics .....	20
Coping Mechanisms .....	22
<i>Inputs from SCT households to non-SCT households</i> .....	22
<i>The impact of the SCT on local businesses: The perspective of business owners</i> .....	24
Voices of business owners not affected by the SCTS .....	26
Voices of business owners affected by the SCTS .....	26
Business growth .....	28
<b>CONCLUSION</b> .....	<b>29</b>
<b>REFERENCES</b> .....	<b>34</b>

## **ACRONYMS**

CSPC – Community Social Protection Committee

CSPRO – Census and Survey Processing System

GDP – Gross Domestic Product

MK – Malawi Kwacha

RA – Research Assistant

SAS – Statistical Analysis Software

SCT – Social Cash Transfer

USAID – United States Agency for International Development

UNICEF – United Nations Children’s Fund

US\$1 = MK140

## **EXECUTIVE SUMMARY**

Mounting evidence<sup>1,2,3,4</sup> suggests that social protection policies are a promising component in poverty reduction, possibly with prospects for short and long-term impacts on economic growth.<sup>5,6</sup> Policies designed to improve the relative position of the poor today, while stimulating economic growth, would deliver the added benefit of raising the overall standard of living of the poor as the economy grows.

However, the extent to which pro-poor, social protection policies can assist impoverished households as well as influence economic growth is not clear in the African context.<sup>7,8</sup> Farrington, Slater and Holmes (2007) argue that social protection policies can influence economic growth and be growth-promoting. Advocates of conditional and unconditional cash transfers, which are widely used tools of social protection, specifically argue that these schemes may stimulate economic growth through various mechanisms, at multiple levels, in both the short and long term.<sup>5,6</sup>

### **Cash Transfer Scheme**

Malawi's National Social Support Policy calls for programs and policies that confront poverty and vulnerability, directly provide transfers to the destitute, and strengthen human capital in order to break the poverty cycle. Drafters of the policy envisioned "a comprehensive social support policy, integrated with other pro-poor development policies... [that]... contributes significantly to Malawi's economic growth." Moving from policy to programming, tools within the Social Support Policy include public works programs, agricultural input subsidies, market interventions, supplementary and school feeding programs, and of course, the Malawi Social Cash Transfer Scheme (SCT). The SCT, launched in 2006, is still in its pilot phase and currently operational within 7 of the 28 districts in Malawi. The SCT was designed to alleviate poverty, reduce malnutrition, and improve school enrolment by delivering regular and reliable cash transfers to ultra poor households that are also labour constrained.

### **Study Purpose**

Given the broad and ambitious goals of Malawi's Draft Social Support Policy<sup>16</sup>, we conducted a study to explore the relationships between social cash transfers as an instrument of social protection and economic growth in Malawi. This project contributes to the discourse on cash transfers by generating evidence on the mechanisms by which social protection strategies directly and indirectly lead to economic growth. The study also begins to quantify the level of 'returns' that can be expected when governments and donor agencies invest in cash transfers.

### **Methods**

In this study, we examined the plausibility of several mechanisms occurring at different levels and timescales whereby the SCT may contribute to economic development. Specifically, we examined the behavior of several village groups where the SCT was operational between 2007 and 2009—a microcosm of the larger district of Mchinji—in order to gain insights into the possible SCT impacts on economic development once the scheme is implemented at scale. We (1) explored how SCT households utilized cash transfers and (2) assessed whether the SCT contributed to economic development within the wider community (Figure 1).

First, we examined data from the Impact Evaluation<sup>19</sup> to determine how and where SCT households use monthly transfers. These datasets allow an analysis where the level of cash allocated to various items can be quantified by isolating how SCT households spent cash prior to becoming recipients and compared over time to the group of control households that did not receive the SCT.

Next, we conducted a household listing in one village group, which consists of many villages and approximately 1,000 households. From this listing, we identified SCT households currently receiving the cash transfer. We conducted a social network analysis of these SCT households to determine who they channel SCT inputs to, and the type, value, and frequency of these inputs. We also identified non-SCT

households that received inputs from SCT households. We surveyed this population to determine the type, value, frequency and impact of inputs from their perspective.

Finally, we listed all businesses within the village group. We conducted qualitative interviews to assess local business owners' perceptions of the impact of the SCT on their business and estimated the proportion of their total sales that came from the SCT.

## Results

**In the short-term:** At the household level, in the analysis of expenditures from the impact evaluation data, we found that in contrast to the comparison group, SCT intervention households purchased a variety of foods, including high-quality proteins such as meats, fish, and dairy items. SCT households purchased non-food items, such as blankets, clothing, and soap. We found evidence of greater demand for healthcare and education such that SCT households had greater expenditures on healthcare and medicines and schooling supplies compared to non-SCT households. SCT households also made new investments in productive assets and farming equipment, as well as livestock, while the comparison group made few purchases over the same time period. Consequently, the productive assets (hoes, sickles) and hired labour purchased by SCT households led to greater agricultural production, so that some SCT households also received income from the sale of the agricultural production and livestock. The added income, in addition to the SCT, allowed households to spend even more money each month.

In addition, some non-SCT households that received inputs from SCT households also used cash inputs for these purchases as well, albeit at lower rates and monetary values. Nevertheless, in a given month, a portion of non-SCT households that receive inputs used cash to purchase food, clothing, transportation, household items, agricultural inputs, animals, healthcare and educational items. Similarly, many of the business owners that reported that the SCT impacted their sales used profits from increased sales to make these additional purchases as well.

At the community level, we found that the majority of SCT households allocated a modest percentage of the cash to other destitute households through the hiring of labor, giving of loans, food, and gifts on a regular basis, despite delays and missed payments from the scheme to SCT households during the study period. About one in four non-SCT households received these inputs during the three months of data collection for this study.

Analysis of multiple data sources (the impact data, data from the non-SCT households that receive inputs, and the business interviews) confirm that cash transfers are spent in local markets among local businesses. For example, foods, household items, housing materials and clothing are often purchased at groceries at trading centers and weekly market days. SCT households purchase animals from local farmers. Local business owners reported arranging their sales plan to sell goods at SCT pay points. Business owners also report that they lend to SCT households because they are confident that outstanding credit will be repaid.

**In the long-term:** We did not directly assess human capacity development at the household level in this study. However, in the previous impact evaluation, we found evidence of gains in human development among children in intervention versus comparison households, including the following impacts: A 13 percentage point difference in the proportion of underweight 0 to 3-year-olds, a 0.5 centimeter gain in height among 5 to 18-year-olds, and a 10 percentage point reduction in reported illnesses among all children years in intervention versus comparison households.<sup>19,23</sup> Educational impacts included a 5 percentage point difference in enrolment, increased educational expenditures per child, a one-day decrease in absences, and a 10 percentage point decrease in out-of-home work for intervention versus comparison children.<sup>19,25</sup> In focus group discussions, children reported dramatic and widespread changes in their lives resulting from the cash transfer, including better access to goods and materials, including food, healthcare, school supplies, clothing,

blankets, housing, and livestock.<sup>19,24</sup> They also reported working less and allocating more time to schooling. Children described better mental health, with hopes and dreams for the future. All of these impacts are short term however, and it is unclear whether these short-term gains will result in lifelong improvements in human capacity development. Longer term follow up is needed to determine the impact of the SCT on lifelong human development.

Beyond these gains among children in SCT households, we found evidence that the inputs from SCT to non-SCT households positively impacted school enrolment and attendance for some children, but negatively impacted school attendance and enrolment for other youth as the opportunity to provide day labour opened up. It is unclear whether this labour is detrimental to human development outcomes as it is possible to attend school and work in Malawi. Still, decreasing the likelihood of school enrolment and attendance for any child is contrary to the goals of the SCT.

Additionally, at the community level, SCT households are indeed a source of employment, however it is not clear how regular or reliable a source. We found that almost half of SCT households hired labour, but there were monthly fluctuations in the percentage of households providing labour. We expect that the interruptions in regular payments to SCT households during the study reduced the ability of SCT households to channel inputs or hire labour on a regular basis.

At the community level, business owners confirmed that the SCT has strengthened the local market by providing a steady source of customers and cash into villages where they had once been scarce. During the three years since the SCT has been operational, sales were generally reliable even in the rainy/hungry season when they are typically at their lowest point. Business owners also described growth in profits, which they attributed to SCT households. These increased profits often lead business owners to add capital to their business or improve their household's economic standing. Finally, business owners alluded to a reliance on the SCT, which was needed to keep their business strong. They feared that they could not maintain the same level of sales without the SCT.

**In summary, in this study, we found evidence that the cash transfer helps to influence economic development as outlined in the Social Support Policy by: (1) Enabling the poor to protect themselves against shocks; (2) Increasing the productive capacity and asset base of poor and vulnerable households; (3) Encouraging investment by reducing risk through the predictability of transfers; (4) Unlocking economic potential; and (5) Stimulating demand for local goods and services and supporting enterprises in rural areas.<sup>16</sup>**

Additionally, the positive impacts on poverty reduction extend beyond SCT households to even non-SCT households that are ultra poor and labour constrained, but that were excluded from the cash transfer scheme due to the 10% cutoff point. Thus, the SCT has wide-ranging benefits including reducing poverty in nearly all of the district's most destitute households as well as stimulating economic development. Still, the SCT is just one of the tools in the Social Support Policy, which should contain an integrated set of programs, that together, contribute to Malawi's economic growth.

We do not make overwhelming claims about the generalizability of this study throughout Malawi. However, we do believe that the study population is a relative microcosm of Mchinji, yielding insights into the mechanisms by which the SCT impacts economic development through the district and maybe the country. Once the SCT is fully scaled throughout Malawi, it appears as though there will be important impacts not only for SCT households, but for some non-SCT households, and local businesses as well. Findings from this study may be applicable throughout resource-poor, rural areas in Eastern and Southern Africa. Still, more continued follow up and larger studies are needed to determine the consistency and scale of SCT impacts on poverty alleviation and economic development and growth in Malawi and beyond.

## INTRODUCTION

### Social Protection and Economic Growth

Mounting evidence<sup>1,2,3,4</sup> suggests that social protection policies are a promising component in poverty reduction, possibly with prospects for short and long-term impacts on economic growth.<sup>5,6</sup> Policies designed to improve the relative position of the poor today, while stimulating economic growth, would deliver the added benefit of raising the overall standard of living of the entire community as the economy grows.

However, the extent to which pro-poor, social protection policies can assist impoverished households as well as influence economic growth is not clear in the African context.<sup>7,8</sup> Farrington, Slater and Holmes (2009) argue that social protection policies can influence economic growth and be growth-promoting.<sup>9</sup> Advocates of conditional and unconditional cash transfers, which are widely used tools of social protection, specifically argue that these schemes may stimulate economic growth through various mechanisms, at multiple levels, in both the short and long term.<sup>5,6</sup>

In the short term at the household level, cash transfers may influence the accumulation of assets and livestock, increase agricultural production through the purchase of fertilizers or farm labor, and stimulate demand for healthcare and education.<sup>9</sup> At the community level, cash may be channeled to other destitute households through the hiring of labor, giving loans or sharing of food, and be spent in local markets among local businesses. Cash may also be pooled for larger production or income generating activities.

Long-term economic growth may occur through multiple mechanisms. At the household level, there may be human capacity development among children (by meeting healthcare and schooling needs). At the community level, SCT households may become a reliable source of employment opportunities and a steady source of loans, or informal transfers for other destitute households. Among businesses, gains may include strengthened local markets that can withstand seasonal or economic cycles.

Still, while these mechanisms are plausible, there is a dearth of literature specifically explaining and unpacking the mechanisms by which social protection strategies can directly and indirectly lead to economic growth in African communities and a lack of evidence quantifying the ‘returns’ that can be expected for a given level of investment.<sup>10,11,12</sup>

### The Malawian Context and Social Protection

Malawi is an agricultural society dependent on smallholder farming and fishing. In 2008, 80% the population lived in rural areas<sup>13</sup> (entire population in 2009 = 14.3 million).<sup>14</sup> Gross domestic product (GDP) was US\$800 per capita in 2008 and the GDP real growth rate was 9.7 percent.<sup>14</sup> Inequality is such that the percentage share of household income in the poorest 10% of households is 3% compared to 32% in the wealthiest 10%.<sup>14</sup> Malawi ranks 160 out of 188 countries in the 2007 Human Development Index, which is a composite index measuring the dimensions of a long and healthy life, access to knowledge, and a decent standard of living.<sup>13</sup> Malawi has high fertility (5.6 births per woman)<sup>14</sup>, high infant mortality (89 per 1000 births)<sup>14</sup>, and low life expectancy (43 years<sup>14</sup>). The HIV/AIDS prevalence rate was 11.9% in 2007<sup>13</sup> and school life expectancy was 9 years.<sup>13</sup>

In 2006, the Malawi Government and other stakeholders agreed on the Malawi Growth and Development Strategy, which represents a nationally owned strategy for investing in both economic growth and social development.<sup>15</sup> To that end, the Social Support Policy was drafted and calls for programs and policies that confront poverty and vulnerability, directly provide transfers to the destitute, and strengthen human capital in order to break the poverty cycle.<sup>16</sup> Drafters of the policy envisioned “a comprehensive social support policy, integrated with other pro-poor development policies... [that]... contributes significantly to Malawi’s economic growth.” Moving from policy to programming, tools within the Social Support Policy include

public works programs, agricultural input subsidies, market interventions, supplementary and school feeding programs, and of course, the Malawi Social Cash Transfer Scheme (SCT).<sup>16</sup>

The Policy explicitly connects social protection with economic growth by stating that:

“The implementation of a comprehensive social protection policy, integrated with other pro-poor development policies, would also contribute significantly to Malawi’s economic growth. Experience from other countries, both in southern Africa and beyond, confirms that social protection, far from being a drain on resources, is a driver of economic growth: In addition to reducing poverty, a sound social protection policy promotes equity, stimulates growth and ensures better use of fiscal resources.”<sup>16</sup>

The document does not cite references to support claims that social protection policies are a driver of economic growth. Still, social protection policies are expected to meet the goals of poverty reduction and economic growth by: (1) Enabling the poor to protect themselves and their assets against shocks, thus defending their long-term income-generating potential; (2) Increasing the productive capacity and asset base of poor and vulnerable households to move them above the poverty line; (3) Encouraging investment by reducing risk through the predictability of transfers; (4) Combating discrimination and unlocking economic potential; and (5) Stimulating demand for local goods and services and supporting enterprises in rural areas through economic multipliers.<sup>16</sup>

### Malawi Pilot Social Cash Transfer

Moving from policy to programming, the Malawi Social Cash Transfer was developed as one instrument of social protection. The Social Cash Transfer Pilot Scheme (SCT) was designed to alleviate poverty, reduce malnutrition, and improve school enrolment among the poorest 10% of households in Malawi, by delivering regular and reliable cash transfers to ultra poor households that are also labour constrained.<sup>1</sup> Ultra poor households are in the lowest expenditure quintile, usually consume only one meal per day, and lack any valuable assets. Labour-constrained households contain no able-bodied member aged 19 to 64 or have a dependency ratio worse than three. The identification of cash transfer recipient households occurs through a multi-stage participatory targeting process.<sup>17,18</sup>

In Malawi, the first cash transfers to recipient households were made in June 2006. By February 2009, 23,651 households in 7 of the country’s 28 districts were receiving transfers on a monthly basis with total program expenditures at MK17 million (US\$121K) per month in Mchinji alone. The government plans to bring the SCT to scale throughout Malawi by 2012, when it will cost an estimated US\$60 million per year.

On average, beneficiaries receive monthly transfers of MK2,000 (US\$14) depending on the size of the household and the number of school aged children in the household (a MK200 top-up is paid for each primary school aged child and MK400 for each secondary aged youth in the household) (Table 1).

**Table 1. Size of Monthly Cash Transfer**

Number of household members	MK per month	US\$ per month
1	600	\$4.30
2	1000	\$7.14
3	1400	\$10.00
4+	1800	\$12.85

<sup>1</sup> The Scheme was conceived of by United Nations Children’s Fund (UNICEF) technical consultant, Dr. Bernd Schubert in consultation with UNICEF and the Malawi Government.

## Impacts on beneficiary households

In the Impact Evaluation of Malawi Social Cash Transfer (SCT)<sup>19</sup>, we found evidence of positive impacts of the SCT consistent with findings from other countries.<sup>1,2,3,5, 20, 21,22</sup> Compared to non-recipients at the same economic level at baseline, after one year, SCT households experienced the following:

- Reductions in underweight and stunting among under-five year olds<sup>23</sup>
- Gains in height among children aged 5-18<sup>23</sup>
- Reductions in reported illnesses<sup>23,24</sup> and gains in use of health services<sup>24</sup>
- Gains in school enrolment, reduction in absences, greater expenditures on education<sup>25</sup>
- Reductions in children working outside the home<sup>25</sup>
- Dramatic improvements in food security, with fewer days without food and more food stores<sup>26</sup>
- Greater dietary diversity, including an increase in the consumption of complex proteins<sup>26</sup>
- Interruption of intergenerational cycle of poverty<sup>24</sup>
- Important impacts on PLWHA<sup>27</sup>

## Economic Impact Study

Given the broad and ambitious goals of Malawi's Draft Social Support Policy, we conducted a study to explore the relationships between social cash transfers as one instrument of social protection and economic growth in Malawi. To this end, we (1) examined how SCT households utilized cash transfers and (2) assessed whether the SCT contributed to economic development within the wider community. This project contributes to the discourse on cash transfers by generating evidence on the mechanisms by which social protection strategies directly and indirectly lead to economic growth. The study also begins to quantify the level of 'returns' that can be expected when governments and donor agencies invest in cash transfers.

### METHODS

The Boston University Institutional Review Board and the Malawian Health Research Council at the Ministry of Health approved the study protocols submitted for the evaluation.

In order to answer both research questions, data from this study comes from several sources (Figure 1):  
(*Study instruments are available at <http://childresearchpolicy.org>.)*)

---

1. First, data to analyze how and where cash transfer recipients direct their monthly expenditures comes from the Impact Evaluation conducted from March 2007 to April 2008 in Mchinji Malawi.<sup>19</sup> These datasets allow an analysis where the level of cash spent on various items can be quantified by isolating how SCT households spent cash prior to becoming recipients and compared to the counterfactual, or a group of control households that did not receive the SCT.

Briefly, the staggered roll-out of the SCT allowed for an evaluation in which we could identify intervention and control groups, collect baseline data, and follow both groups for one year until the comparison group of eligible households began to receive the transfer. In February 2007, the District Assembly identified the next eight village groups eligible for the SCT according to the scale-up plan to reach all eligible households by 2009. The Community Social Protection Committees (CSPCs) selected 100 eligible SCT beneficiaries per village group (10% of all households) according to the scheme's guidelines. Then, the evaluation team randomly assigned four village groups to the intervention and the remaining four to the comparison group. The sampling frame is a roster of all SCT approved households in the intervention (408 households) and the comparison village groups (411 households). The final sample consisted of 366 intervention and 389 comparison households (overall 92% response rate).

We developed structured questionnaires based on existing national surveys used in Malawi. The survey captured a range of demographic, economic, and health information. In this analysis, we focus on household expenditure and asset data. Surveys were administered in March 2007, September 2007, and April 2008. Surveys were checked daily during data collection and entered into the Census and Survey Processing System (CSPRO). The CSPRO database was exported to Statistical Analysis Software (SAS 9.1) for cleaning and analysis.<sup>19</sup>

In the analysis, we examined food and non-food expenditures, asset ownership, and various income sources over time. Household expenditures were divided into food expenditures, which are reported on a weekly basis; and non-food expenditures which are reported on a weekly, monthly, and annual basis depending on the item. We used these time categories based on other household surveys administered in Malawi in order to limit recall bias. Various categories of food and non-food items were summed, and then presented in the appropriate timescale (i.e. weekly, monthly or annually). Next, we used the double difference methodology and computed difference-in-differences estimates, which is a standard method for estimating program impacts in randomized community control trials.<sup>28</sup> This methodology accounts for any observable or unobservable between-group differences at baseline by subtracting out existing differences from the equation.<sup>29</sup> Put simply, the estimates are calculated by subtracting the difference between the comparison group at time one and time two from the difference in the intervention group at both times. Thus, the analysis takes into account the fact that the groups of intervention and comparison households were not identical at baseline, without over- or under-stating the program effect. The results represent the impact of the cash transfer, or in this case, the household expenditures that can be attributed to the cash transfer.

---

Second, in order to determine whether the Malawian Social Cash Transfer contributes to economic development within the wider community where the scheme is operational, we conducted new data collection activities in one village group in Mchinji. A village group is an administrative collection of villages containing approximately 1,000 households; of which, 10% are cash transfer beneficiaries. In this village group, we conducted a door-to-door listing of all households within the village group boundaries. Research assistants worked with community leaders and Community Social Protection Committee (CSPC) members to ensure that every structure was accounted for and every person was counted within one household. While creating a household listing is a painstaking process, community members have exceptional local knowledge and are very helpful in clarifying and confirming who lives where. The listing allowed us to identify the SCT households in the village group and the non-SCT households receiving inputs from SCT households. Then, the new data collection activities included the following:

- 1) A social network analysis of SCT households to determine who they channel SCT inputs to;
- 2) An analysis of non-SCT households receiving inputs from SCT households; and
- 3) An analysis of local businesses in one village group whose customers include cash transfer beneficiaries.

---

2. For the social network analysis, we identified SCT households in the listing. Next, we asked SCT household heads to recall the names of households that they had given loans, gifts, or food to, or employed over the past 6 months, and the value and frequency of the input.

Data was collected and entered into the CSPRO database, which was exported to SAS 9.1 for cleaning and analysis. The analysis consisted of tallying the type, frequency and value of inputs that cash transfer recipients report providing to their families and neighbors in one village group during the six months between August 2008 and January 2009.

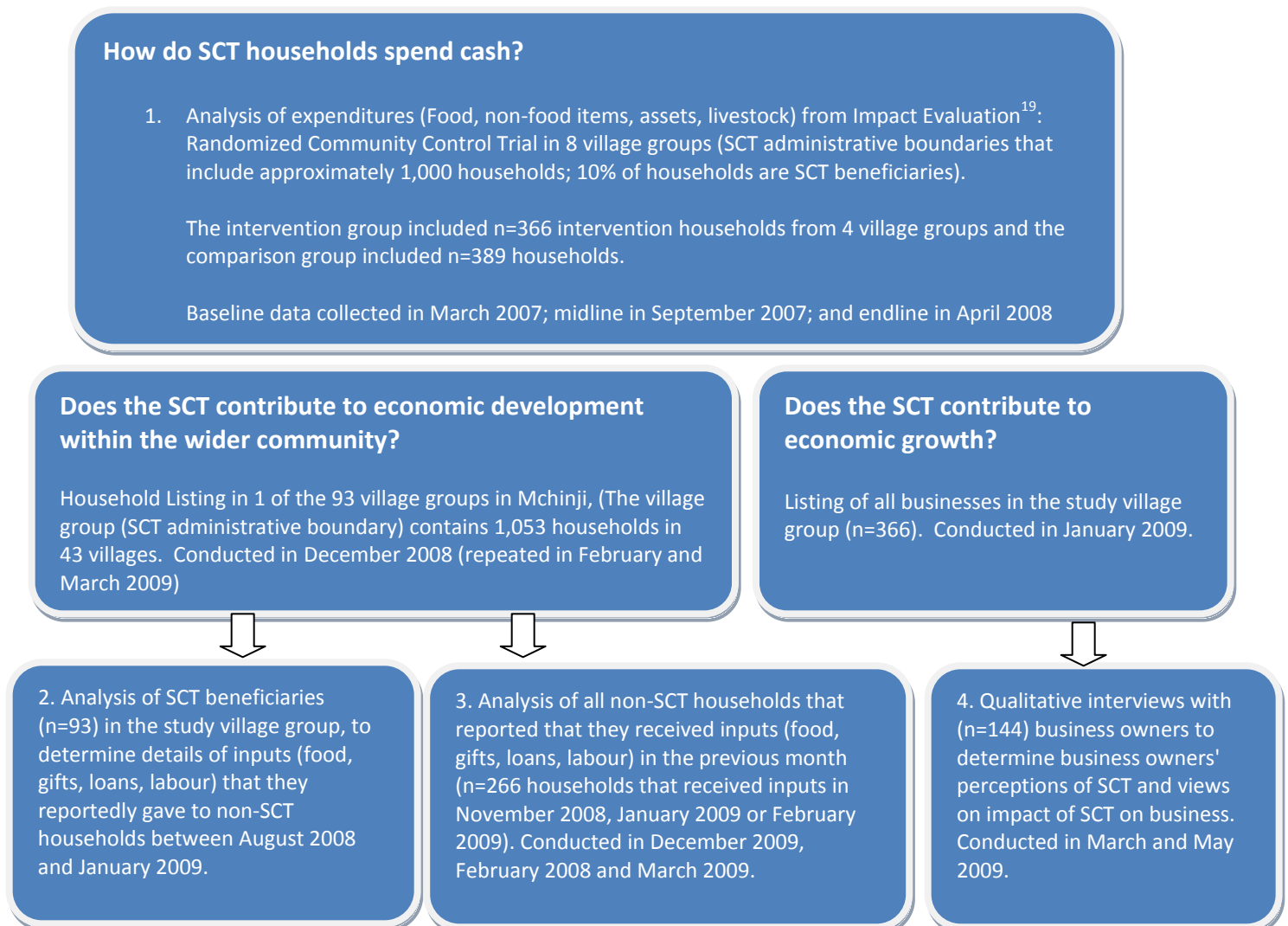
---

3. Next, from the household listing of the entire village group, we identified non-SCT households that reported receiving some input from cash transfer households in the past month. Inputs could include cash, employment, gifts or loans. We interviewed these households and collected detailed data on the type, frequency, and size of these indirect transfers. We asked households whether the inputs influenced food security, food diversity, asset accumulation, enrolling children in school, child work and other household activities. We repeated this process, collecting data in December 2008, February 2009, and March 2009 in order to determine the stability of these indirect inputs.

The analysis of this data consisted of calculating univariate and bivariate statistics to measure the value of inputs over time and describe how the cash was utilized.

4. In order to estimate the impact of the SCT on local businesses, we listed all businesses in the study village group. We checked this listing with local leaders in order to ensure that all businesses were included. We organized the list and selected a random sample of businesses by business type. We conducted qualitative in-depth interviews of business owners in order to determine whether their customers included cash transfer recipients, their perceptions of the SCT, and its impact on their businesses.

**Figure 1. Study design (including questions, datasets, and timeframe)**



Analysis of data from business owners consisted of creating a spreadsheet of estimated sales, including all sales, and sales from SCT households. From this, we estimated the proportion of income from SCT households as a percentage of all business income. Next, we conducted qualitative analysis of interview transcripts. We read and reread transcripts, developed codes for categorizing data, and coded transcripts using NVIVO 8 software. We examined coded text for common themes and the frequency with which they appeared, and then selected typical quotes to illustrate the phenomena.

## RESULTS

### SECTION 1

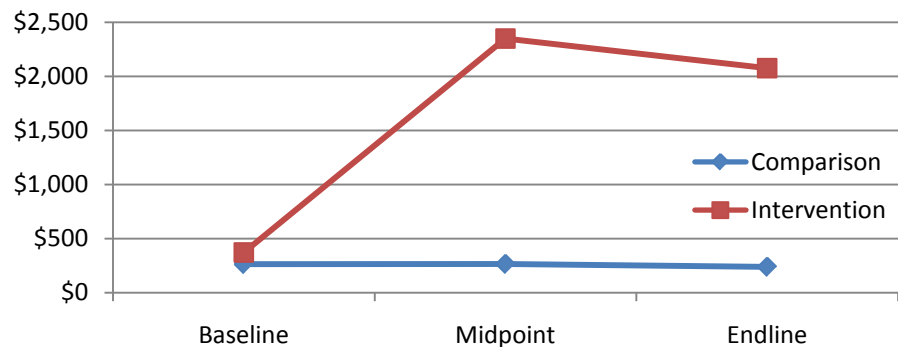
#### *SCT intervention vs. non-SCT comparison households: Food and non-food expenditures, productive assets and livestock*

In this first section, we examine how cash transfers influence economic development by better understanding how cash is spent. Below are the expenditures for intervention and comparison households for various items at baseline, midpoint and endline of the impact evaluation (March 2007, September 2007, April 2008).<sup>19</sup> Again, these estimates compare the 366 intervention households in four village groups and 389 comparison households in four village groups. The average monthly transfer to SCT

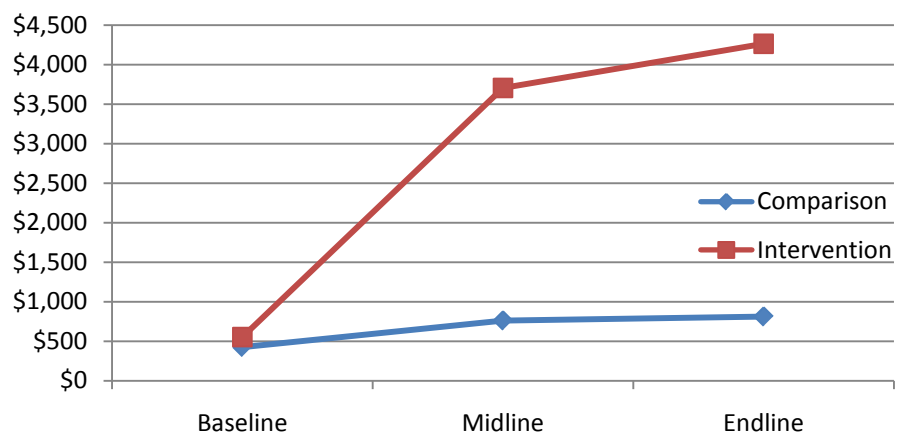
households was \$14.56. The combined total transfer infused into SCT households was \$5,331 per month and \$63,977 over one year. There were no missed monthly payments from the government to SCT households during the study period for the impact evaluation.

Figure 2 establishes the similarities in spending between intervention and comparison households for all food purchases (excluding foods received as gifts, collected in the bush etc.) at baseline, as well as the significant difference in expenditures over time. Reported weekly food expenditures were summed for all intervention households and for all comparison

**Figure 2. All reported weekly food expenditures summed for intervention and comparison groups. Respondents reported all food expenditures in the “previous week”. Data was collected in March 2007, September 2007, and April 2008.**



**Figure 3. All reported non-food expenditures summed for intervention and comparison groups. Respondents reported all non-food expenditures in the “previous week”, “previous month” and “previous year”. Data was collected in March 2007, September 2007, April 2008. Expenditures are presented as a month variable.**



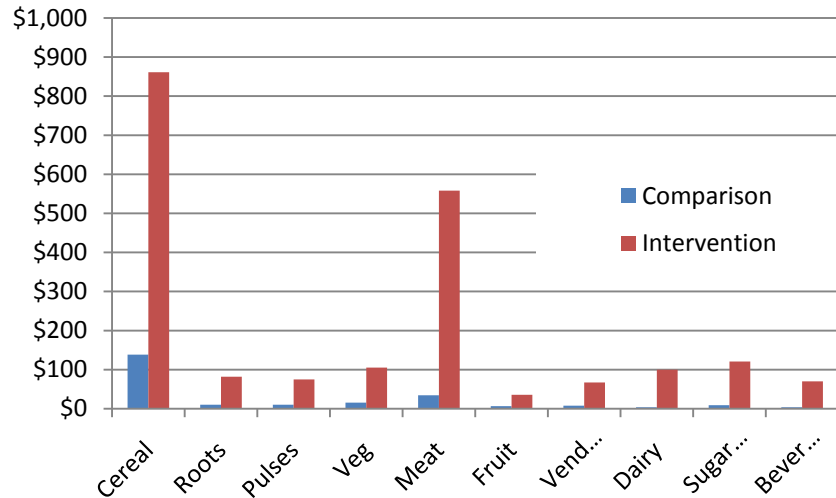
households. Food expenditures were similar in intervention and comparison households at baseline and remained flat in comparison households throughout the study. However, expenditures increased substantially in intervention households by midpoint, and remained high at endpoint, despite the seasonal pattern, whereby expenditures tend to decline throughout the rainy season.

A similar pattern emerges between comparison and intervention households with non-food expenditures such that both groups have similar expenditures at baseline, but then intervention households have significantly greater expenditures by midpoint, which continue to grow at the time of endline data collection (Figure 3).

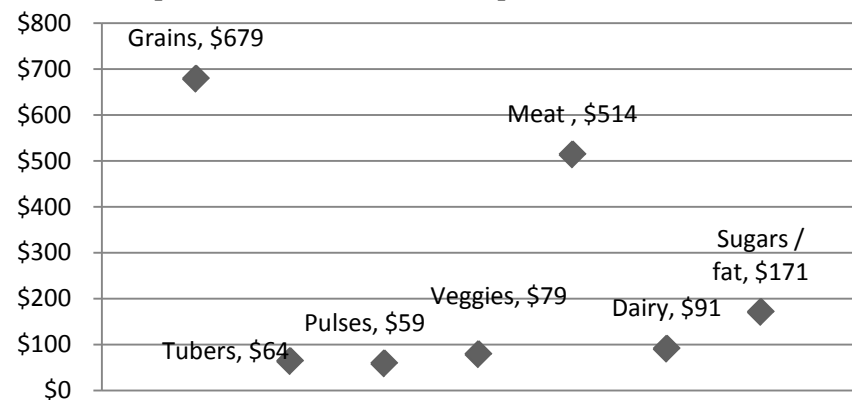
Next, we examined the large differences in household spending depending upon SCT status, Figure 4 illustrates the difference in food expenditures depending on SCT status by showing the total combined expenditures for one week for the intervention group versus the comparison group for various food items as reported at endline. The greatest differences between groups are found in expenditures on cereals and grains, meat, sugars and fats, and dairy items.

The double difference estimate for food expenditures per item is graphed in Figure 5. The difference in spending on grains between the intervention and comparison group from baseline to endline was \$679 per week. The difference for meat was \$514 per week. (Weekly food expenditures are not annualized because annualizing requires the

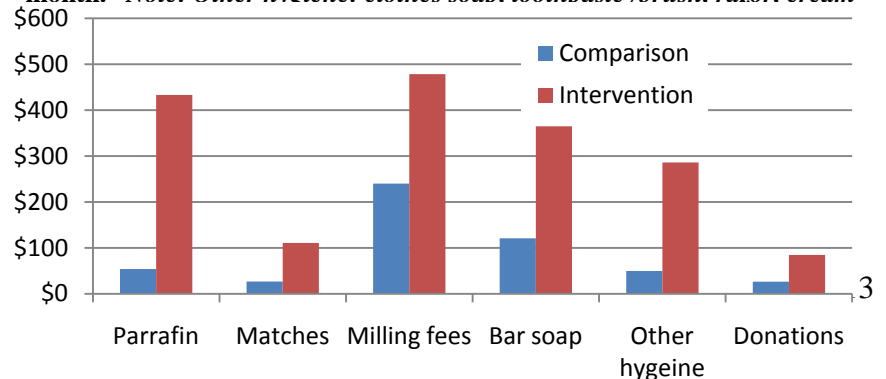
**Figure 4. Weekly food expenditures summed for intervention and comparison groups. Respondents reported all expenditures in the “previous week” in April 2008.**



**Figure 5. Double difference estimates for weekly food expenditures. Estimates represent the difference between weekly food expenditures for all comparison and all intervention households between baseline and endline. Food consumption for each item is for the “previous week”.**



**Figure 6. Non-food expenditures summed for intervention and comparison groups. Expenditures were reported in April 2008 and purchased in the “previous week” (multiplied by 4.4) or “previous month.” Note: Other hygiene: clothes soap, toothpaste /brush, razor, cream**



assumption of constant consumption. We find significant seasonal fluctuations in food consumption, which suggest annualized expenditures would lead to an unstable measure.)

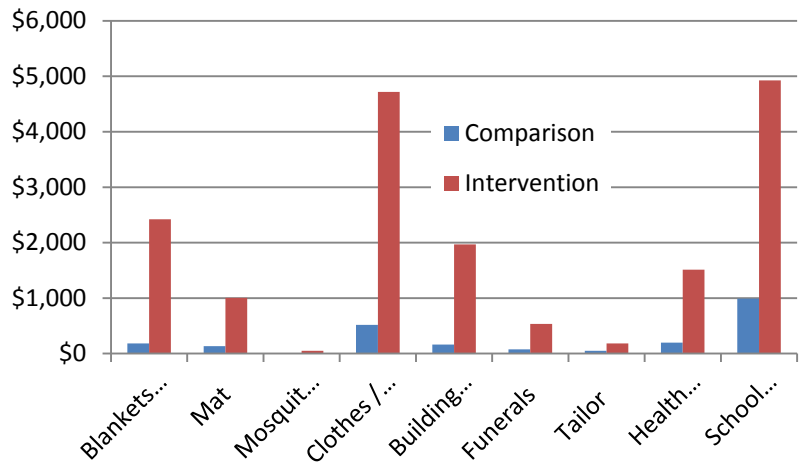
The total double difference in food expenditures from baseline in March 2007 to endline in April 2008 was an estimated \$1,736 per week.

The difference in total spending between study groups on non-food items is significant for all non-food items. Figure 6 compares reported monthly expenditures at endline based on study group. For all intervention households, the greatest combined weekly and monthly household expenditures were on milling fees, paraffin, and bar soap. School expenses, clothing and footwear, and blankets were the greatest total combined annual household expenditures (Figure 7). These totals represent the amount of money spent on various items from all households by study group.

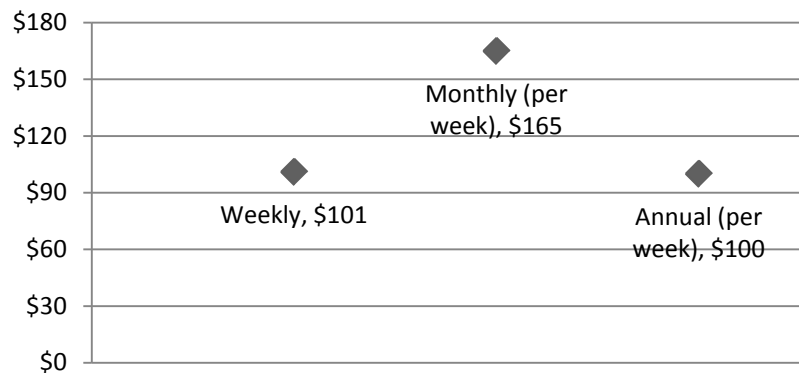
The double difference estimates for non-food items for intervention versus comparison households are graphed. Figure 8. During baseline and endline data collection, the difference in spending on all non-food items between study groups (for all households) was \$366 per week.

Beyond basic needs and household items, intervention households purchased a variety of productive assets and livestock between baseline and endline versus the comparison group that made minimal purchases (Figure 9).

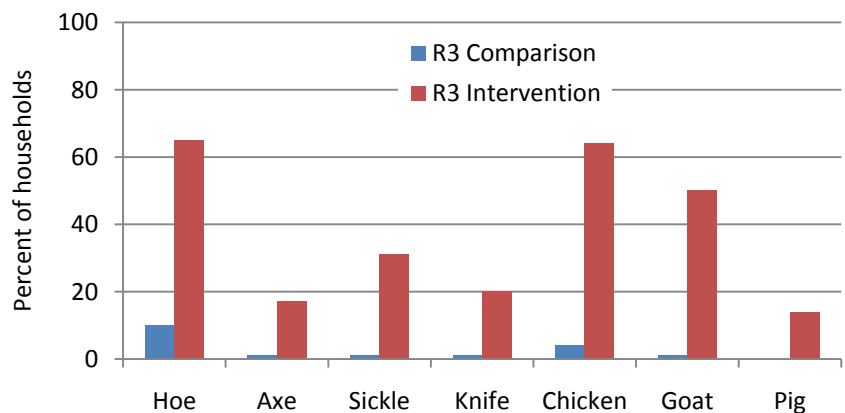
**Figure 7. Annual non-food expenditures summed for intervention and comparison groups. Expenditures were reported in April 2008 and purchased in the “previous year”.**



**Figure 8. Double difference estimates for non-food expenditures that were purchased in the “previous week”, “previous month” (divided by 4.4 weeks) or “previous year” (divided by 52 weeks). Double difference estimates are the difference between expenditures in the comparison group and intervention group between baseline & endline.**

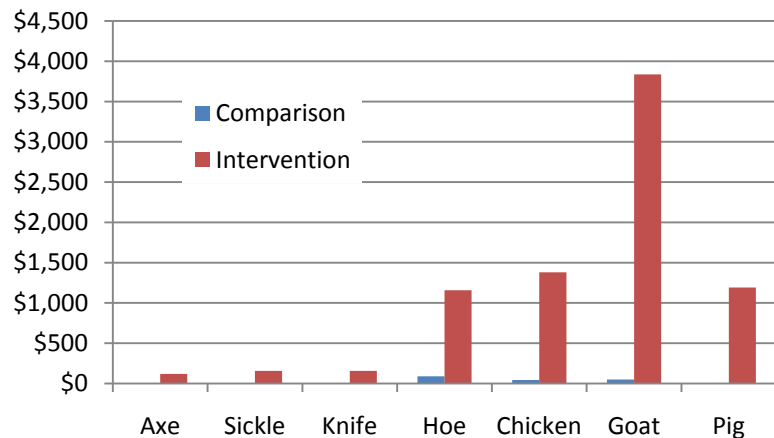


**Figure 9. The percentage of households in the intervention group and the comparison group that purchased productive assets and livestock between March 2007 and April 2008, as reported at endline.**



The difference in expenditures on productive assets and livestock between baseline and endline for study groups was also highly significant for each item. The greatest combined expenditures for all intervention households were on goats, chickens, and pigs. In contrast, the comparison group spent little on axes, sickles, knives or pigs between March 2007 and April 2008 (Figure 10). The total group of comparison households spent US\$199 on all these selected productive assets and livestock in the past year, versus the group of intervention households that spent US\$8,001 between baseline and endline.

**Figure 10. The total amount spent on productive assets and livestock for the intervention group and the comparison group. Items were purchased between March 2007 and April 2008, as reported at endline.**



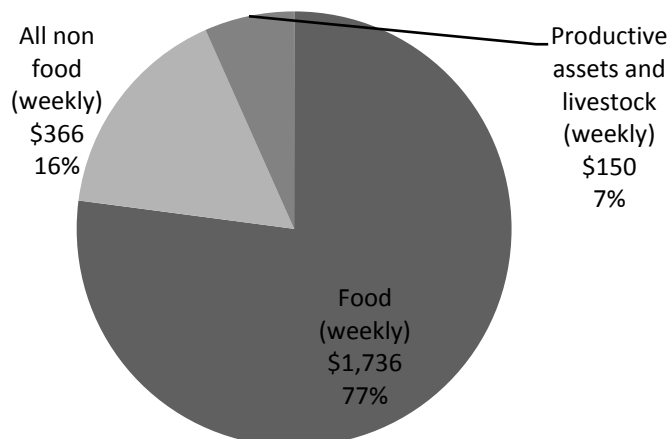
**Increased income**

Many of the intervention households that used the SCT to purchase productive assets and livestock had increased agricultural production. In turn, they sold the increased production and livestock, and received additional income from these sales. Thus, there was a 7.1 percentage point difference in the proportion of households that sold agricultural production between baseline and endline and a 0.5 percentage point difference in the proportion of households that sold livestock. The double difference impact estimate for change in income due to these sales was \$220 per month for agricultural production (for all intervention versus all comparison households) and \$63 per month for livestock. Intervention households also earned income from property rental (double difference estimate of \$35 per month) as well as income from selling items, such as mats, donuts and beer (double difference estimate of \$14 per month). These findings indicate that in addition to poverty alleviation within ultra poor and labour constrained households, the SCT provides the inputs necessary for some households to invest in income generating activities.

**Comparing reported expenditures to the SCT**

We added the double difference estimates for the total expenditures on food, non-food items (includes inputs to non-SCT households), assets, and livestock from intervention versus comparison households (Figure 11) and compared it to the amount of cash infused into the 366 households over one week (\$2,252 vs. \$1,239). The gap (\$1,013) between estimated reported expenditures and the

**Figure 11. The percentage of various items as a percentage of total reported weekly expenditures.**



SCT can partially be explained in two ways. First, the income that SCT households received from the sale of agricultural production and livestock and other items, profits from property rental, and loans (acquired to purchase larger household items) enabled these households to have expenditures beyond the value of the SCT. Second, households reported saving money over time so that higher expenditures in April 2008 may have been made possible by savings or income from earlier months, when expenditures were lower. Finally, households might have made errors in recalling exact expenditures (estimates from intervention household could be biased upwards while comparison households' estimates biased downwards). However, our research team found that food consumption, household item and asset ownership appeared consistent with respondent reports. The research team generally asked to see household items and assets owned by respondents and usually observed food stores and food preparation or mealtimes. While we cannot fully explain this gap, households do appear to be living at the standard they claim to be living at.

### *Where SCT households make purchases*

Respondents reported that nearly all purchases were made locally within nearby village markets and trading centers. Thus, the monthly payments transferred to SCT recipients were consistently fed back into the local economy. Table 2 indicates the most common location where SCT households reported purchasing various items.

**Table 2. Location where SCT purchased items**

Food	Grocery at trading center, local farmer, weekly market
Household Items	Grocery at trading center, village market, weekly market day
Housing materials	Grocery at village market, grocery at trading center, weekly market day
Agricultural inputs	Local grocery, grocery at trading center
Clothing	Weekly market, grocery at trading center
Animals	Local farmers
Medication	Grocery at village market, private hospital, clinic
School / education supplies	Grocery at village market, trading center, school

In the above section, we compared a group of 366 intervention households to 389 control households to isolate the differences in household expenditures over one year, which yielded a detailed description of the change in spending patterns once households became SCT recipients. The estimated expenditures are for SCT households in 4 of the 93 village groups in Mchinji, which represent a small portion of overall SCT contribution to the local economy. By February 2009, all 93 of the village groups in Mchinji were included in the SCT, reaching 8,989 households. Thus, when all village groups in each district in Malawi are included in the SCT, the total SCT expenditures infused into local markets will be much greater.

## **SECTION 2**

### *Description of study site (new data collection)*

In the next section, we explored whether the social cash transfer contributed to economic development within the wider community among households that benefit indirectly from the scheme. Additionally, we present the voices of business owners who discuss if and how the SCT influenced their business.

For these analyses, we selected a 'typical' village group in Mchinji, Malawi. The village group was among the first to be enrolled into the cash transfer scheme in 2006. It was chosen for this study because it is representative of neighboring village groups with regards to average annual expenditures, per capita expenditures, the proportion of households caring for orphans, household size, and other indicators. The

village group consists of 49 villages and contains 1,053 households (*in December 2008*). In this section, we provide a broad overview of the study location, before providing results on the following: 1) inputs given to non-SCT households from the perspective of SCT households, 2) the inputs received from non-SCT households from their own perspective, and 3) the impact of SCTs on businesses in the village group.

The village group is located just off a tarmac road and 40 kilometers from the Mchinji District center. The village group contains one primary school and two private secondary schools, and no health centers. However, there are both government and private health centers within 10 kilometers. Most residents are within several kilometers of a water pump. Businesses within the village group include groceries, tea rooms, vegetable sellers, bicycle repair shops, beer brewers and other small businesses (see page 25.)

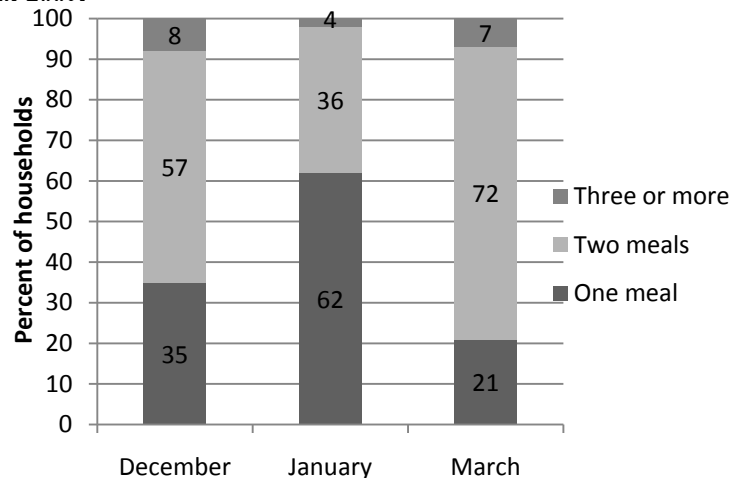
Based on the initial listing of all households in the village group completed in December 2008, we found that the average household size was 5.2 people. Sixteen percent of all households were labour constrained, defined as either having no able-bodied adult age 19 to 64 or having a dependency ratio worse than three, so that one adult cares for more than three children, elderly, disabled or chronically ill members.

Food insecurity was a significant problem in the village group, particularly through the rainy season. In December 2008, 35% of households only consumed one meal per day. By January 2009, nearly two out of three households consumed only one meal per day (Figure 12). The situation improved as the rainy season ended in March 2009.

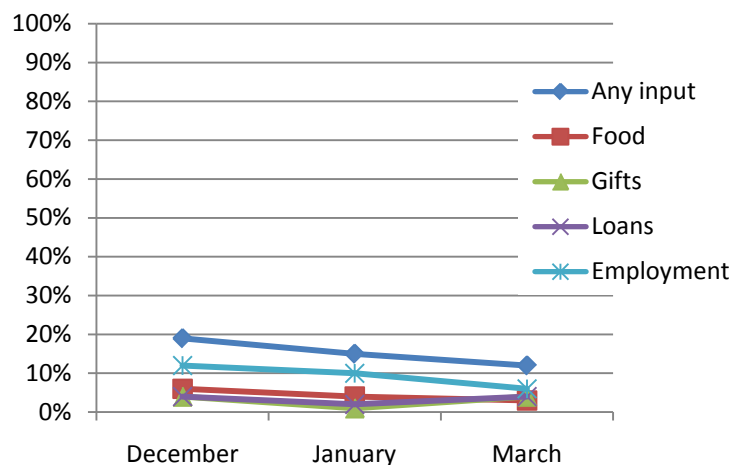
Approximately 15% of families in the village group lived in housing structures that were in danger of falling due to poor or caving in roofs, cracked or falling walls. Most households owned at least some assets: 99% of households owned hoes (on average 2.8 hoes per household), 97% owned mats (on average 2.2 mats per household) and 97% owned blankets (2.5 blankets per household or 0.5 blankets per capita).

In December 2008, 10% of households (106 out of 1053) in this village group were cash transfer recipients. Of the remaining 947 households, 111 household were labor constrained (10%). Fifty-three households (6%) were both labor constrained and ultra poor (consumed one meal per day), thus fitting the eligibility criteria for the cash transfer

**Figure 12. Meal consumption in the “previous day” for 1,063 households in the study village group at the end of 2008 & beginning of 2009.**



**Figure 13. The percentage of households receiving any inputs during December 2008 and January and March 2009.**



scheme, yet not included in the SCT (See Targeting Report, Miller, Tsoka and Reichert, 2008).<sup>17,18</sup>

In December, 19% of non-SCT households in the village group reported receiving some type of input from SCT households in the previous month in the form of food (6%), gifts (4%), loans (4%), or employment (12%) (Figure 13).

We repeated the household listing in both January and March of 2009. From the repeated household listings, we found that the percentage of inputs declined from December to January and March. We believe that the typical pattern of inputs from SCT households to non-SCT households was altered due to interruptions and irregularities in the disbursement of SCT payments, which occurred because the Global Fund did not channel cash to the districts. In fact, in Mchinji, only 83% of all SCT beneficiaries in Mchinji were paid in November 2008, 39% in December 2008, 100% in January 2009, 79% in February 2009, and 33% in March 2009. Households were retroactively reimbursed for missed payments in April and May of 2009, but the regular pattern of behavior was nevertheless interrupted. (*See The Operations Evaluation of the Mchinji Cash Transfer Scheme for a systematic analysis of the implementation of the SCT*).<sup>30</sup>

### ***Social Networks of SCT Households: Who recipients provide inputs to***

In this section, we present findings from the brief social network analysis in February 2009, which was designed to determine the type, value and frequency of inputs from SCT households to non-SCT households, from the perspective of SCT households. We were able to interview the heads of 93 SCT households (88% response rate). They received on average, US\$12.32 per month. Combining all SCT payments for each household, the SCT infused approximately US\$1,147 into the village group each month (US\$6,883 over six months). (*This estimate is for one village group and does not include the 13 SCT households that were not interviewed.*)

Out of the 93 SCT households in the village group that were interviewed, 87% reported providing inputs to non-SCT households at least once within the previous six months (note that this question was also asked in the period in the previous month (middle of page) so that in any given month nearly 1 in 5 cash transfer households provide inputs). On average, SCT households provided inputs to 2.63 (range=0 to 10) non-SCT households between August 2008 and January 2009. Over six consecutive months, the group of SCT households reported providing inputs valued at \$1,017, which represents 14.8% of the total combined transfer that was paid to all beneficiaries in the village group between August 2008 and January 2009 (Table 3).

**Table 3. Value of inputs given by SCT recipients to family and neighbors living outside the household during the months of August 2008 and January 2009.**

	Minimum	Maximum	Mean	Median	Mode	Total inputs for all SCT households
<b>MK</b>	100	14650	1757	1200	1000	142385
<b>US\$</b>	\$0.71	\$105	\$12.55	\$8.57	\$7.14	\$1,017

Of the inputs given by SCT households to non-SCT households over the six-months, cash for employment (day labour, ganyu or piece works) was the most frequently reported input (131 times over six months), with the greatest total value (US\$473). Thus, while SCT households provided inputs, they also received the labour necessary to till fields, fix housing or other tasks that they were not able to perform (Table 4). SCT recipients provided employment in a village group where few employment opportunities exist. The next most common input given (87 times over six months) with the second highest value (US\$309) was food.

**Table 4. Frequency of inputs and average and total value of inputs provided by SCT household to non-SCT households during 6 months (August 2008 to January 2009) (n=93 SCT households, 281 reported instances of inputs provided by SCT households to non-SCT households).**

Type of input given	Percentage of all instances	Number of instances	Mean MK	Mean US\$	Total MK	Total US\$
<b>Ganyu</b>	47%	131	505	\$3.61	66255	\$473
<b>Food</b>	31%	87	498	\$3.56	43360	\$310
<b>Loans</b>	9%	26	778	\$5.56	20240	\$144
<b>Cash</b>	7%	21	402	\$2.87	8460	\$60
<b>Gifts</b>	6%	16	254	\$1.81	4070	\$29

More than 50% of cash recipients reported providing monthly inputs valuing only 5% of their monthly transfer and 95% of recipients reported providing inputs valuing less than 17% of the monthly transfer (Table 5).

**Table 5. Average input value for per month as a proportion of the monthly SCT (n=93)**

	MK	US\$
Average monthly transfer for beneficiary	1796	\$12.33
50% of 'inputs' are 5% or less of the monthly transfer	86	\$0.62
95% of 'inputs' are 17% or less of the monthly transfer	293	\$2.10

Family members living outside the SCT household were the recipients of inputs from SCT households in 85% of instances. Furthermore, in 59% of cases, SCT households reported that non-SCT households begged for assistance, indicating pressure to share the cash transfer (Table 6). Interestingly, the inputs that non-SCT households most commonly begged for were loans and employment, such that of the 26 loans provided, in 88% of cases, the recipient begged for the loan. Non-SCT households begged in 65% of the 131 cases where employment was provided.

**Table 6. Rate of begging for various inputs (August 08- January 09) (n=93 SCT households, 281 reported instances of inputs provided by SCT households to non-SCT households)**

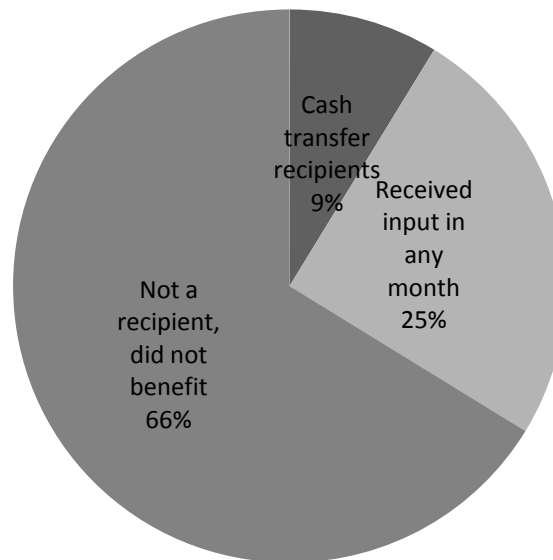
Type of input given	Percentage of all instances where non-SCT begged for input
<b>Loans</b>	88%
<b>Ganyu</b>	65%
<b>Food</b>	49%
<b>Gifts</b>	44%
<b>Cash (non-loan)</b>	19%

## *Analysis of non-SCT households that receive inputs from SCT households in one village group*

### **Household demographics and economics**

The next perspective is that of the non-SCT households that reported that they received inputs from SCT households in November 2008, December 2008 or February 2009 (Data was collected in December 2008, January 2008 and March 2009). We created one combined dataset consisting of all households that reported receiving inputs in any month from November or December 2008 or February 2009 (n=266) without any duplicate households. This sample shows the wider, combined contribution of the SCT to non-SCT households in a given three months. During this time, the SCT benefited 35% of all families in the village group (Figure 14). Of course, there were differential levels of benefiting, depending on whether the household was a direct SCT recipient or not. We expect that this is an underestimate of the true scope of households that would have benefited indirectly, had the payments to SCT households been disbursed according to the regular monthly schedule. Again, there were interruptions and irregularities in the disbursement of SCT payments to SCT households in November and December 2008, and February 2009 and March 2009. (See *The Operations Evaluation of the Mchinji Cash Transfer Scheme for a systematic analysis of the implementation of the SCT*).<sup>30</sup>

**Figure 14. Percentage of households in the study Village Group reached directly and indirectly by the SCT (n=1053 households in total)**



The demographic situation in households receiving inputs is presented in Table 7. The average household size is 5.1 people. The majority of households are headed by a working aged adult (under 64 years). Seventy-six percent of households had a favorable dependency ratio of three or less dependents per adult; while 24% had an unfavorable dependency ratio such that there were either no able-bodied adults aged 19-64 in the household (9%) or a dependency ratio worse than three (15%) so that each adult was responsible for more than three dependents (i.e. children, elderly, chronically ill or disabled household members).

Working on a household plot was the primary activity for nearly 9 out of 10 household heads. Of the 1,375 people in the 266 households, the household head reported that 87% were in excellent or good health, 54% had at least one illness in the past month, 6% had a chronic illness, and 3% were disabled. Two percent of children aged 0-18 were maternal orphans and 4% of children were paternal orphans. Among 6-18 year olds, 80% were enrolled in school.

**Table 7. Demographic situation of households that reported receiving inputs in three months November or December 2008 or February 2009**

N=266	
Household size	5.1
Gender of head (female)	20%
Age of household head	
18-24	17%
25-44	57%
45-64	15%
65+	11%
Main activity of the household head	
Work on household plot	88%
Employment	2%
Ganyu (piece works)	6%
Childcare or household work	1%
School	1%
No activity or other	2%
Highest level of education of head	
No schooling	21%
Primary schooling only	70%
Secondary schooling only	9%

Household heads were asked to report on food and non-food consumption. The head was asked to estimate the value of foods that were grown in the household's own plot, given to them as gifts, or in exchange for work. The food consumption and expenditures variable is therefore a combined measure of actual food expenditures and the value of food consumed. Non-food expenditures include all reported weekly, monthly and annual expenditures summed and then presented as a weekly measure. Households in this village group spend the largest portion of resources on food. This finding is consistent with other data collected among this population of extremely poor households.

**Table 8. The household economic situation**

	n=266	
	MK	US\$
Mean weekly food expenditures (purchased, gifts etc.)	2720	\$19.43
Mean weekly per capita food expenditures	599	\$4.28
Mean weekly non-food expenditures	821	\$5.86
Mean weekly per capita nonfood expenditures	24	\$0.17

Forty percent of households that received inputs from SCT households lived in housing made of compacted earth, 13% lived in houses of mud brick and 44% burnt bricks. One out of five houses had grass roofs, 75% had a grass roof with plastic sheeting and 4% had a roof made of iron sheets. Ninety-five percent of households had floors of smoothed mud. The main source of water used by household members was boreholes (70%) followed by wells (30%). Nearly 50% of households used pit latrines without ventilation while 50% had no toilet facility at all. All but one household used wood for cooking. Locally made paraffin lamps and grass were used for lighting.

The food insecurity found in the non-SCT households receiving inputs mirrors the situation found in the larger village group in December 2008. Fifty-eight percent of households reported taking only one meal per day and 4% reported not taking any meal in the previous day (Table 9).

**Table 9. Food security in the past month among non-SCT households that received inputs (n=266)**

	%
Number of meals taken yesterday	
0	4%
1	58%
2	36%
3	2%
Did not eat any meat in the past week	69%
Did not have enough food for 8 or more days in past month	49%

Among non-SCT households receiving inputs, 19% (50 out of 266 households) met the eligibility criteria for the SCT scheme because they had both an unfavorable or incalculable dependency ratio (i.e. labor constrained) and were ultra poor, taking one or no meals in the previous day. Previously, on page 18, in the description of the larger village group, we stated that 53 households in the village group met the SCT criteria. These findings from the non-SCT households that receive inputs—that 50 ultra poor and labor constrained receive inputs—suggest that the SCT is reaching many of the remaining households that meet the SCT criteria but are not included in the scheme. Of course, they benefit indirectly, at a lower level than direct recipients, and with less consistency. Note however that the measure of ultra poverty (taking one meal per day) is fluid, with differing percentages of households fulfilling this criteria each month depending upon the availability of agricultural production and employment.

### **Coping Mechanisms**

In response to food insecurity and other poverty-related problems, the household head reported the following coping mechanisms in order to deal with poverty (n=266):

- Begging for food or money (62%)
- Having children work (42%)
- Selling household items (9%)
- Stealing (1%)

### ***Inputs from SCT households to non-SCT households***

Inputs from SCT households to non-SCT households included gifts, loans, cash and employment. Forty-six percent of households reported receiving some ‘gift’ from a SCT household in the past. The majority of gift items were food, followed by soap, clothing and firewood.

Forty percent of households had tried to borrow money from SCT households at sometime in the past. In the past year, 54% had borrowed money from some source, but only 6% had borrowed from a SCT household. The average loan was MK3,269 (US\$23.35) from any source and MK2,019 (US\$14.42) from SCT households.

Among all household members over the age of 5 years, 57% (588 out of 1035) reported performing day labour in the past month. Of those who provided labour, 50% worked for a SCT household. On average, those who provided day labour worked 5.5 days in the past month for any household and 2.7 days for a SCT household, thus labour for SCT households accounted for 49% of all instances of day labour during the study period.

The age of household members that provided day labour ranged from 7 years to 70 years, with 25% under the age of 18. Among 6 to 18 year olds, about 2 out of 5 young people provided day labour in the past month. Of these, 45% provided labour to a SCT household. Among the 6 to 18 year olds that provided labour, the mean number of days of labour in the previous month for all households was 5 and 3 days for SCT households. While both in- and out-of-school youth worked at similar rates, the number of days per week of day labour was higher for out-of-school youth (4.4 for in-school youth vs. 7.1 for out-of-school youth). We

find the same age pattern exists for people that provide day labour to any source as for people that provide day labour to SCT households (Table 10).

**Table 10. Percentage of people that provide day labour in each age group**

Age group	Of those providing day labour (n=588)	Of those providing labour to a SCT household (n=293)
6-10	4.6%	3.8%
11-15	18.7%	17.8%
16-18	9.2%	7.2%
19-24	20.2%	21.2%
25-44	34.5%	35.2%
45-64	5.4%	6.1%
65+	7.3%	8.9%

The non-SCT household heads reported using inputs from the SCT households for a variety of expenditures in the past month. The most commonly reported uses were for food and milling fees, followed by health expenses (Table 11).

**Table 11. The percentage of indirect beneficiaries that used SCT inputs for various household activities**

Activity	Percentage of households reporting that they were able to do each activity because of the SCT: (n=266)
Purchase food (Including maize, bread, cassava, potato, groundnuts, beans, cabbage, rape, tomato, pumpkin, fish, beef, goat, banana, cooking oil etc.)	75%
Pay for milling fees	21%
Pay for health expenses	12%
Purchase household items	11%
Purchase building materials to improve housing	10%
Purchase productive assets or livestock	7%
Pay for school expenses	6%
Purchase clothing, transportation, agricultural inputs, employment	<5%

Next, household heads reported the likelihood of activities occurring in their household given the indirect input from the SCT household. Commonly reported impacts include improvements in food security and dietary diversity, and seeking healthcare for the adults or children in the household. There were other positive and negative reports of activities that were influenced by the input including positive activities such as planning and saving for future needs and enrolling children in school, but also negative activities such as children not being enrolled in school or missing school to work for income. The percentages were low but there were instances of SCT households employing children, which drew the child away from school (Table 12).

**Table 12. Reported impacts of indirect inputs from SCT households**

Activity	Percentage that say activity is more likely since receiving direct inputs (n=266)
Go fewer days without food	56%
Eating higher quality foods	29%
Eating a wider variety of foods	11%
Adding to food stores	8%
Seeking healthcare when an adult is sick	29%
Seeking healthcare when a child is sick	26%
Improving housing condition	12%
Children being enrolled in school	9% (1% less likely)
Children missing days of school	8% (6% less likely)
Children working for income	15% (1% less likely)
Jealousy from neighbors	9%
Begging	9%
Planning for future	6%
Saving for future needs	4%
Tilling fields	2%

In summary, in this section we asked SCT households in one village group (93 out of 8,989 SCT households in Mchinji) about the inputs they provided to non-SCT households over a six month period. We also interviewed non-SCT households receiving inputs from SCT households. This latter analysis spans inputs received over three months during the rainy season in one village group, when payments to SCT households were irregular. Of course this analysis provides insights into patterns of behavior, but the level of indirect inputs and associated impacts must be measured throughout the year and within the entire district to obtain the true impact on economic development. Inputs may fluctuate depending on the length of time that SCT households are on the scheme, the level of poverty and food insecurity in non-SCT households, and whether transfers are disbursed on a regular basis to SCT households.

### ***The impact of the SCT on local businesses: The perspective of business owners***

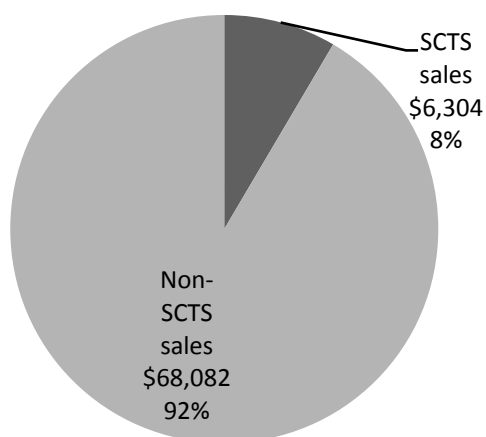
In the village group where we conducted the study, we created a list of all businesses (316 in total) (Table 13). We worked with village leaders and other businesses to ensure the list was complete and then selected a representative sample of businesses to interview.

**Table 13. Businesses in study village group**

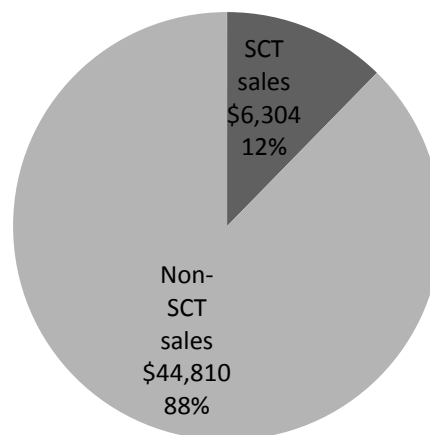
Type of Business	Number of Businesses in Village Group	Number Interviewed	Number Reported SCT households contribute to Business Sales
Grocery / hawker	50	47	38
Tea room	3	1	1
Flitters / doughnuts	40	9	4
Kachasu / beer seller	51	10	1
Vegetable/produce seller	75	17	12
Fish monger	9	6	4
Clothes/shoes	7	7	5
Bicycle repair	26	5	1
Hardware /general dealers	5	5	2
House ware /utensils	8	6	4
Butcher / meat seller	13	13	10
Clinic/medicine	2	2	2
School	3	3	0
Maize Mill	8	8	6
Other	16	2	2
<b>TOTAL</b>	<b>316</b>	<b>141</b>	<b>92</b>

Of the businesses in the village group that we interviewed, 65% reported that SCT households contribute to their sales (Figure 15). Specifically, vegetable sellers, grocers, and fish mongers described the sizeable contribution that SCT households made to their sales. Among all businesses interviewed, an estimated 9% of total sales were attributed to SCT households. Among all businesses responding that SCT households contributed to sales, an estimated 12% of sales were attributed to cash transfer recipients (ranging from 1% to 75% of sales) (Figure 16).

**Figure 15. All interviewed businesses in village group (n=114)**



**Figure 16. All business that reported that the SCT influenced their business (92/114)**



## Voices of business owners not affected by the SCTS

In most cases when business owners reported that cash transfer recipients did not purchase items from their businesses, they explained that recipients had different preferences or that their business was targeted towards different types of customers:

Male, 29, Beer brewer	There are no cash transfer beneficiaries who come to my business. I hear that they were told not to use the money they get on alcohol. If there are any who buy from me then maybe they send other people who are non beneficiaries. So, I cannot say I know any recipient who comes here.
Female, 26, Doughnut seller	You know these old people, they think buying mandazi is wasting money.
Male, 25, Bicycle repair	The SCTS recipient does not own any type of a bicycle so they do not come to my business.
Female, 40, Beer brewer	There is no beneficiary who comes here to buy my beer ... most of them from around here are Presbyterians, hence they don't take beer.

## Voices of business owners affected by the SCTS

Business owners reported wide variation in the degree to which the SCT impacted their businesses. In addition, the following themes emerged during interviews of business owners in the village group:

The SCT increases the circulation of money through the village, thus creating a **new customer base**. SCT households now purchase goods they would not otherwise purchase:

Male, 44, fish monger	Yes, they (SCT recipients) do come. This (SCT) has really helped because the number of customers has gone up. Those who could not manage to buy with cash are now able to. The number of beggars has decreased. When it's a payday and the following days, business runs so fast. In an ordinary day I hardly get MK2500 in two or three days, but during these days I do manage to get MK3000 to MK5000 in two or three days.
Male, 41, tearoom	My business has been affected very much in such a way that I do make a lot of profits. In the past I had a little number of customers because the circulation of money was difficult in this village but now due to the transfers a lot of people have a little in their pockets. This money reaches a lot of people who come to my business through casual labor, loans and gift.
Female, 31, fish monger	Yes my business has been affected by the cash transfer though just a little. The people who are receiving the cash transfer were not the kind of people who could buy fish before the scheme; I know that they are able to buy fish because of the money they get from the scheme.

The SCT provides a consistent, **year round source of sales** for businesses even through the rainy season:

Male, 21, body products dealer	Yes my business has been affected by these cash transfer recipients. Yes they (SCT recipients) come to buy soap and Vaseline. Before the cash transfer only people working for the government could manage to buy all month and all year round, but now I have additional customers who can also buy all year round.
Male, 26, vegetable seller	Truly speaking, this (SCT) has really assisted because in villages, months like December, February, January it is very hard to get money, but due to this program, money is available throughout the year and they come to buy in these critical months.
Male, 23, vegetable seller	Yes the business has been affected by the cash transfer. We used to do business seasonally but now we do it year round for we are assured that there are potential buyers for these people get cash monthly. Mostly it (business) picks up immediately after pay days but there are some (SCT recipients) who still come all through the month.

Many respondents noted that they had **greater profits at SCT pay points** and that the paydays create a marketplace where SCT households, non-SCT households that receive inputs, and others purchase goods:

Male, 45, vegetable seller	They (SCT recipients) do come a lot and I know that I have potential customers monthly; my business has really been affected by cash transfer recipients. It really changes after (SCT) pay days; they come a lot just after pay days. They buy vegetables especially rape, mustard and tomatoes.
Male, 42, vegetable seller	On a normal day, sales come to MK500 while during pay days, can go up to MK1,000.
Male, 36, vegetable seller	This program has increased the number of buyers; hence we do get more when they receive...during those (SCT) pay days sales come up to MK1,000 while in normal days I only realize MK700 in a day
Male, 36, grocery	They (SCT recipients) really come. There are pay point is in this village. On pay days, they come in mass, and even after that they keep on coming... during paydays I can sell goods amounting to MK15,000... especially when there is no weekly market day nearby. Nowadays, I make sure to have enough stock all the time, and the quantity of goods ordered has tremendously gone up which has helped me to realize more profits. Total monthly sales can go up to MK60,000 and... MK10,000 comes from recipients.
Male, 30 grocer	There is a very high pick up in business after paydays. The recipients come immediately after receiving the cash to buy their needs and some come to settle their debts. I also move with my goods to the pay point to sell because nowadays the pay point has also become a market place where a lot of people go to sell their business, so when I am there my goods are bought by different people, those that receive the transfer and some that do not but all this is due to the scheme. After the pay days my business picks up by MK5,000. I make approximately MK15,000 in a month and I believe about MK8,000 is from the SCTS recipients that come to buy and pay for the bills they owe me.

Business owners feel comfortable **lending or giving credit to SCT households** knowing it will be repaid, while there is a decrease in begging for items:

Male, 38, vegetable seller	Yes (business) has been affected. In the past these people who are beneficiaries used to come and beg for the vegetables, and others who are not recipients were coming to get the relish on credit but now they have stopped, they are buying with cash and I have more customers. My business (growth) can be linked to the transfers because I am now having a lot of money at once because the people have stopped getting the goods on credit, they use cash.
Female, 50, fritter/doughnut seller	Yes I do (give SCT recipients credit), these are the only people who have got a fixed source of income so I give them the flitters on credit because I am sure they would not fail me when it is time to settle their debts. Yes it (business) has been affected. I make more profits now than before due to the transfers. This scheme has made money circulation easy. People who do casual labor also come and buy from me after getting their pay.

Business owners discussed several **ripple effects**. First their increase in **profits** enabled them to accumulate the **capital** needed to expand (e.g vegetable sellers, tea room owner, beer brewer). Second, business owners reported that added sales to SCT households enabled them to purchase more items for their own households. Third, they also reported how profits increased as SCT households hired other households for day labour. These households, in turn, become customers.

Male, 38, Vegetable seller	When I have all the cash at once [sales from pay point] I do manage to buy small bag of fertilizer and apply to my garden and harvest a lot of crops that do bring a lot of profit. My business has grown adding about MK8,000 in capital.
Male, 25, grocery	My business has been affected in some ways. I do order more goods for my shop because I have a lot of customers due to this scheme that has brought money in our village. When these people get their pay I do make a lot of profits because they buy a lot

	of goods at once. A lot of these people who are in the scheme are very old and they cannot work on their own so they do employ others to do casual labor. The casual labor people also come to our business when they get their allowances.
Male, 41, tea room owner	I had the courage to obtain the loan because of the profits I made the past month from these recipients only, I got about MK5,000. I used the profits to order powdered milk for my business and now I have raised the prices because it is always tea with milk.
Male, 21, houseware / kitchen utensils	My capital has increased since the introduction of this scheme and I have managed to buy a welding machine which is also being used as a source of income for my household. I am also buying tobacco from farmers using the money I got from the recipients. (Last month) I got about MK6,000 (From SCT recipients), and to be honest that is the amount my business always picks up by each month or during pay days. I also link my business growth with the transfers because MK6,000 (US\$42.86) every month is not a joke here in the village, and right now I have an increase of about MK40,000 in my capital.
Male, 30, grocery	In the past I used to make a little profit from this business but now I do make a lot because the number of customer has increased and the circulation of money is good due to the transfers. I am now able to sell a lot of goods in a day and this makes me to go in town/Mchinji Boma to order goods for my shop more frequently.

Some respondents claimed that their **business would suffer if the SCT ended**. They could name the months in the past year when SCT payments were delayed. Respondents described how the lack of payment impacted their businesses:

Male, 25, fishmonger	Yes it (SCT) has affected my business very much. My profit has gone down because the recipient did not receive their pay for two month last year and what they did was to come to my business and beg for credit. Some have not settled their debts and this have affected my capital. I am making less profit nowadays.
Male, 44, fish monger	This (stopping SCT) would mean traveling long distances looking for customers. Availability of cash in village will go down hence low sales and low profits.
Male, 21, Body products seller	Yes it (business) would be affected a lot (if SCT stopped) for these people help me a lot, they really sustain my business.

## Business growth

Finally, business owners were asked what they thought was needed in order to grow their own businesses. Their responses fell into four categories: expertise or training, capital in the form of cash or loans, greater access to markets, and inputs and equipment

**Table 14. Business owners reported what they need to grow their business**

Need	Type	Number of respondents (61 total)
Expertise / training	Accounting, business, irrigation, modern farming methods	10
Capital / cash / loans	Loans, investment, cash, more SCT	51
Transportation / access to market	New / bigger market, place in trading center, transportation to market	12
Inputs	Farm inputs, infrastructure, storage facility, modern farming equipment	14

Finally, in summary, in this section, we interviewed business owners in one village group where the SCT had been operational for three years. Again, business owners provided detailed descriptions of how the SCT impacted their business, as well as estimates of the SCT contribution to their business, but these are only for a sample of the existing businesses in the village group and only for one out of 93 village groups in Mchinji.

## CONCLUSION

The Social Cash Transfer Scheme, targeted at the country's ultra poor and labour constrained households, is only one tool in the Social Support Policy, which also includes public works programs, agricultural input subsidies, market interventions, and supplementary and school feeding programs. The drafters of the policy envisioned "a comprehensive social support policy, integrated with other pro-poor development policies... [that]... contributes significantly to Malawi's economic growth." In this study, we examined the plausibility of several mechanisms occurring at different levels and timescales whereby the SCT may contribute to economic development (Figure 17). Specifically, we examined the behavior of several village groups where the SCT was operational between 2007 and 2009—a microcosm of the larger district of Mchinji—in order to gain insights into the possible SCT impacts on economic development once the scheme is implemented at scale. The SCT, launched in 2006, is currently operational within 7 of the 28 districts in Malawi.

### **In the short-term:**

*At the household level: Cash transfers may influence the accumulation of assets and livestock, increase agricultural production through the purchase of productive assets, and stimulate demand for healthcare and education.*<sup>9</sup>

Indeed, in the analysis of expenditures from the impact evaluation data, we found that in contrast to the comparison group, SCT intervention households purchased a variety of foods, including high-quality proteins such as meats, fish, and dairy items. SCT households purchased non-food items, such as blankets, clothing, and soap. We found increased demand for healthcare and education on the part of SCT households compared to the control group as evidenced by greater expenditures on healthcare, medicines and schooling supplies. While the comparison group made few purchases, SCT households invested in productive assets and farming equipment, as well as livestock. Consequently, the productive assets (hoes, sickles) and hired labour purchased by SCT households led to greater agricultural production, so that some SCT households also received income from the sale of the agricultural production and livestock. The added income, in addition to the SCT, allowed households to spend even more money each month.

In addition, we found that non-SCT households that receive inputs from SCT households also used cash inputs for these purchases as well, albeit at lower rates and monetary values. Nevertheless, in a given month, a portion of non-SCT households that receive inputs used cash to purchase food, clothing, transportation, household items, agricultural inputs, animals, healthcare and educational items. Similarly, many of the business owners that reported positive impacts from the SCT also used profits from increased sales to make these additional purchases.

*At the community level: Cash may be channeled to other destitute households through the hiring of labor, giving loans or sharing of food, spent in local markets among local businesses, and pooled for larger production or income generating activities.*

In the Social Network Analysis and analysis of non-SCT households that received inputs from SCT households, we found that the majority of SCT households allocated a modest percentage of the cash to other destitute households through the hiring of labor, giving of loans, food, and gifts on a regular basis, even during months when SCT payments to direct beneficiaries were missed or late. About one in four non-SCT households received these inputs during the three months of data collection for this study.

Family members living outside the household were the primary recipients of inputs. About one in five of the input recipients were households that met the SCT selection criteria (ultra poor and labour constrained), but did not receive the transfer, most likely a result of the 10% cutoff point that limits beneficiaries into the scheme. Still, even destitute households that were not direct SCT beneficiaries report better food security and diversity and access to healthcare because of the scheme. In addition to impacting economic growth, the SCT

was able to reduce poverty beyond the direct beneficiaries. While some households received poverty-alleviating inputs on a monthly basis, a larger proportion received them on an irregular basis, indicating fluidity in this exchange of resources.

We also found that non-SCT households that received inputs put pressure upon SCT households to share resources or to hire labour. It is not clear how burdensome this pressure is for SCT households; however Malawians traditionally share a strong culture of giving to those in need. Moreover, SCT households themselves were highly dependent on begging before the SCT began in 2006. They are no doubt aware that they could return to begging if not for the SCT. Given that the majority of SCT households direct less than 5% of the transfer to other households, it may be that SCT have managed to balance their duty to 'share' resources with their own households needs, but this is not well understood.

Analysis of multiple data sources (the impact data, data from the non-SCT households that receive inputs, and the business interviews) confirm that cash transfers are spent in local markets among local businesses. For example, foods, household items, housing materials and clothing are often purchased at groceries at trading centers and weekly market days. SCT households purchase animals from local farmers. Local business owners reported arranging their sales plan to sell goods at SCT pay points. Business owners also report that they lend to SCT households because they are confident that outstanding credit will be repaid.

We did not find much evidence of pooling cash for IGAs in new data collection or during the impact evaluation. We heard several anecdotal reports of multiple households saving cash together in order to purchase larger goods, but not for use in business development. However, an in-depth focus on IGAs was beyond the scope of this study.

### **In the long-term:**

At the household level: *Human capacity development may occur among children (by meeting healthcare and schooling needs).*

We did not directly assess this mechanism in this study, however, in the previous impact evaluation, we found evidence of gains in human development among children in intervention versus comparison households, including the following impacts: A 13 percentage point difference in the proportion of underweight 0 to 3-year-olds, a 0.5 centimeter gain in height among 5 to 18-year-olds, and a 10 percentage point reduction in reported illnesses among all children years in intervention versus comparison households.<sup>19,24</sup> Educational impacts included a 5 percentage point difference in enrolment, increased educational expenditures per child, a one-day decrease in absences, and a 10 percentage point decrease in out-of-home work for intervention versus comparison children.<sup>19,25</sup> In focus group discussions, children reported dramatic and widespread changes in their lives resulting from the cash transfer.<sup>19,24</sup> Cash allowed them to gain access to goods and materials, including food, healthcare, school supplies, clothing, blankets, housing, and livestock. Children reported spending less time working for income and more time on schooling. Children described better mental health, with hopes and dreams for the future. All of these impacts are short term however, and it is unclear whether these short-term gains will result in lifelong improvements in human capacity development. Longer term follow up is needed to determine the impact of the SCT on lifelong human development.

Beyond these gains among children in SCT households, we found evidence that the inputs from SCT to non-SCT households positively impacted school enrolment and attendance for some children, but negatively impacted school attendance and enrolment for other youth as the opportunity to provide day labour opened up. It is unclear whether this labour is detrimental to human development outcomes as it is possible to attend school and work in Malawi. Still, decreasing the likelihood of school enrolment and attendance for any child is contrary to the goals of the SCT.

This unintended impact is not entirely surprising given the level of poverty and hunger in Malawi. Moreover, children provide the least expensive source of labour. Nevertheless, it is unknown whether the children that left school for work would have eventually left school due to hunger or whether day labour for SCT is households less harmful than other types of work that girls and boys do to cope with hunger. Qualitative and longer term follow up could help explain how families value schooling versus labour and how this changes by season. It is true that there are grave challenges within the Malawian educational system, such as poor pupil-to-qualified teacher ratios (1:88), poor pupil-to-classroom ratios (1:140), classes that are ‘doubled up’, chronic grade repetition (students take approximately 2.4 years to complete one full grade) and lack of infrastructure (23% of primary schools in Mchinji were ‘temporary’ constructed from makeshift materials).<sup>31,32</sup> As the SCT scales up, it is important to understand this unintended impact on non-SCT children.

At the community level:

- *Cash transfer beneficiaries may become a reliable source of employment opportunities, increasing employment rates and becoming a steady source of loans, or informal transfers for other destitute households.*

SCT households are indeed a source of employment throughout villages, however it is not clear how regular or reliable a source they are for any given household, particularly when there are disturbances in the regular payments of transfers to SCT beneficiaries. We found that almost half of SCT households hire labour, but with monthly fluctuations in the percentage of households hiring. It is not clear whether the fluctuations that we observed were solely due to missed SCT payments to beneficiaries or whether they reflect seasonal dips in demand for labour.

Furthermore, ‘who’ receives regular employment is important to consider. It is common for entire families to provide labour, so that a mother or father may bring her/his children and spouse to the fields to complete work faster. However, as stated, regular employment for children and youth that takes them out of school is contrary to the goals of social protection.

**Figure 17. How the SCT impacts SCT households, non-SCT households, businesses and the local economy.**

**Eligible households receive SCT, resulting in:**

1. Greater monthly household expenditures, on:
  - a. Food
  - b. Non-food household
  - c. Agricultural inputs
    - i. Productive assets
    - ii. Livestock
  - d. Services (healthcare, transportation)
  - e. Employment: Hiring workers
  - f. Gifts to friends and neighbors (food, cash etc.)
  - g. Giving loans
2. Impacts for household:
  - a. Reduction in income poverty
  - b. Improved health in children
  - c. Better access to healthcare
  - d. Food security
  - e. Improved food diversity
  - f. Improved school enrolment and reductions in school absences for children
  - g. Reduction in child work outside the home
  - h. Increased agricultural production
  - i. Gains in asset ownership (household items and productive assets)
  - j. Increased income from sales of agriculture, livestock, homemade items
  - k. Access to loans and credit from businesses
  - l. Increased demand for labour
  - m. Pressure from family/neighbors for employment and other inputs

**Businesses (As a result of SCT)**

1. Impacts on business and local economy:
  - a. New customer base (SCT households) & those they employ
  - b. Strengthened local markets with more cash flowing through
  - c. Greater monthly sales at paypoints
  - d. New source of sales during regular seasonal slumps
  - e. Reliance on SCT
  - f. Dip in business when payments to SCT households irregular
2. Purchases, Business owners buy:
  - a. More goods in bigger markets to sell in villages due to steady demand
  - b. Capital investments, such as infrastructure and equipment
  - c. Goods for own households
    - i. Food
    - ii. Non-food household items
    - iii. Productive assets

**Non-SCT Households**

1. Increased employment opportunities
  2. Reduced poverty (among ultra poor, labour constrained households not included in SCT, and other households)
  3. Reliance and pressure upon the new safety net (SCT household)
- As a result
4. Purchase:
    - a. Food
    - b. Non-food items (soap, clothing)
    - c. Agricultural inputs
    - d. Services (healthcare, transport)
    - e. Building items
    - f. School expenses
  5. Impacts
    - a. Better food security
    - b. Better food diversity
    - c. Improved healthcare access
    - d. +-School enrolment & attendance
    - e. Improved housing
    - f. More child work

At the community level:

- *Among businesses, gains may include strengthened local markets that can withstand seasonal or economic cycles.*

Business owners confirmed that the SCT has strengthened the local market by providing a steady source of customers and cash into villages where they had once been scarce. Sales were reliable even in the rainy/hungry season when they are typically at their lowest point. Business owners also described a growth in profits, which they attributed to SCT households. These increased profits often lead business owners to add capital to their business or improve their household's economic standing.

The SCT had been operational for nearly three years in the village group where this analysis was conducted. Business owners alluded to a reliance on the SCT, which was needed to keep their business strong. They feared that they could not maintain the same level of sales without the SCT.

**In summary, in this study, we found evidence that the cash transfer helps to** influence economic development as outlined in the Social Support Policy by: (1) Enabling the poor to protect themselves against shocks; (2) Increasing the productive capacity and asset base of poor and vulnerable households; (3) Encouraging investment by reducing risk through the predictability of transfers; (4) Unlocking economic potential; and (5) Stimulating demand for local goods and services and supporting enterprises in rural areas.<sup>16</sup>

Additionally, the positive impacts on poverty reduction extend beyond SCT households to even non-SCT households that are ultra poor and labour constrained, but that were excluded from the cash transfer scheme due to the 10% cutoff point. Thus, the SCT has wide-ranging benefits including reducing poverty in nearly all of the district's most destitute households as well as stimulating economic development. Still, the SCT is just one of the tools in the Social Support Policy, which should contain an integrated set of programs, that together, contribute to Malawi's economic growth.

We do not make overwhelming claims about the generalizability of this study throughout Malawi. However, we do believe that the study population is a relative microcosm of Mchinji, yielding insights into the mechanisms by which the SCT impacts economic development through the district and maybe the country. Once the SCT is fully scaled throughout Malawi, it appears as though there will be important impacts not only for SCT households, but for some non-SCT households, and local businesses as well. Findings from this study may be applicable throughout resource-poor, rural areas in Eastern and Southern Africa. Still, more continued follow up and larger studies are needed to determine the consistency and scale of SCT impacts on poverty alleviation and economic development and growth in Malawi and beyond.

## REFERENCES

1. Barrientos, A., & DeJong, J. (2004). *“Child poverty and cash transfers.”* London: Chronic Poverty Research Centre.
2. Bourguignon, F., Ferreira, F.H.G., & Leite, P.G. (2002). *“Conditional cash transfers, schooling and child labour: Microsimulating Bolsa Escola”*. Washington, D.C.: The World Bank.
3. Chronic Poverty Research Centre (2005). *“The role of cash transfers in tackling childhood poverty.”* London: Save the Children, Chronic Poverty Research Centre.
4. Skoufias, E., & di Maro, V. (2006). *“Conditional Cash Transfers, Adult Work Incentives, and Poverty.”* WPS3973-IE. Washington, D.C.: The World Bank.
5. Farrington, J., Harvey, P., and Slater, R. (2006). *“Cash Transfers in the Context of Pro-poor Growth.”* Third International Conference on Conditional Cash Transfers, Istanbul Turkey. ODI, London.
6. Farrington, J., Holmes, R. and Slater, R. (2007). *Linking social protection and the productive sectors.* ODI Briefing Paper 28. Overseas Development Institute. London.
7. Holzmann, R. and Jorgensen, S. (1999). *“Social protection as social risk management: conceptual underpinnings for the social protection sector strategy paper.”* Journal of International Development. (11): 1005-1027.
8. Townsend, P. (2006). *“Social Protection & Social Welfare: Contrasting Approaches.”* Presentation during conference: “Strengthening national responses to children affected by HIV/AIDS: what is the role of the state and social welfare in Africa?” Wilton Park. Sussex, UK.
9. Farrington, J., Holmes, R. and Slater, R. (2007). *Linking social protection and the productive sectors.* ODI Briefing Paper 28. Overseas Development Institute. London.
10. Ravallion, M., 2003, *“Targeted Transfers in Poor Countries: Revisiting the Trade-Offs and Policy Options.”* Social Protection Discussion Paper no. 0314, World Bank, Washington
11. Lucas, R. (2005). *“Pro-poor Economic Growth: A review of the literature.”* USAID. Washington.
12. Farrington, J., Slater, R. and Holmes, R. (2007). *“Social protection and pro-poor agricultural growth: What scope, what synergies?”* Natural Resource Perspectives. 91. Overseas Development Institute. Sussex. UK.
13. UNDP. (2007). *“Human Development Report 2007/2008.”* Available online at <http://hdr.undp.org/en/reports/global/hdr2007-2008/>. Accessed November 2009.
14. Central Intelligence Agency (2008). *“World Fact Book.”* Washington, D.C. <https://www.cia.gov/library/publications/the-world-factbook/print/mi.html>. Accessed November 2009.
15. MGD
16. National Social Protection Technical Committee. (2007). *“Social Protection: A right for all.”* Third Draft. Lilongwe, Malawi. 31 October 2007.
17. Miller, C., Tsoka, M., Reichert, K. (2008). *Targeting evaluation of the Mchinji Social Cash Transfer.* Report to the Government of Malawi and other stakeholders including UNICEF and USAID. Available online at <http://childresearchpolicy.org>.
18. Miller, C., Tsoka, M., Reichert, K. (2009). *Targeting Cash to Malawi’s Ultra Poor: A Mixed Methods Evaluation.* Development Policy Review. Submitted Feb, 2009. In review. Available online at <http://childresearchpolicy.org>.
19. Miller, C., Tsoka, M., Reichert, K. (2008). *Impact evaluation of the Mchinji Social Cash Transfer.* Report to the Government of Malawi and other stakeholders including UNICEF and USAID. Available online at <http://childresearchpolicy.org>.
20. Devereux, S. (2006). *“Cash Transfers and Social Protection.”* Institute of Development Studies. Sussex UK.
21. Devereux, S. and Sabates-Wheeler, R. (2006). *“Transformative Social Protection.”* IDS in focus. Sussex. UK.
22. Tabor, S. *“Assisting the poor with cash.” Design and implementation of social cash transfers.”* Social Protection Discussion Paper Series No. 0223. World Bank, Washington.

23. Miller, C., Tsoka, M., Reichert, K. (2009). *The Malawi Social Cash Transfer and the impact of \$14 per month on child health and growth*. Health Policy and Planning. Submitted Dec. 2008. In review. Available online at <http://childresearchpolicy.org>.
24. Miller, C., Tsoka, M., Reichert, K. Hussaini, A. (2009). "Interrupting the intergenerational cycle of poverty with the Malawi Social Cash Transfer." *Journal of Vulnerable Child Studies*. Accepted Nov 2009. Available online at <http://childresearchpolicy.org>.
25. Miller, C., Tsoka, M., Reichert, K. Alley, I. (2009). *The impact of the Social Cash Transfer Scheme on education and labor in Malawi's ultra poor households*. Submitted April, 2009. World Development. In review. Available online at <http://childresearchpolicy.org>.
26. Miller, C., Tsoka, M., Reichert, K. (2009). *The impact of the Social Cash Transfer Scheme on food security in Malawi*. Food Policy. Submitted Jan. 2009. In review. Available online at <http://childresearchpolicy.org>.
27. Miller, C., Tsoka, M., Reichert, K. (2009). *The impact of the Social Cash Transfer Scheme on People Living with HIV/AIDS in Malawi*. AIDS Care. In preparation. Available online at <http://childresearchpolicy.org>.
28. Ravallion, M. (1999). "The mystery of the vanishing benefits: Ms. Speedy Analyst's introduction to evaluation." No 2153, Policy Research Working Paper Series from The World Bank.
29. Maluccio, J.A. and Flores, R. (2004). *Impact Evaluation of a conditional cash transfer program: The Nicaraguan Red De Proteccion Social*. Washington DC: International Food Policy Research Institute. Discussion Paper 184. Available online at <http://www.ifpri.org>. Accessed December 18, 2008.
30. Miller, C., Tsoka, M., Reichert, K. (2008). *Operations evaluation of the Mchinji Social Cash Transfer*. Report to the Government of Malawi and other stakeholders including UNICEF and USAID. Available online at <http://childresearchpolicy.org>.
31. Government of Malawi. (2007). *Education Statistics 2007 Malawi*. Department of Education Planning, Ministry of Education Science & Technology, Education Management Information System (EMIS). Lilongwe.
32. Government of Malawi (2008). *National Education Sector Plan 2008-2017*. Ministry of Education, Science and Technology. Lilongwe.