

**An Evaluation of Cash transfer Programmes in Zimbabwe as a Strategy to Reduce Poverty: A Case Study of Mercy Corp's Cash Transfers Programme in Sakubva High Density Suburb, Mutare.**

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## **Abstract**

The study aimed at looking at the effectiveness of cash transfers programmes being conducted by Mercy Corp's in Sakubva, Mutare. The study came in the background that this a new way of assisting vulnerable households, responding to some complications which were posed by in kind transfers. The objectives of the study included assessing the available social safety nets being provided by both the Government and the Non Governmental Organization Sector., establishing the modalities in the implementation of the cash transfer programme, finding out how cash transfers are being used to strengthen or sustain livelihoods by vulnerable groups. In addition, the research study also sought to evaluate the social and economic gains which have accrued due to the cash transfer programme. Qualitative research methodology was employed in this research. Fifty four participants were used in the current study. Thirty two of them were involved structured interviews; eighteen took part in two focus group discussion, each having nine participants. Four respondents participated as key informants. Purposive sampling was used in sampling key informants while the rest were sampled using convenience sampling. Results revealed that the cash transfer programme was instrumental in transforming the lives of the beneficiaries for the better. The money managed to increase their food basket and it allowed them to invest some of the proceeds not only in children's education, but in income generating projects as well. In addition, the study has shown that beneficiaries would afford to seek medical attention for household members who would have fallen sick. The study has made some recommendations to the effect that a multi-sectorial approach be adopted whereby the private as well as the government fully participates in the fight against poverty. It was also recommended that the organization considers augmenting cash transfers with in-kind transfers so that the money can be meaningfully used to invest not to consume.

## **DEDICATION**

I would like to dedicate this dissertation to my lovely daughter Shauna Tamanda. All the sweat and sleepless nights are in anticipation of your brighter future.

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# CHAPTER ONE

## BACKGROUND AND INTRODUCTION TO THE STUDY

### Introduction

Over the past decade, Zimbabwe has endured a litany of economic, political, and social shocks resulting in the loss of livelihoods and increasing poverty and dislocation. The formal economy has all but ground to a halt. Commercial farms lie fallow; small holder farmers are regularly devastated by the vagaries of weather and scarce agricultural inputs; unemployment is approximately 85 percent. This drastic decline has forced professionals, skilled artisans, and laborers to migrate to neighboring countries and abroad. Those remaining have little disposable income if they have jobs at all and most survive by a combination of informal trading and remittances from relatives working outside the country. Although the recent dollarization of the economy has eased transactions, access to foreign exchange precludes many from benefitting from the new availability of goods.

Furthermore the HIV and AIDS epidemic which is the most devastating health disaster in human history is still devastating the nation. According to a report published by UNAIDS in 2004, the disease continues to ravage families and whole communities the world over. Statistically the 1990s as argued by Mupedziswa (1998), witnessed a vengeful escalation of the pandemic's impact particularly in Africa. The situation in Africa is exacerbated by the prevalence of abject poverty; the poorer and more vulnerable segments of the population are evidently afflicted the most.

Zimbabwe amongst other countries in the developing world experiences a complexity of challenges, some discussed above. The United Nations estimates that over one million Zimbabweans are classified as Mobile and Vulnerable Persons (MVPs); many of them were forcibly displaced by political violence and government policies that unfairly targeted the most vulnerable. Non governmental organizations have augmented or outrightly replaced government health and social services and society has thus lost confidence in and respect for once-capable government institutions. Humanitarian aid organizations and remittances are keeping

Zimbabwe from complete collapse. Some of these humanitarian organizations are spearheading programmes such as CTPs to relieve abject poverty on the masses.

According to Fizbein et al (2009) cash transfers are direct payments of money to eligible poor people. Cash transfers are usually provided by the state and government or Non State Agencies complementing government efforts in social development. Cash Transfers can either be Conditional or unconditional. According to Gustavo Nigenda (2005), Conditional Cash Transfer (CCT) programs aim to reduce poverty by making welfare programs conditional upon the receivers' actions. The government only transfers the money to persons who meet certain criteria. These criteria may include enrolling children into public schools, getting regular check-ups at the doctor's office, receiving vaccinations, or the like Rawlings and Rubio (2005). Unconditional cash transfers unlike the earlier do not have any conditions tied to them but gives the recipient the liberty to fulfil their basic needs as per choice.

According to De la Brière et al (2006) Conditional cash transfers provide money directly to poor families via a social contract with the beneficiaries for example, sending children to school regularly or bringing them to health centres. For extremely poor families, cash provides emergency assistance, while the conditionalities promote longer-term investments in human capital.

Ideally, cash transfers should be in a position to transform the lives of the beneficiaries, not only in the short run by meeting relief material but by establishing and maintaining livelihoods. Cash transfers should aim at eradication of poverty and bring independence to the beneficiaries. Such programmes should address today's problems at the same time, addressing the future by focusing on measures that increases the vulnerable peoples' social security as well as their livelihoods. The new paradigm is focusing on emancipation more than just welfare.

Mercy Corp's is one of the Organisations that are providing cash transfers in the country to vulnerable households, particularly in Sakubva, Mutare. Sakubva is a high density suburb which has been targeted due to its nature in as far as poor people is concerned

Little research has been conducted on the effectiveness of cash transfers on the beneficiaries' lives. The issue is to understand the impact of the cash onto their lives in relation to the expectations of the service providers, in this case, Mercy Corp. It is against this background that the researcher decided to study the effectiveness of cash transfers to the people of Sakubva.

### **Statement of the Problem:**

Cash transfers have of late been heavily marketed and widely recommended as a curative measure for poverty struck communities. Indeed the 2005 UN Report on World Social Situation notes that "income transfer programmes that sustain the poorest families are essential to changing the structure of opportunities and are key to reducing the intergenerational transmission of poverty and inequality" (Fiszbein and Schandy 2009). Similarly, the UN Economic Commission for Africa recognised the value of cash transfers in tackling extreme poverty in Sub-Saharan Africa. However, little has been documented and published about the effectiveness of this strategy particularly from the perspective of the affected communities in which cash transfer programs are implemented. This study is therefore an attempt to establish the strengths and shortcomings of the cash transfer strategy in alleviating poverty. Sakubva suburb is a high density suburb in Mutare. Ninety percent of people living in this suburb are poor with no meaningful income sources. The greater percentage of the populace is made up of pensioners, the chronically ill, unemployed youths and also orphans under the care of the elderly who are no longer able to fend for their families. The suburb experiences some of the worst socio-economic challenges currently facing the country. It is against this background that cash transfer programs have been prescribed in this area. However, it remains to be seen whether such programs are the best panacea to the problems bedeviling this poverty stricken community.

**Justification:**

This study attempts to validate or dispel the hypothesis that cash transfers are an effective strategy in alleviating poverty. This study will also assist in documenting best practices of the strategy and draw recommendations based on identified gaps which will go a long way in building holistic approaches to poverty alleviation. In turn findings and recommendations from this study may help policy makers and NGOs to make appropriate decisions in the implementation of the programs in the country. It is also important to note that the study will make a modest contribution to the existing body of knowledge on the effectiveness of cash transfer strategy in alleviating poverty and eradicating unacceptable coping mechanisms by vulnerable groups/communities. The study will focus on households in Sakubva high density suburb which is a low income community and considered to be poor by average national standards. This partly explains why cash transfer programs are implemented in this suburb.

**Aim**

The study aimed to evaluate the effectiveness of cash transfers in reducing poverty among low income communities.

**Research Objectives**

1. To assess the available social safety nets provided by both government and Non-government available in the Zimbabwean community
2. Establish modalities used in implementing cash transfer programs
3. To find out how cash transfers are used to strengthen/sustain livelihoods by vulnerable groups.
4. To evaluate the social and economic benefits accruing from Cash Transfer programs.

**Limitations of the Study**

Sakubva is a highly political volatile suburb in Mutare. The study was carried out during a time when the political environment was tense. Researcher however made use of local authority and Mercy Corps team who were already known in the community to avoid being caught up during the unpredictable political environment. The urban poor populace is a complex group and posed complications during mobilization

process as they were expecting rewards. However researcher remained firm and explained that the purpose of the exercise was for study purposes and their participation would be strictly voluntary and would ensure representation of their perception of the programme in future programming and policy formulation.

### **Delimitations of the Study**

The study focused on participants who were residents of Sakubva high density suburb in Mutare. Focus was not only on Sakubva residents but those who were receiving cash transfers from Mercy Corp's. Participants who took part in the study were supposed to be household heads, regardless of age or sex.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Introduction**

This Chapter will look into related literature of cash transfers. First and foremost, it is important to give a brief history of the organization under investigation, Mercy Corp's. Different theories will be used to explain the issue under study. A conceptual framework will also be drawn up as an effort to put the arguments into perspective. Successes and failures of cash transfers in different parts of the world will be critically analyzed.

#### **Mercy Corp: A Brief History**

The organization was founded in 1979 as Save the Refugees Fund, a task force organized by Dan O'Neill in response to the plight of Cambodian refugees fleeing the famine, war and genocide of the "Killing Fields." This fledgling organization helped focus America's attention on the humanitarian crisis and provided lifesaving aid to hundreds of thousands of Cambodians.

Over the years, Mercy Corp's work has touched families and communities in more than 107 nations across the world. It has delivered more than \$1.95 billion in relief and development assistance, including food, shelter, health care, agriculture, water and sanitation, education and small business loans.

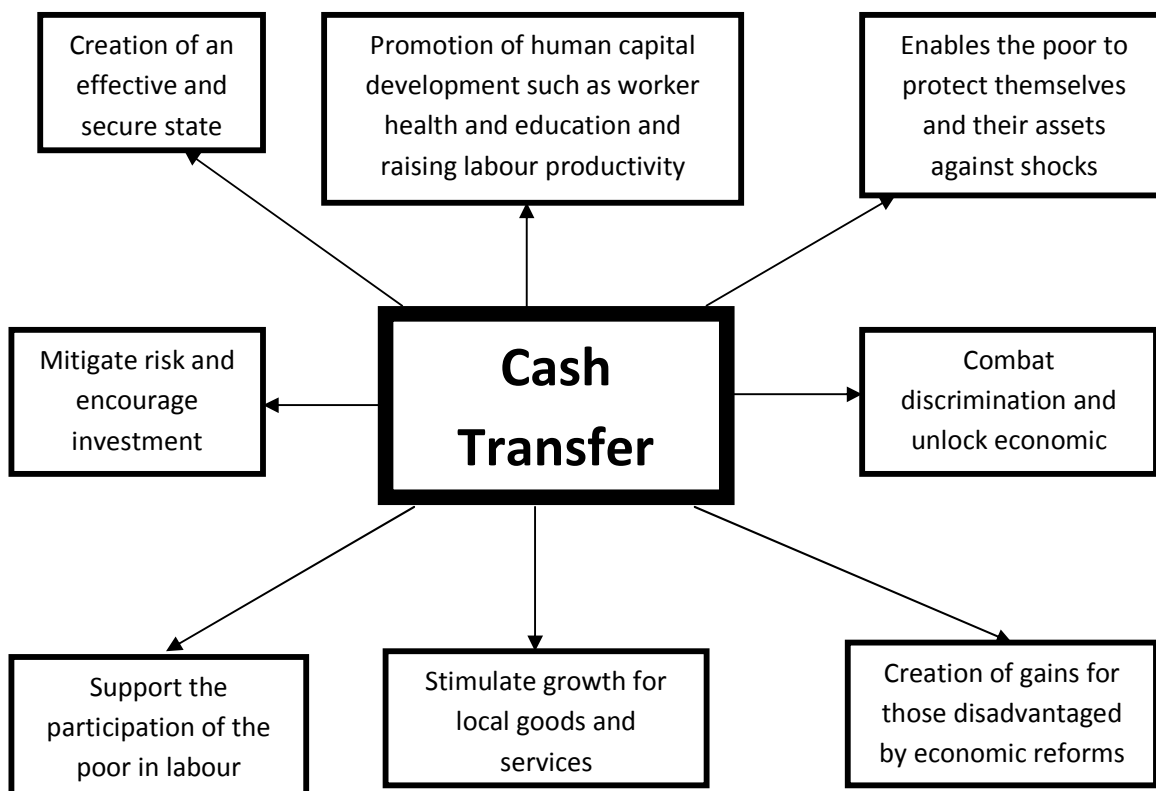
Today, Mercy Corp's helps more than 16.7 million people each year recover from disasters, build stronger communities and find their own solutions to poverty. It has been an international leader in responding to the massive tragedy of the Indian Ocean tsunami, wars in Afghanistan and Iraq, food crisis in Niger, displacement in Congo and earthquakes from China to Haiti.

Mercy Corp's was among the first humanitarian groups to use relief and development programs to strengthen civil society. Simply handing out food, building a school or immunizing a child is not

enough, especially in countries torn by ethnic conflict and economic transition. Just a few weeks of armed conflict can destroy roads, schools, businesses and health systems that took years of traditional development work to build. Working side by side with the poor but hard-working families, Mercy Corp's bring diverse groups together to create societies that are more peaceful, open, democratic and economically strong.

### Conceptual Framework

The current study used a conceptual framework which incorporates possible intended outcomes when a cash transfer programme is conducted in a community. The outcomes were taken from a variety of angles which include personal, community as well as national. Figure 1 below diagrammatically shows the conceptual framework.



**Figure 1: Intended effect of Cash Transfers**

**Social cash transfers help create an effective and secure state.** When broadly based in a manner accepted by communities, they build social cohesion and a sense of citizenship, and reduce conflict. A safe and predictable environment is essential to encourage individuals, including foreign investors, to work and invest. The social pension in Mauritius contributed to the social cohesion necessary to support the transition from a vulnerable mono-crop economy with high poverty rates into a high growth country with the lowest poverty rates in Africa (Roy and Subramanian, 2001). Likewise, Botswana's social pension provides the government's most effective mechanism for tackling poverty and supporting the social stability that encourages the high investment rates required to drive Africa's fastest growing economy over the past three decades.

**Social cash transfers promote human capital development, improving worker health and education and raising labour productivity.** Studies in South Africa and Latin America repeatedly document significant responses of health and education outcomes to both conditional and unconditional programmes (Adato, 2007; Olinto, 2004; Samson et al., 2004, 2007).

**Social cash transfers enable the poor to protect themselves and their assets against shocks, enabling them to defend their long-term income-generating potential.** Droughts in Ethiopia have significantly reduced household earning power as long as 15 years later (Dercon, 2005, 2006). Social cash transfers enable households to resist desperate measures and reduce future vulnerability.

**Social cash transfers mitigate risk and encourage investment. The downside of the riskiest and yet most productive investments often threatens the poor with destitution.** Social cash transfers enable people to face these risks. For example, farmers protected by the Employment Guarantee Scheme in Maharashtra, India, invest in higher yielding varieties than farmers in neighbouring states

(DFID, 2005). Protection against the worst consequence of risk enables the poor to better share in the benefits of growth.

**Social cash transfer programmes combat discrimination and unlock economic potential.** In Bangladesh, Brazil and South Africa, transfers provided to women have a greater positive impact on school attendance by girls compared to boys (Devereux, 2005; Samson et al., 2004; Duflo, 2000; Barrientos and Lloyd-Sherlock, 2002).

**Social cash transfers support the participation of the poor in labour markets. Job search is often expensive and risky.** In South Africa, workers receiving social cash transfers put more effort into finding work than those in comparable households not receiving grants and they are more successful in finding employment. (Samson et al., 2004; Samson and Williams (2007); Williams, 2007).

**Social cash transfers stimulate demand for local goods and services.** In Zambia 80% of the social transfers are spent on locally purchased goods, stimulating enterprises in rural areas. In South Africa the redistribution of spending power from upper to lower income groups shifts the composition of national expenditure from imports to local goods, increasing savings (by improving the trade balance) and supporting economic growth (Samson et al., 2004). A social account matrix analysis of the Dowa Emergency Cash Transfer (DECT) programme in Malawi found multiplier impacts from the payments broadening benefits to the entire community (Davies and Davis, 2007)<sup>2</sup> In Namibia, the dependable spending power created by social pensions supports the development of local markets and revitalises local economic activity (Cichon and Knop, 2003). However, the macro-economic impact for any given country will depend on the patterns of demand across income groups and the manner in which social transfers are financed.

**Social cash transfers create gains for those otherwise disadvantaged by economic reforms, helping to build stakeholder support for pro-poor growth strategies.** The political economy of reform requires combining policies to broaden the base of those who benefit from new economic strategies. Cash transfer initiatives have compensated the poor for reduced price subsidies in Mexico and Indonesia. Bolivia established a social pension with the proceeds from the privatization of public enterprises. Nepal and Senegal are considering cash transfers as part of broader economic reform strategies. Social cash transfers can increase the positive impact of growth on poverty reduction.

### **Theoretical Framework**

The study used 3 theories which try to explain the expected behaviour on both the recipient and provider of the cash transfer. The NGO Theory and the Sustainable Livelihoods Approach were used in explaining elements which should be considered by an organisation involved in the fight against poverty. The Maslow's Hierarchy of Needs was used in explaining the likely behaviour which can be exhibited by beneficiaries of cash transfers. Each of these theoretical models is explained below.

### **NGO Theory of Poverty: From Basic Needs To Development Vision**

According to Brodhead (2008), to be a development organization it is essential to have a theory of poverty that directs its efforts to the underlying causes of poverty. Without such a theory the organization inevitably remains a relief and welfare agency, responding only to poverty's most evident symptoms.

Indeed many NGOs concerned with the plight of the poor did begin as relief and welfare organizations, and many remain so today. They see that people are unable to meet their basic needs and, without asking why, respond in the most direct and immediate way by providing food, clothing, health care, and shelter as required. They engage in first generation strategies.

Brodhead (2008) notes that the more thoughtful NGOs at some point find themselves asking, "Why are these people poor." They began, at least implicitly, to formulate a theory of poverty. They attempt to "look upstream," searching for the source or cause of the problem. Many NGOs that pursue this question conclude that the problem is local inertia, a sort of self-imposed and by implication self-correctable powerlessness resulting from lack of organization, political consciousness, belief in self, credit, and basic skills. Armed with an action theory that suggests this inertia can be broken through appropriate external interventions, they set about to intervene with community development programs. They reorient themselves to second generation strategies.

When the theory of community inertia proved to be inadequate, some experts looked further upstream. This led to a realization that in large measure the evident powerlessness of the villager is not self-imposed. Rather it is externally-imposed and sustained by policies and programs, often originating from the state and funded by foreign agencies, that deprive the poor of access to productive resources and maintain them in a state of dependency. Development projects, such as dams and industrial forest plantations, that displace the poor from their homes and means of livelihood are among the most obvious examples. Some NGOs have adjusted their theories accordingly and set about to advocate for changes in critical policies and to work with government through partnerships aimed at reorienting its programs in ways that strengthened local control and initiative. They moved to third generation strategies, a point whereby focus is on policies which acts against peoples' livelihoods.

The NGO Theory of Poverty: From Basic Needs to Development Vision is suitable for this type of study as it tries to explain the nature of assistance a community is getting and the nature of assistance the organisation intends to extend to the community. The best form of assistance is that which fosters independence through addressing the causes of poverty instead of focusing on the immediate

relief through the provision of consumables such as food. In addition, NGO projects should aim at development through partnerships with both the private sector and the government.

### **Hierarchy of Needs Theory**

Maslow's hierarchy of needs is a theory in psychology, proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation" as cited in Robbins, (Judge and Vampbell 2010).

Maslow's hierarchy of needs is often portrayed in the shape of a pyramid, with the largest and most fundamental levels of needs at the bottom, and the need for self-actualization at the top. Figure 2 below represents the Maslow's Hierarchy of Needs.



**Fig 2: Maslow's Hierarchy of Needs**

The most fundamental and basic four layers of the pyramid contain what Maslow called "deficiency needs" or "d-needs": esteem, friendship and love, security, and physical needs. With the exception of the most fundamental (physiological) needs, if these "deficiency needs" are not met, the body gives no physical indication but the individual feels anxious and tense. Maslow's theory suggests that the most basic level of

needs must be met before the individual will strongly desire (or focus motivation upon) the secondary or higher level needs.

### **Physiological needs**

For the most part, physiological needs are obvious, they are the literal requirements for human survival. If these requirements are not met, the human body simply cannot continue to function.

Air, water, and food are metabolic requirements for survival in all animals, including humans. Clothing and shelter provide necessary protection from the elements. The intensity of the human sexual instinct is shaped more by sexual competition than maintaining a birth rate adequate to survival of the species.

### **Safety needs**

With their physical needs relatively satisfied, the individual's safety needs take precedence and dominate behaviour. In the absence of physical safety, due to terrorist attack, war, natural disaster, or, in cases of family violence, childhood abuse, etc, people (re-)experience post-traumatic stress disorder and trans-generational trauma transfer. In the absence of economic safety, due to economic crisis and lack of work opportunities, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, reasonable disability accommodations, and the like.

### **Love and belonging**

After physiological and safety needs are fulfilled, the third layer of human needs are social and involve feelings of belongingness. The absence of this aspect of Maslow's hierarchy, due to hospitalization, neglect, shunning, ostracism etc can impact individual's ability to form and maintain emotionally significant relationships in general, such as friendship, intimacy and family.

Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, religious groups, professional organizations, sports teams, gangs, or small social

connections (family members, intimate partners, mentors, close colleagues, confidants). They need to love and be loved (sexually and non-sexually) by others. In the absence of these elements, many people become susceptible to loneliness, social anxiety, and clinical depression.

### **Esteem Needs**

All humans have a need to be respected and to have self-esteem and self-respect. Esteem presents the normal human desire to be accepted and valued by others. People need to engage themselves to gain recognition and have an activity or activities that give the person a sense of contribution, to feel self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem or an inferiority complex. People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others.

Most people have a need for a stable self-respect and self-esteem. Maslow noted two versions of esteem needs, a lower one and a higher one. The lower one is the need for the respect of others, the need for status, recognition, fame, prestige, and attention. The higher one is the need for self-respect, the need for strength, competence, mastery, self-confidence, independence and freedom. The latter one ranks higher because it rests more on inner competence won through experience. Deprivation of these needs can lead to an inferiority complex, weakness and helplessness.

### **Self-actualization**

“What a man can be, he must be.” This forms the basis of the perceived need for self-actualization. This level of need pertains to what a person's full potential is and realizing that potential. Maslow describes this desire as the desire to become more and more what one is, to become everything that one is capable of becoming. This is a broad definition of the need for self-actualization, but when applied to individuals the need is specific. For example one individual may have the strong desire to become an ideal parent, in another it may be expressed athletically, and in another it may be expressed in painting, pictures, or inventions. As mentioned before, in order to reach a clear understanding of this level of need one must first not only achieve the previous needs, physiological, safety, love, and esteem, but master these needs.

Maslow's Hierarchy of Needs helps in explaining what motivates one's behavior at any one point in time as well as one's requirements at any one point in time. Living in poverty automatically means that an individual is failing to meet the basic elements of life such as food, clothing and shelter. Basing arguments on the Hierarchy of Needs, it makes sense to argue that when one receives their cash transfers, s/he is most likely to direct it to basic life needs such as the already mentioned, thereafter, they will consider secondary aspects such as education and some other forms of investment. Taking into consideration the theory under discussion, it is worth mentioning that for a successful programme of alleviating poverty, an organization should consider balancing basic requirements and empowering the beneficiaries as well.

### **The Sustainable Livelihoods Approach**

The sustainable livelihoods approach (SLA) is a way to improve understanding of the livelihoods of poor people. It draws on the main factors that affect poor people's livelihoods and the typical relationships between these factors. It can be used in planning new development activities and in assessing the contribution that existing activities have made to sustaining livelihoods.

The two key components of the SLA are:

- a framework that helps in understanding the complexities of poverty
- a set of principles to guide action to address and overcome poverty

The SL framework places people, particularly rural poor people, at the centre of a web of inter-related influences that affect how these people create a livelihood for themselves and their households. Closest to the people at the centre of the framework are the resources and livelihood assets that they have access to and use. These can include natural resources, technologies, their skills, knowledge and capacity, their health, access to education, sources of credit, or their networks of social support. The extent of their access to these assets is strongly influenced by their vulnerability context, which takes account of trends (for example, economic, political, technological), shocks (for example, epidemics, natural disasters, civil strife) and seasonality (for example, prices, production, employment opportunities). Access is also influenced by the prevailing social,

institutional and political environment, which affects the ways in which people combine and use their assets to achieve their goals. These are their livelihood strategies.

People are the main concern, rather than the resources they use or their governments. SLA is used to identify the main constraints and opportunities faced by poor people, as expressed by themselves. It builds on these definitions, and then supports poor people as they address the constraints, or take advantage of opportunities. The framework is neither a model that aims to incorporate all the key elements of people's livelihoods, nor a universal solution. Rather, it is a means of stimulating thought and analysis, and it needs to be adapted and elaborated depending on the situation.

SLA has seven guiding principles. They do not prescribe solutions or dictate methods. Instead, they are flexible and adaptable to diverse local conditions.

The guiding principles are:

- Be people-centred. SLA begins by analysing people's livelihoods and how they change over time. The people themselves actively participate throughout the project cycle.
- Be holistic. SLA acknowledges that people adopt many strategies to secure their livelihoods, and that many actors are involved; for example the private sector, ministries, community-based organizations and international organizations.
- Be dynamic. SLA seeks to understand the dynamic nature of livelihoods and what influences them.
- Build on strengths. SLA builds on people's perceived strengths and opportunities rather than focusing on their problems and needs. It supports existing livelihood strategies.
- Promote micro-macro links. SLA examines the influence of policies and institutions on livelihood options and highlights the need for policies to be informed by insights from the local level and by the priorities of the poor.
- Encourage broad partnerships. SLA counts on broad partnerships drawing on both the public and private sectors.
- Aim for sustainability. Sustainability is important if poverty reduction is to be lasting.

The Sustainable Livelihood Model was considered appropriate for this study as it advocates for poverty reduction through focusing on livelihoods, not only focusing on symptoms of poverty which is a traditional way of looking at it. The SLA also argues for a thorough scrutiny of existing policies and institutions that help in sustainable livelihoods. This indicates that there is a need to look beyond individual organization but to consider partnerships with policy makers, in most cases the government.

### **What are Cash Transfers?**

According to Fizein, Ariel and Norbert Shaby (2009) cash transfers are direct payments of money to eligible poor people. Cash transfers are usually provided by the state and government or Non State Agencies complementing government efforts in social development (Cohen, Mark and Dora Weissman 2007). Cash Transfers can either be Conditional or unconditional. According to the World Bank, Conditional cash transfers provide money directly to poor families via a social contract with the beneficiaries, for example, sending children to school regularly or bringing them to health centers. For extremely poor families, cash provides emergency assistance, while the conditionalities promote longer-term investments in human capital. Unlike conditional cash transfers, unconditional cash transfers do not have any conditionalities attached to them. Beneficiaries receive cash and spend it according to their household needs. One of the main advantages of cash transfers is that beneficiaries have complete freedom to spend aid money on what is best for them, rather than having to accept what the implementing organization or donor thinks is best for them (Schady and Araujo. 2006).

### **The Origin of Cash Transfers in Zimbabwe**

According to the World Development Indicators, (2007) World Bank Group, Zimbabwe's economy is ranked at 127<sup>th</sup> in the world. This has been brought about by a series of events that unfolded over the past 30 years Zimbabwe has been in existence as a state. According to De Janvry and Sadoulet (2011), following the Lancaster House Agreement in December 1979 the transition to majority rule in early 1980, and the lifting of sanctions, Zimbabwe enjoyed a brisk economic recovery. Real

growth from 1980 to 1981 exceeded 20% however depressed foreign demand for the countries' mineral exports and the onset of the drought cut sharply into the growth rate in 1982, 1983 and 1984. In 1985 the economy rebounded strongly due to a 30% jump in agricultural production; however it slumped in 1986 to a zero growth rate and registered negative of about minus 3 % in 1987 primarily because of drought and foreign exchange crisis faced by the country. Zimbabwe's GDP grew on average by about 4,5 % between 1980 and 1990.

In recent years there has been considerable economic hardship in Zimbabwe. According to Steenkamp et al (1994) many Western countries argue that the government of Zimbabwe's land reform programme, recurrent interference with and intimidation with the judiciary, as well as maintenance of unrealistic price controls and exchange rates has led to a sharp drop in investor confidence. [www.en.wikipedia.org/wiki/Economy of Zimbabwe](http://www.en.wikipedia.org/wiki/Economy_of_Zimbabwe) document titled, The Zimbabwe Situation Retrieved 2010-06-15 states that between 2000 and December 2007 the national economy contracted by as much as 40%; inflation vaulted to over 66 000 percent, and there were persistent shortages of hard currency, fuel, medicine and food. GDP per capita dropped by 40%, agricultural output dropped by 51%, and industrial production dropped by 47%. The same article further propounds that direct foreign investment all but evaporated during this period and in 1988 direct foreign investment was at USD 400 million. In 2007 that number had declined to 30 million. According to UNDP Human Development Index 2008, <http://hdr.undp.org/en/statistics/> this resulted in 80% of Zimbabweans earning below the poverty datum line of USD 41 by July 2008 with an average wage US 30 cents per month.

According to [www.en.wikipedia.org/wiki/Economy of Zimbabwe](http://www.en.wikipedia.org/wiki/Economy_of_Zimbabwe) document titled, The Zimbabwe Heritage Retrieved 2010-05-30 the Economic collapse resulted in an unacceptably high rate of unemployment which is estimated to be at 94%. Hyper inflation has been a major problem from about 2003 to April 2009 when the country suspended its own currency adopting the use of the US dollar and the South African rand as its main currencies. The economy deteriorated from one of

Africa's strongest economies to the world's worst. Cash transfers came in at a time when the nation's economy was in dire need of resuscitation.

### **Cash transfer programmes as a component of social protection systems**

As set out by the UN Secretary-General in a report titled Human Rights Council Eleventh session Agenda item 3 27 March 2009, social protection systems aim at responding to “levels of risk or deprivation that are deemed unacceptable within a given society”. The same report further goes on to say that CTPs (whether conditional or not) are a component of social assistance policies which aim to establish “safety net programmes” or “social welfare programmes”. Social assistance policies provide a complement to social insurance (for example, for private health insurance, unemployment benefits, contributory pensions, among others) in social protection systems. CTPs as social-assistance schemes can potentially contribute to the realization of the right to social security and the right to an adequate standard of living although a number of conditions must be met under international human rights law.

Cash transfer programmes have many reported benefits. The primary objective of many CTPs appears to be to empower individuals or households to cope with the impacts of poverty. They should, therefore, be intended primarily to contribute to the realization of the beneficiaries' right to an adequate standard of living. As a component of social-assistance policies, CTPs should also contribute to the realization of the right to social security.

### **Global Overview**

According to a report by World Bank 2003 titled Brazil: Bolsa Familia Program – Scaling-up Cash Transfers (CTPs) for the poor, evidence of early emergence of cash transfer programmes were seen in Latin America and Brazil. Early 2003, the government of Luiz Ignacio Lula da Silva launched a comprehensive program to stimulate growth and social progress, the Bolsa Familia Program (BFP), integrated four cash transfer programs into a single program under the umbrella of a new Ministry of Social Development. The same report by World Bank states that these transfers are made preferentially to women in each family and this program supports the formation of human capital at

the family level by conditioning transfers on behaviors such as children's school attendance, use of health cards, and other social services.

According to a report by Kathy Lindert, Senior. Economist, World Bank (2005) since its launch, the Bolsa Familia Program has grown exponentially, and by January 2005 had expanded to cover about 26.4 million people. By the end of 2006, about 44 million people were expected to be covered, at least two-thirds of whom were extremely poor. In some countries like Nicaragua, CTPs go beyond providing demand-side monetary incentives to families by strengthening the supply of health and education services. The same report by (Kathy Lindert, Senior. Economist for World Bank) , teachers in Nicaragua receive a modest bonus per child participating in the program, half of which is intended to pay for school materials and in addition, NGOs are contracted to provide health services. In Mexico, resources are set aside to cover the costs of additional health services demanded due to the program and ensure an adequate supply of equipment, medicines and material. The same report goes on to say that in Honduras, the CTPs program provides grants directly to schools and health centres as part of an experiment designed explicitly to compare the effectiveness of three alternative interventions combining demand and supply incentives.

Conditional cash transfer (CCT) programs aimed at providing social assistance and improving children's human capital have been established in numerous countries in recent years, particularly in Latin America and the Caribbean where they were originally developed. The most popular type of program includes a combination of health, education and nutrition objectives and includes initiatives such as Mexico's Programa de Educación, Saludy Alimentación (PROGRESA2) launched in 1997, the first large scale CCT program both in the region and globally; Colombia's Familias en Acción program (FA); Honduras' Programa de Asignación Familiar (PRAF); Jamaica's Program of Advancement through Health and Education (PATH); Nicaragua's the Red de Protección Social (RPS); Bolivia's Beca Futuro; Ecuador's Bono de Desarrollo Humano; Chile's Subsidio Unitario Familiar; and, recently, Brazil's Bolsa Familia program. Other programs provide education grants

only, including Brazil's established Programa Nacional de Bolsa Escola. Several of these programs have acquired an important role in individual countries' portfolio of poverty alleviation strategies. In 2002, Mexico's CCT program reached more than four million families, representing 20 percent of the Mexican population, and commanded annual budget was around Mex\$18 billion (US\$1.8 billion equivalent to approximately 0.32% of GDP). In Jamaica, PATH was being introduced as a national program to replace three major income transfer programs, while improving targeting and cost-effectiveness. Its 2004 annual budget was US\$23 million (0.32% of GDP). In Colombia, the program was introduced as a cornerstone in their new safety net strategy designed to respond to the worst recession in close to 70 years; the approximately US\$100 million allocated for 2002 is equivalent to 0.12% of GDP. Other established programs in the region are considerably smaller both in terms of scope and financing, such as Nicaragua's Red de Protección Social with its annual budget of approximately US\$5 million for 2002. However, in Brazil, Bolsa Familia it was introduced as an overarching welfare reform program that will consolidate numerous smaller programs to become the largest CCT program internationally, both in terms of coverage and financing. This focus was a departure from traditional social assistance strategies that have used redistributive transfers as a means for short-term poverty alleviation during times of crisis. A report by James Riccio titled "Sharing lessons from the first Conditional Cash Transfer Program in the United States" published in September 2010 Family Rewards programme was launched by New York City's Center for Economic opportunity in 2007 to help families in six of the city's highest-poverty communities break the cycle of intergenerational poverty. This cycle according to Lewis' theory on culture of poverty in Lewis (1996), is difficult to escape hence can be seen by potential beneficiaries of Public assistance in most state funded welfare programmes. They keep supporting generation after generation of the same family tree. The program offered cash assistance to reduce immediate hardship and poverty, but conditioned this assistance on efforts to improve children's school performance, obtain family preventive health care, and augmented parents' work and training

in the hope of reducing poverty over the longer term. The same report by James Riccio states that the program proved to be effective as it saw reduced measures of material hardship which are often challenging to affect including difficulty providing enough food for one's family (by 7 percent) and not being able to "make ends meet" (by 8 percent). He further says that the programme also attained a reduction in number of families living in poverty by 11 percent and cut "severe poverty" (defined as having income less than 50% of the federal poverty level) by nearly half, (from 30% of the control group to 17% of the program group) just to mention a few of the outcomes of the CTPs program in America.

### **Conditional cash transfer programs and the efficiency question**

Conditional cash transfer (CCT) programs targeted at the poor have become widely used, in particular to induce beneficiary households to invest in the human capital of their children. The presumptions of the approach are that the supply side of social services for education and health is in place, and that stimulating demand via income effects is insufficient to induce major changes in human capital investment (Bourguignon, Ferreira, and Leite, 2002). Needed instead is a condition attached to the cash transfer that transforms the income effect into a price effect on the condition. In this case, receiving the transfer requires meeting school assistance and health practice requirements.

The approach has been hailed as a major innovation in how to organize poverty reduction programs. Well known examples include Progresa/Oportunidades in Mexico, Bolsa Escola/Bolsa Familia in Brazil, Red de Protección Social in Nicaragua, Programa de Asistencia Familiar in Honduras, the Program of Advancement Through Health and Education in Jamaica, Food-for-Education in Bangladesh, and Subsidio Unico Familiar in Chile (see Ravallion and Wodon, 2000; Skoufias, 2000; Morley and Coady, 2003; and Rawlings and Rubio, 2005). Some of these programs have become very large and expensive. In 2003, Oportunidades serviced 4 million families at the annual cost of US\$2.2 billion. In 2001, Bolsa Escola covered 4.8 million families at the annual cost of \$700 million. While rigorous evaluations of these programs are still few, positive impacts have been demonstrated for Progresa on education (Shultz, 2004) and health (Gertler, 2004).

However, there has been almost no analysis of the effectiveness of alternative program designs in achieving these results, in spite of the large sums spent obtaining them. We address this issue here by analyzing whether better targeting of the qualifying poor and better calibration of the levels of cash transfers could help raise efficiency relative to current levels of achievement. CCT have a double objective: immediate poverty reduction through the transfers, and longer term poverty reduction through investment in human capital. Meeting the first objective effectively requires accurate targeting of the transfers on the poor. While targeting cash transfers is always difficult to achieve (see, e.g., van de Walle, 1998; Alderman, 2001 and 2002; and Ravallion, 2003), we do not address this issue here. Meeting the second objective requires: (1) accurate selection among the poor to minimize the efficiency leakages that occur when payments are made to categories of children already highly likely of going to school without a transfer, as opposed to children who will only go to school because of the transfer; and (2) offering a level of transfer that will secure a high uptake because it is sufficient to meet the opportunity cost of the change in behavior, while minimizing project costs. Specifically, we are concerned with the definition of targeting and calibration rules for CCT programs that can be easily implemented, with low cost outlays, and high transparency. And we are concerned with potential trade-offs between efficiency gains through implementation of these rules and higher inequality in transfers among the poor.

We use Progresa as a case study in exploring these alternative program designs. Results show that efficiency gains in the 29% to 44% range can be achieved over the current scheme and that they are not obtained at the cost of rising inequality among the poor.

## **Regional Overview**

According to a report by Pilirani Semu Banda dated February (2009), by adopting cash transfer programs, Malawi took major strides towards reducing poverty and hunger in the country. The government's cash transfer scheme has managed to reach many of those usually unable to access grants due to lengthy and complicated bureaucratic processes and assessments. "Cash transfers have made a positive impact on the well-being of the poorest, and especially children, in the areas of health, nutrition, school enrolment, retention and performance," she explained.

Cash transfers in Malawi helped to reduce child labor from 53 percent to 18 percent, enhanced food security and diversity, investments in livestock, housing, hygiene and clothes. According to government statistics, 65 percent of Malawi's 13.1 million people live below the poverty line of less than a dollar per day. More than four million children live in poverty, which is deep, widespread and characterized by low income, low literacy, food insecurity and high rates of child malnutrition, according to UNICEF The State of the World's Children (2009) [www.unicef.org/sowc09/](http://www.unicef.org/sowc09/). Almost half of Malawi's children under the age of five are stunted due to malnutrition.

To make matters worse, 13 percent of the country's more than seven million children under the age of 18 have lost their parents, mostly to HIV and AIDS. As a result, more than half of children of primary school going age have dropped out because of poverty, hunger and cultural barriers. According to World Bank (2009) report titled: "Conditional Cash Transfer: Reducing Present and Future Poverty", conditional cash transfers have led to many positive results in poor communities. These include higher household consumption; increased use of preventive health services; a reduction in child labor; and higher school enrolment. The documentary titled: "A Transfer Out of Poverty", released during a media workshop in Johannesburg in April 2010, illustrates how cash transfers pilot projects were transforming conditions of poor communities in Zambia, Mozambique and in Lesotho where social transfers are in form of Old Age pensions. In March 2004 SADC government representatives signed the Livingstone Declaration in Zambia that recognized social protection as a right and encourages governments to come up with plans and budgets for their own national social protection plans. This came in form of conditional and non-conditional cash transfer programs, where the responsibility for breaking out of poverty was shared by the state and poor households could reduce poverty both in the short and long term, particularly when supported by donor communities. "Social cash transfers are being seen in policy circles as a highly effective

instrument for combating poverty," said Thilde Stevens, acting Chief Director of Monitoring and Evaluation at the South African department of social development quoted in a report by Ntandoyenkosi Ncube May 2010. Preliminary survey data on the social cash transfer scheme showed that the money was being used wisely by recipients and invested in meeting people's immediate, basic needs. The grant was spent on soap, food, education materials, healthcare, clothing, shelter, livestock, poultry, seeds and fertilizer. Some families even manage to make small savings and this alone is a great step towards breaking the cycle of poverty.

### **Local Overview**

According to [www.en.wikipedia.org/wiki/Economy\\_of\\_Zimbabwe](http://www.en.wikipedia.org/wiki/Economy_of_Zimbabwe) document titled, The Zimbabwe Situation Retrieved 2010-06-15, the Ministry of Labour and Social Services (MoL&SS) launched a National Residential Care Standard in February. This is a significant step to improve the quality of services in residential care institutions in Zimbabwe. The MoL and SS also took a significant step towards full implementation of its national Harmonized Social Cash Transfer programme by successfully conducting the first cash distribution test in February. The same article further says that cash transfer is a component of the broader Child Protection Fund, a child sensitive social protection programme which includes cash to food insecure, labour-constrained households complemented by national child welfare services and legal assistance to access justice. This programme will strengthen the purchasing power of poor households, enable them to increase their food consumption and to access basic services including welfare and education and as a result improve their nutrition status, health and education outcomes," said Sydney Mhishi, the Director of Social Services in the MoL&SS. Based on clear targeting criteria to determine those households which are both food insecure and labour- constrained, that is households with no adult aged between 18 and 59 that are fit for work, MoL&SS aims to provide monthly cash transfers of an average USD \$20 for each

household to 55,000 households by December 2013. The programme is based on global best practice guidelines and experience from the region. According to Miller et al (2004) actions such as these towards development are rooted in the theory alluding poverty to be caused by cumulative and cyclical interdependencies. The theory looks at the individual and their community as caught in a spiral of opportunity and problems, and that once problems dominate they close other opportunities and create a cumulative set of problems that make any effective response nearly impossible (Bradshaw, 2000). The cyclical explanation explicitly looks at individual situations and community resources as mutually dependent, with a faltering economy, for example, creating individuals who lack resources to participate in the economy, which makes economic survival even harder for the community since people pay fewer taxes. By engaging the poor in cash transfer activities effort will be helping poor people achieve “self-sufficiency” which is an increasingly significant phase in poverty reduction. While called various names, the emphasis is on providing both “deep and wide” supports and services for people. A full step from poverty requires six interdependent elements of self-sufficiency that can be identified and tracked (Miller et al, 2004).

1. Income and economic assets
2. Education and skills
3. Housing and surroundings (safe, attractive)
4. Access to healthcare and other needed social services
5. Close personal ties, as well as networks to others
6. Personal resourcefulness and leadership abilities.

Cash transfers in real essence encourage people to meet this self sufficiency.

## **Safety Nets in Zimbabwe**

Nielsen (2004; 5) asserts that state and private sector social safety nets have collapsed and informal and community social protection mechanisms such as burial societies, Zunde Ra Mambo (Chief's grain stores) have broken down. Fleshman (2001) points out that traditional family support networks are increasingly strained as poverty is pervasive. Anyone without access to foreign currency is highly vulnerable to destitution. The June 4<sup>th</sup> 2008 ban on NGO activities has effectively limited external humanitarian support for the Zimbabwean people to less than 20% of planned assistance.

The [www.en.wikipedia.org/wiki/Economy of Zimbabwe](http://www.en.wikipedia.org/wiki/Economy_of_Zimbabwe) document titled, The Zimbabwe Situation Retrieved 2010-06-15 states that Birth registration is declining and the picture is further complicated by the numbers of internally displaced people from firstly the land reform programme, then Operation Murambatsvina and most recently from political violence.

The massive brain drain coupled with the dire economic situation is driving health and education services to the point of collapse. Vulnerable groups (OVCs, elderly, disabled and chronically ill people) are in a state of acute vulnerability. Reliance on remittances for basic survival is widespread. Opportunities nevertheless exist for rapid turnaround, Zimbabweans are highly educated and skilled compared to the regional and continental average. Institutional and regulatory frameworks are in place. Despite sustained persecution, the trade union movement remains active and there is a national employment council. Furthermore, there is a basic state and private sector social protection framework.

## **Preconditions for success in cash transfers**

### **Targeting**

Evidence on the success of targeting is uneven. Whilst the Progresa project in Mexico seems to have been successful in targeting, as does also the GTZ project in southern Zambia, farmers in Malawi rejected the notion of targeting in relation to subsidized inputs on the grounds that they were all poor, and that it would be divisive (Levy et al., 2004). Among the most disturbing evidence on targeting comes from India, where errors of inclusion and exclusion often occur as a result of efforts to 'vote catch' by politicians, abetted by administrators, as well as from plain rent-seeking. For instance, data from some 4000 households in 12 villages indicated that, although ostensibly focused on the poor, the beneficiaries of subsidised food distribution were predominantly from middle income quintiles, the situation being even worse in respect of social pensions.

### **Robustness and efficiency of delivery mechanisms**

The monthly amounts in which pensions are paid in India are generally too small to attract major rent seeking or politically motivated misappropriation, but there is scope for reducing errors of inclusion or exclusion at the selection stage, and for enhancing the automaticity and transparency of payments. There was no evidence that cash payments are more prone to corrupt administration than payments in kind. In India, Farrington et al. (2003) argue for greater use of existing rural banks and post offices in making pensions payments. In Namibia, sparse population densities in rural areas led to the introduction of convoys of vehicles fitted with cash dispensing machines and protected by armed security guards following the privatisation of the social pensions system in 1996. These visit hundreds of designated payment points every month, and fingerprint identification methods are used for claimant recognition and verification (Devereux, 2000).

## **Corruptibility**

Whilst robust delivery mechanisms can reduce the prospects of corruption, the prospect of large scale diversion of cash remains real, but food transfers are also known to be prone to misappropriation (Deshingkar et al., forthcoming). The switch from food to cash transfers in a Red Cross programme in Ethiopia resulted in ‘a significant reduction in the incidence of slippage (theft) and wastage associated with food distribution’ (Wilding and Ayalew, 2001).

A strategy in some projects to decrease the likelihood of corruption has been to promote transparency about the amounts that people are entitled to. A review of Oxfam’s cash for work programme in Uganda found that beneficiaries knew the wage that they would receive for the work done. This transparency was welcomed and contrasted with previous food distributions, which they felt had not been transparent and had substantial leakage (Khogali and Takhar, 2001).

## **Affordability**

Affordability is a function of number of target beneficiaries multiplied by average payment. A calculation relating to the Zambia project (Box 3) suggested that to extend the scheme to all the 200,000 destitute households in Zambia would cost US\$16 M/yr – the equivalent of 4 per cent of the annual foreign aid inflow, or 0.4 per cent of the Zambia GDP. This certainly does not rule them out as unaffordable. Financial capping means that social pensions in India are severely underfunded. Farrington et al. (2003) argue that the US\$100M/yr allocated by central government fails to cover more than a fraction of the elderly in need, and amounts to only US\$1.60 per month for those who do receive it. This total is miniscule in comparison with the US\$5.5bn paid out on other poverty focused rural development and transfer schemes, and the further US\$10.5bn paid on food procurement and subsidy. Every rupee worth of subsidized food distributed costs some Rs2 to administer, but vested political interests prevent money from being switched out of food subsidy and

into pensions. Several have made the point that cash transfers are only likely to be effective when complemented by other investments. Barrientos and DeJong (2004) for example argue that cash transfers require a significant investment in the provision of basic services to ensure that supply is able to respond to the increased demand arising from cash transfers

**Challenges faced by cash transfer programmes in meeting the needs of the poor thus affecting their effectiveness.**

According to Pearson et al (2009) the provision of cash transfers to alleviate poverty may not be a policy priority for low-income countries, despite donor enthusiasm to promote such interventions as a cost effective social protection mechanism. Cash transfer programmes face a number of challenges that negatively affect their effectiveness in meeting the needs of the poor. These include the following; Sustainability, According to a report by Benjamin Davis Unicef – ESARO dated 15 December 2010, points out that most governments and development workers are skeptical about adopting cash transfer programmes as a strategy to tackle poverty. They are always faced with the question, “how is it development” thereby pausing a major dilemma on the fiscal sustainability. Benjamin Davis goes on to say that cash transfers are considered charity and handouts which will lead to dependency hence would rather adopt more traditional economic social safety nets programmes.

According to Chinsinga, in Ncube (2011) lack of Political Will is a major challenge in determining the success of CTPs. The implementation of cash transfers depends largely on the extent to which politicians are prepared to channel resources towards the realisation of policy objectives. According to Kaseke et al (1998) while it was clear that at independence the government did commit massive resources to the health and education sectors, the same cannot be said for social welfare. The

benefits of investing in human development in as much as they appear noble they do not seem to be a priority for most politicians and policy makers. In the same document Hampson et al 1987 further state that social safety net programs among them, CTPs are at the forefront of applying new social policy theories and program administration practices. They address demand-side barriers, have a synergistic focus on investment in health, education and nutrition, and combine short-term transfers for income support with incentives for long-run investments in human capital. They also are public sector leaders in program administration, using modern targeting, registering, and monitoring systems along with strategic evaluations. Their impact depends on the supply of quality, accessible health and education services and may increase with strengthened links to the labour market, and a greater focus on early childhood and transient support to households facing shocks. According to Harvey et al (2006), CTPs programs are facing a number of challenges as they evolve, from reaching vulnerable groups to fostering transparency and accountability, especially at the community level. Centralized programs have been criticized for limiting the engagement of local governments and civil society and it is clear that in limited capacity environments, a greater reliance on communities is warranted. In sum, though promising, these programs are not a panacea against social exclusion and should form part of comprehensive social and economic policy strategies and be applied carefully in different policy contexts.

### **NGO Approaches in Poverty Reduction**

What kind of strategies should be developed to alleviate poverty? At a macro level, pro-poor growth combined with social development is now promoted by scholars, especially economists. At a micro level, promotions of small scale enterprises and microfinance.

In this context, it is worth referring to Jeffrey D. Sachs's strategy for alleviating poverty. According to Sachs (2005), a 'poverty trap' must first be solved in combating poverty. Although the poor have willingness to overcome their ill-being, they are not able to do it by using their own resources. There

are so many factors that trap the poor until they are in powerless conditions, such as diseases, climate stress, environmental degradation, physical isolation, and also extreme poverty itself. Sachs states:

*“The world’s poor know about the development ladder: they are tantalized by images of affluence from halfway around the world. But they are not able to get a first foothold on the ladder, and so cannot even begin the climb out of poverty”* (Sachs, 2005: 19-20).

Essentially, the poor must be helped to exit from the poverty trap. If it can be reached, there will be an opportunity to get a first foothold on the ladder of development. In helping the poor to climb out of poverty, NGOs use two approaches: supply-side and demand-side (Clark, 1995). In a similar sense, Fowler (1997) identifies two types of NGO tasks: micro-tasks and macro-tasks. From the supply-side or micro-tasks approach, NGOs provide various basic public services to the poor. It is argued that especially in countries where government lack public services, NGOs play a significant role in the direct provision of social and economic services. In general, NGOs emerge and play the roles as service providers.

Unlike the supply-side approach where NGOs directly provide services to the people, the demand-side NGOs play indirect roles. The demand-side role of NGOs can be seen as being an articulator of the people’s ‘voice’. NGOs mobilize and clarify the demand for services, from both the government and the market, so that the people are able to achieve its development goals. In the context of service delivery, generally, NGOs seek to improve the access of the people to the services provided by the state. NGOs also engage in policy advocacy to influence public policies concerning the poor people. In line of this approach, NGOs have developed various strategies to influence the process of public policy making and to control the implementation of development programs or projects. This is also an area into which NGOs have been moving during the 1990s when they revised and re-strategized to move away from direct service delivery and prioritized policy advocacy and lobbying (Hulme, 2001: 136-142).

Clark (1995) identifies some potential NGO contributions by employing the demand-side approach as follows:

*“Such NGOs assist citizens in finding out about activities of the government and others which might affect them; they use advocacy and political influence to hold local officials accountable for activities (or inactivity) which are damaging to the poor; they help communities mobilize and form societies to express their concerns, and help guard against reprisals; they construct fora in which officials can consult people about development plans and listen to alternatives presented by the people; and they help ensure that individuals disadvantaged by government decisions receive just compensation, negotiates with affected parties”* (Clark, 1995: 345).

These two approaches are not mutually exclusive. In the recent trends, NGOs combine the two approaches for increasing their efficacy to reduce poverty. In practice, NGOs can function on both the supply and the demand sides and even forge the linkages between the two sides. The latter is emphasized by Fowler (1997) by arguing that it is necessary for NGOs to make a linkage between micro-tasks consisting of provision of goods, of social and of financial services, capacity building, process facilitation, and fostering linkages, and macro-tasks consisting of policy advocacy, lobbying, public education and mobilization, monitoring compliance, and reconciliation and mediation (Fowler, 1997: 12-16).

# CHAPTER THREE

## METHODOLOGY

### **Introduction**

In this chapter, a detailed report of the research methodology and methods employed in this study is given. More specifically, it encompasses the research design, study populations, sampling, and data collection plan and data analysis. Relevant ethical considerations are also included in the last part of this chapter.

### **Research Design**

Overall, the proposed study took the form of a qualitative research design. The design guides the researcher in planning and implementing the study in such a way so as to achieve the intended goal (Burns and Grove, 2001: 223). Qualitative investigations seek to provide in-depth descriptions or understanding of phenomena. Hancock (1998: 2) further observes that, “understanding of the situation is gained through a holistic perspective and it takes account of constant interaction between points of view and processes and accepts contradictions” in qualitative research.

The above postulations suffice to justify why the current investigation was conducted within the qualitative paradigm. A thorough understanding of the dynamics surrounding implementation modalities and impact of cash transfer programs forms the thrust of this study. The use of a qualitative case study approach in this investigation is likely to produce in-depth and comprehensive information on the effectiveness of the cash transfer program. It allows the researcher to understand people in terms of their own definition of their world (insider-perspective as opposed to an outsider-perspective). It allows the investigation to be conducted in a natural setting where cash transfer programs are being administered to impoverished communities. It also allows the interaction of view points from different stakeholders which in turn are expected to yield a holistic picture of the situation.

## **Target population**

Booyesen (2007:79) defines a study population as a “constructed/defined set of elements identified during conceptualisation.” In this investigation, households contained within Sakubva high density suburb (5 wards) who have benefitted from cash transfer programs implemented in this area formed the core of the study population. Staff members from the local authority, government institutions and departments with links to services related to the cash transfer program will also constitute part of the study population. These staff members are considered key respondents and their views will assist in providing information especially on technical areas about the cash transfer program.

## **Sampling**

Booyesen (2007) describes sampling as the selection of elements to be studied to draw conclusions about the population. Fifty (50) households were selected for the study from a list of one hundred and fifty (150) beneficiaries of the cash transfer programs implemented in Sakubva. Of the fifty, thirty two (32) of them took part in structured interviews while the remaining eighteen (18) participated in two focus groups, each containing nine (9) participants. Thus, the sample represented 33.3% of the population in this regard. Availability sampling was used to identify the fifty (50) respondents into the study.

Availability sampling is a method of choosing subjects who are available or easy to find. This method is also sometimes referred to as haphazard, accidental, or convenience sampling. The primary advantage of the method is that it is very easy to carry out, relative to other methods. A researcher can merely stand out on his/her favorite street corner or in his/her favorite tavern and hand out surveys. There are some advantages to this design. It is easy to do, particularly with a captive audience, and in some communities, a researcher can attain a large number of interviews through this method.

Four Key informants were drawn from the following institutions; two (2) from Mercy Corp, one (1) from Sakubva High School and the last one was a Social Worker at the Department of Social Services. Purposive

sampling technique was used to select these respondents. That is the key informants were identified on the basis of possession of relevant information to the program under study.

### **Data Collection technique and instruments**

Structured and semi structured individual interviews were used to gather data from the respondents using relevant interview guides. Structured interviews were used for household interviews as the data was to be analyzed quantitatively using SPSS. However, for key informants, semi structured interviews were conducted. Each of these instruments will be looked into, citing strengths and weaknesses of each and how each relates to the study.

### **Structured Interviews**

A structured interview (also known as a standardised interview or a researcher-administered survey) is a research method commonly employed in survey research (Patton 2002). The aim of this approach is to ensure that each interview is presented with exactly the same questions in the same order. This ensures that answers can be reliably aggregated and that comparisons can be made with confidence between sample subgroups or between different survey periods (Stebbins 2001).

Structured interviews are a means of collecting data for a statistical survey. In this case, the data is collected by an interviewer rather than through a self-administered questionnaire. Interviewers read the questions exactly as they appear on the survey questionnaire. The choice of answers to the questions is often fixed (close-ended) in advance, though open-ended questions can also be included within a structured interview.

According to Taylor and Bogdan (1998), a structured interview also standardises the order in which questions are asked of survey respondents, so the questions are always answered within the same context. This is important for minimising the impact of context effects, where the answers given to a survey question can depend on the nature of preceding questions. Though context effects can never be avoided, it is often desirable to hold them constant across all respondents (Stebbins 2001).

Patton (2002) argues that structured interviews can also be used as a qualitative methodology. These types of interviews are best suited for engaging in respondent or focus group studies in which it would be beneficial to compare/contrast participant responses in order to answer a research question. For structured qualitative interviews, it is usually necessary for researchers to develop an interview schedule which lists the wording and sequencing of questions. Interview schedules are sometimes considered a means by which researchers can increase the reliability and credibility of research data (Wolcott 2007).

The researcher chose this type of instruments due to its ability to increase the level of reliability of the study. In addition, a structured interview has an advantage in that it controls the flow of the interview as it is difficult to divert due to the nature of the questions which are closed and guided.

### **Key Informant Interviews**

Key informant interviews are qualitative in-depth interviews with people who know what is going on in the community (Maxwel 2001). The purpose of key informant interviews is to collect information from a wide range of people, including community leaders, professionals, or residents, who have first hand knowledge about the community. These community experts, with their particular knowledge and understanding, can provide insight on the nature of problems and give recommendations for solutions.

### **Focus Group Discussion**

Patton (2002) argues that focus group discussion is a qualitative research in which a group of people are asked about their perceptions, opinions, beliefs and attitudes towards a product, service, concept, advertisement, idea, or packaging. Questions are asked in an interactive group setting where participants are free to talk with other group members.

## **Pilot Study**

A pilot study was conducted to see whether the instruments were capturing the requirements of the study. In addition, it was conducted to make sure the language and word choice used in the instruments was clear to participants. A counselor was strategically chosen to answer the questions meant for key informants. Three household heads took part in structured interviews while 5 participants participated in the FGD. The structured interview pilot study participants as well as those for FGD were beneficiaries of the cash transfer programme. The researcher was careful not to include those who had participated in the pilot study in the full study. Minor adjustments were made on all the 3 instruments.

## **Data Collection Procedure**

The researcher obtained written clearance from the District Administrator authorizing them to conduct the study. The Director of Health Services for Mutare town and Department of Social Services were also informed about the study. The Key Informants were mobilized for interviews during the pretesting process of the data collection tool.

The researcher first conducted focus group discussion. During these discussions some issues were raised which the researcher had not thought about and these were incorporated into the key informant interviews as well as structured interviews. FGDs were then followed by key informant interviews, new themes were also incorporated into the structured interviews which were the last to be conducted.

In each case, participants were asked to fill in a consent form after all the explanations concerning the study were clearly stated. After each session, participants were thanked for taking their time to take part in the study.

## **Data Presentation and Analysis Procedures**

The data collected was coded, entered and analyzed using the Statistical Package for Social Sciences 12 (SPSS 12). Open-ended responses were grouped and coded. Content analysis was applied to qualitative data collected from Key informants and Focus Group Discussions.

## **Ethical considerations**

Researcher observed ethical considerations such as informed consent to talk and interview respondents. A consent form was signed by every respondent before assuming every interview as a way of ensuring written consent. Study participants were only interviewed after fully consenting for interview and the purpose of the study was fully articulated emphasizing the issue of no accrued benefits from participating in the study. Researcher also emphasized on the issue of confidentiality by explaining that data collected would be used solely for purposes of the study and policy and program evaluation. Anonymity of respondents was also ensured by not asking for the real names of participants but rather use questionnaire identity numbers for identification. Researcher was also alert that no confusion or conflict was created in the community during the study and after the study's completion by addressing all potential triggers that could cause despondency. The researcher ensured neutrality by avoiding a judgmental approach during the interviews. Thus, the researcher respected the opinions of the respondents without deliberately seeking to influence them.

# CHAPTER FOUR

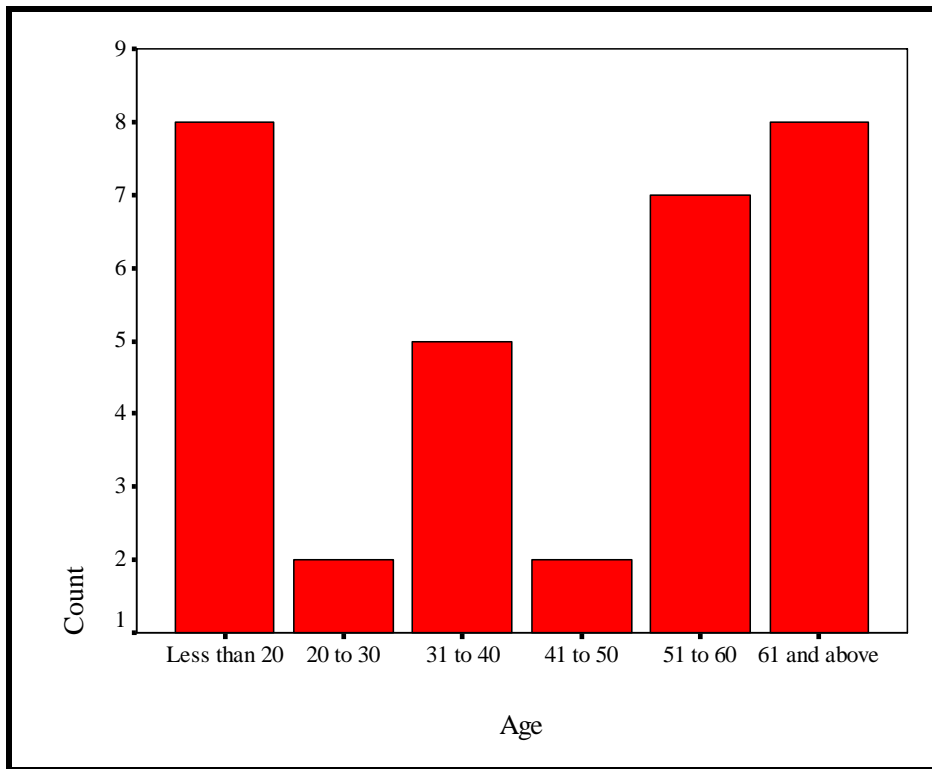
## RESEARCH FINDINGS AND DISCUSSION

### **Introduction**

Chapter four of this dissertation focuses on presenting findings on the evaluation of cash transfer programmes which is being administered by Mercy-Coop. Presentation of findings will be done concurrently with the discussion. In discussing findings, emphasis is on bringing on board possible reasons and explanations for the emerging trends in line with the objectives of the study. The Chapter will begin by describing the biographical characteristics of the sample and will go on to present and discuss the themes that emerged from the focus group discussions, key informants as well as those who participated in structured interviews. The outcome of the study of the study will also be looked in background of the existing literature. The Chapter will be closed by a conclusion.

### **Demographic Characteristics of Participants**

The study was composed of 32 participants who took part in the structured interviews. Of these participants, 34.4% were males whilst the remaining 65.5% was made of females. Of the participants who were interviewed, 25% represented household heads who were less than 18 years, 6.3% represented the 18 to 30 age range. The 31 to 40 years and 41 to 50 years age groups were represented by 15.6% and 6.3% respectively. Those whose ages fell between 51 and 60 constituted 21.9% percent while 25% was made of interview participants whose ages were beyond 61years. Figure 1 below diagrammatically represents the age ranges of participants and their corresponding percentages.



**Fig 3: Structured Interview Participants Age Groups**

Concerning marital status, results have it that 15.6% of the participants who participated in the structured interviews were married while 21.9% reported that they were either divorced or were on separation. Thirty seven point five percent and 25% were widowed and not married respectively.

Data from the study indicates that of all the participants who took in the structured interviews, 46.9 % of them were elderly people while 18.8% were child headed households. Data also reveals that 9.4% were chronically ill and the remaining 18.8 represented household heads who were not married. The remaining 6.3% had no specific vulnerability characteristic. Table 1 below clearly indicates the vulnerability characteristics of the participants.

Forty six point nine percent of the structured interview indicated that they owned their houses while 43.8% were tenants. The remaining 9.4% lived at a family house.

	Frequency	Percent	Valid Percent	Cumulative Percent
<b>Elderly Headed</b>	15	46.9	46.9	46.9
<b>Child Headed</b>	6	18.8	18.8	65.6
<b>Chronically ill</b>	3	9.4	9.4	75.0
<b>Disabled Headed</b>	6	18.8	18.8	93.8
<b>Non</b>	2	6.3	6.3	100.0
<b>Total</b>	<b>32</b>	<b>100.0</b>	<b>100.0</b>	

**Table 1: Vulnerability Characteristics**

Eighteen participants took part in the focus group discussions. 67% of these were females while 33.3% were males. Key informants were composed of 4 participants, of which 50% were males while the other 50% were females.

### **Existing Social Safety Nets**

Results show that 90.6% of the participants who participated in the structured interviews indicated that they were or have once been assisted by some other organizations providing some other non cash assistance. It also emerged from the focus group discussions that there are a number of international and local organizations plying their trade in Sakubva, Mutare with the aim of helping in the fight against poverty. It is possible to

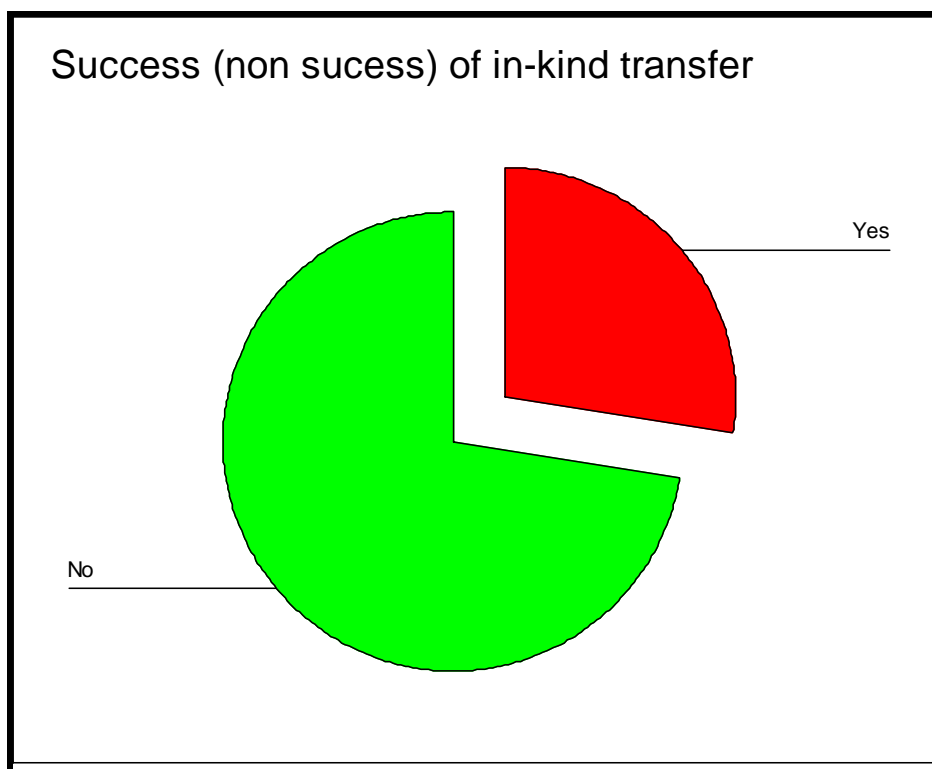
argue that although NGOs are offering a good service to the poor members of the society, they also scramble to help the poor in order to defend their funding from mother countries and mother partners. It is highly likely due to the number of Non Governmental Organizations which trade in Zimbabwe and coming to the rescue of people in need, there is bound to be more organizations and individuals showing interest in helping the poor. However, it is also possible to argue that these organizations are acting out of the true desire to help communities pull out of poverty. Participants from the FGDs highlighted the fact that most of the non cash assistance came in the form of food rations, hygiene kits, school uniforms for children as well as school fees paid directly to the respective schools. The sustainable livelihood model argues that such kind of help is slowly but surely dying and being replaced by direct cash kind of assistance. The existence of in kind assistance could have been necessitated by the economic collapse which Zimbabwe witnessed a couple of years ago (Fizbein and Shaby 2009). In addition, in cash assistance are bound to be difficult to implement in a hyper-inflationary environment, a situation which Zimbabwe was in a couple years ago.

This meant that even if the organizations were to offer cash to alleviate poverty, still it could have been useless since there was virtually nothing to buy as the goods had disappeared from the shops' shelves. It could also have been difficult to give beneficiaries foreign currency (which was more stable) as it was not yet a legal tender. Under such an environment, it was more logical to provide assistance in the form of non cash items.

Key informants noted that up to date, some international and national NGOs were still mainly involved in in-kind assistance. They indicated that cash transfer as a service was still new and have not yet been adopted by many due to the socio-economic conditions that prevailed in the country a couple of years ago. In relation to the NGO theory, it has been argued that in kind transfer does not achieve social and economic emancipation, rather, it fosters dependency which may last forever. It has also been noted that in kind transfer usually helps in passing on poverty from one generation to the other.

In relation to the above issues, it emerged from the results that beneficiaries of most of the non cash assistance did not see much value on this kind of assistance. Respondents who participated in the standardized interviews revealed that although they have been receiving (or once received) some in kind transfers from

some other organizations, these have not been very instrumental in alleviating their poverty. Figure 2 below clearly depicts the distribution of participants who affirmed that in kind transfers were of benefit to them and those who disconfirmed the notion.



**Figure 4: Success (non success) of in-kind success**

Similar sentiments were shared by some people who took part in focus group discussions. A theme emerged from the FGDs that indicated that most of the in kind transfers were not very effective in the long run as they concentrate mostly on consumption, not empowerment. This notion is supported by Cohen, Mark and Dora Weissman (2007) who notes that in kind transfers serves a function of immediate relief but does not promote social and economic emancipation of beneficiaries. This does not go along well with the NGO theory which states that NGO interventions should eventually lead to a better future life and independence. According to De Janvry and Sadoulet. (2006), in kind transfer provides a limitation to beneficiaries in as far as usage is concerned. If a household receives a bag of maize, there is no other possible use serve for eating. The

Sustainable Livelihoods Model also argues that in most cases, the traditional way of assisting is through meeting the basics of life, thus being in line with the Hierarchy of needs by Maslow.

Seventy five percent of the key informants concurred with the one of the themes that came out from FGD participants as well as the majority of those who took part in the structured interviews. They argued that one reason why in kind is failing to make meaningful contribution (serve for the immediate relief) is its lack of flexibility in the use of the acquired products. Key informants further highlighted that in kind transfers have high publicity, making the beneficiaries publicly known by the society that they are receiving some relief material, a situation which leads stigmatization. This argument goes hand in hand with the argument by Schady and Araujo (2006) who argue that assistance by NGOs can lead to some beneficiaries being labeled, thus reducing its intended impact.

Results however shows that a theme also emerged from the FGDs arguing that in kind transfers were beneficial. Similar sentiments were also shared by 25% of the participants who took part in the standardized interviews as well as 25% of the key informants. The key informant highlighted that even if the beneficiaries are to get cash, if they lack basics, they will simply use the money on those basics. This relates well with the hierarchy of needs which spells out that an individual needs to solve the lower needs before making efforts to resolve higher order needs. In as far as the rest of the participants were concerned, probably, this resulted from the position they were at in as far as the Hierarchy of Needs is concerned. In addition, some individuals could be benefiting from a number of NGOs, making the in kind transfer worthwhile for they will know that whatever money they get, they use it on some other issues, not those which would have been covered by the in kind transfer. It is also possible that some recipients can exchange the products they get for some other products that they would not be having or worse still sell, get some money which they can use to buy products they would be lacking in. Some key informants could have adopted this stance probably due to the fact that they could have been in one way or the other attached to organizations which administers in kind transfers.

It is evidenced from the results that the majority of respondents indicated that the government was not heavily involved in relief services. However, a theme came out from the FDGs which gave credit to the government for running the Basic Education Assistance Module (BEAM). Similar sentiments were also echoed by all the

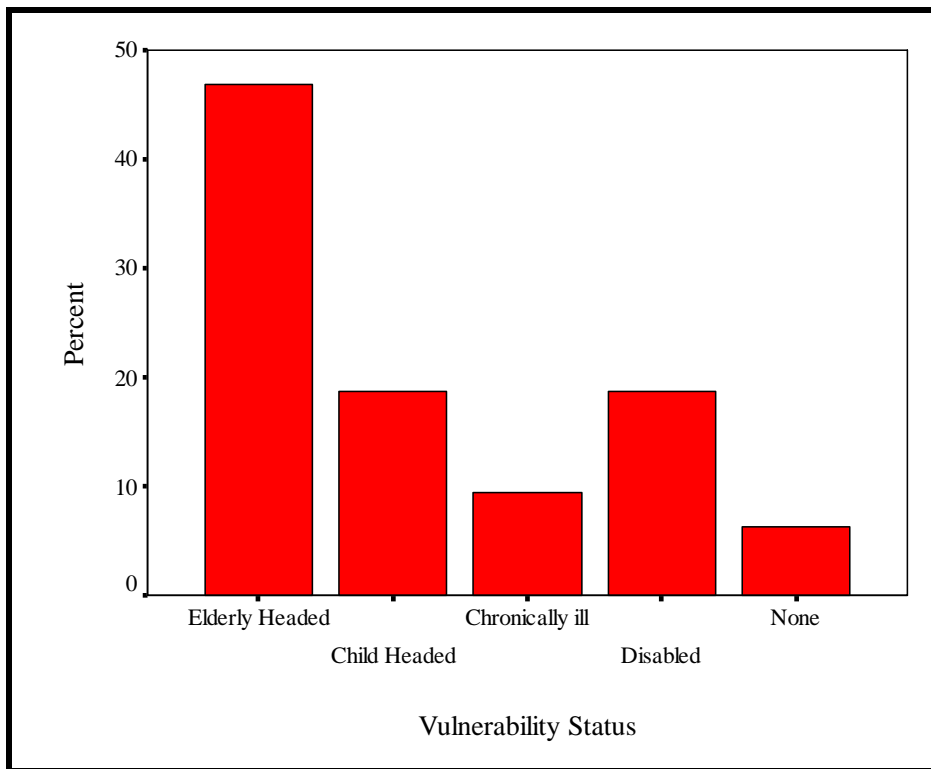
key informants. Though reported to be minimal, the government's contribution to the welfare of citizens and the fight against poverty in support of efforts made by NGOs has been considered a very positive step in strengthening NGOs commitment to relief work (Cohen and Weissman 2007). The effort exhibited by the state in trying to reduce poverty has been hailed by many participants and reported it as a success for it manages empower children who could have otherwise failed to attend school.

### **Modalities in the Implementation of Cash Transfers**

All the key informants indicated that cash transfers emanated from the shortfalls of in kind transfers which include stigmatization as well as the requirement for higher levels of labour force due to large quantities which are handled when administering in kind transfers. A similar issue was also raised by FGD participants who indicated that cash transfers came in order to address challenges which were brought by in kind transfers, in particular, publicity of one's status was thought to be solved by cash transfers. The NGO theory notes that cash transfers are becoming popular as a new way of offering assistance. However, Fizbein, Ariel and Norbert Shaby (2009) note that this method, popular as it may seem has not been proved to be more effective than its predecessor methods.

On the selection criteria of beneficiaries, key informants argued that the process was done in a systematic manner. It came out that the selection process of who to target was done by the organization in consultation with the community's strategic people who include headmasters, councilors, health workers and social workers from the government's Department of Social Services. The community leaders are the ones who live with these people so they are the ones who are strategically positioned to know who needs help and who does not. In addition, an NGO is bound to succeed in its operations if it recognizes the politics of the area in which it intends to operate in. In this case, the organization gets blessings from almost all possible gate keepers, most importantly, national and local government authorities. The community will feel in dual ownership of the program together with the organization. Focus is on the most vulnerable households in the community which the organization with the help of strategic personnel in the community target.

Result from the vulnerability status of participants who responded to the structured interviews clearly indicates that the targeting methods were effective in attracting those household who were most likely to be affected by poverty. These were households which were either headed by one who was chronically ill, disabled, still a child (under 18) or an elderly person. Figure 3 below shows the vulnerability statuses of participants who participated in the structured interviews.



**Figure 5: Vulnerability Status**

It is clear that all possible categories of possible beneficiaries were represented. However, as put across by Levy et al (2004) in efforts to target, errors of inclusion and exclusion can occur. In this case, 6.3% of the participants who responded to a structured interview did not belong to any of the categories mentioned. There is a high probability that these beneficiaries could have been slotted in without meeting the basic requirements to qualify to be a beneficiary. Wilding and Ayalew (2001) note that although the introduction of cash transfers has reduced the elements of corruption, still the incidence of corruption are still found in one way or the other.

It also emerged from the FGDs that beneficiaries of such a programme were selected on the basis that they were not in a position to fully fend for themselves either due to age, physical state or health status. Some admitted that before the programme kicked off, some people from the organization came and interviewed them concerning their status.

Concerning the expected benefits and gains to be realized from the programme, it emerged that beneficiaries were expected to improve their economic and social positions in the short run and eventually, independence. In addition, cash transfers were expected to add value to the food basket of a household. Fifty three point one percent of the participants who participated in the structured interview indicated that they were using the cash transfer mainly to buy food. The remainder indicated that they used the money to pay school fees for their children. In this respect the study's outcome has gone hand in hand with some parts of the theoretical framework whereby cash transfers were expected to have an impact on the economic well being of the beneficiaries. Investment in human capital through the payment of school fees is also alluded to by the sustainable livelihoods model when it highlights the importance of investing in the future. Table 2 below clearly indicates how households generally use the cash transfer they receive.

Type of Expense	Frequency	Percent	Cumulative Percent
Food	17	53.1	53.1
Education	15	46.9	100.0
Total	32	100.0	

**Table 2: Participants' Major Use of Cash Transfer**

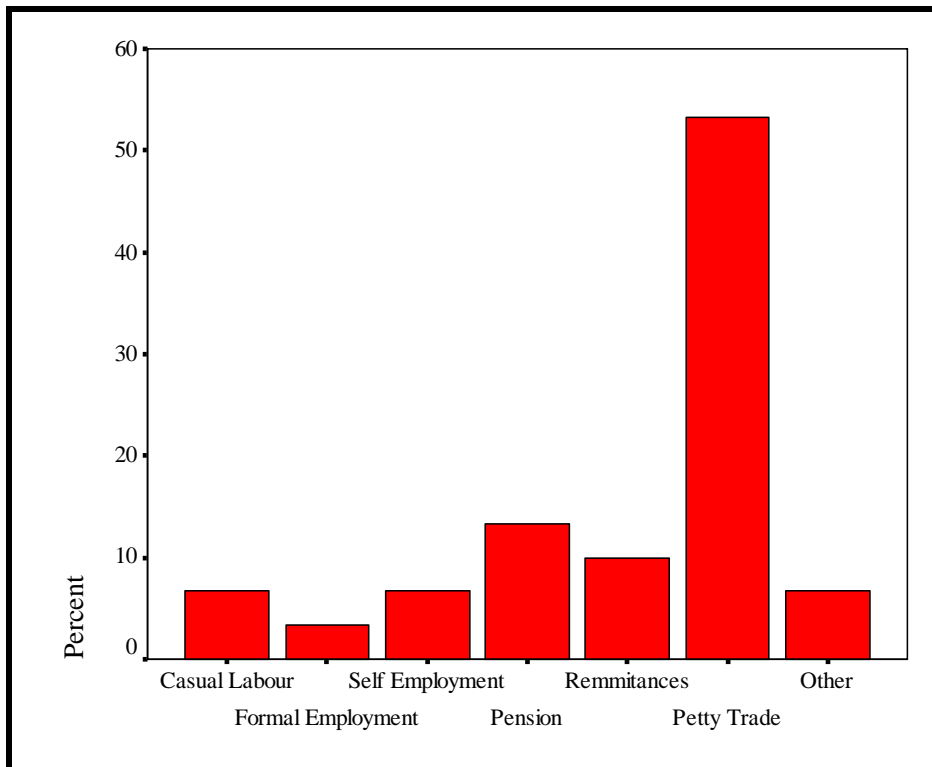
The food element was also raised as a theme by FGD participants who argued that the money went a long way in helping them meet their basic food requirements. The same sentiments were also echoed by key informants who indicated that most households were in dire need of basic food stuff which will mean when they get their cash, they would rather opt to buy their food.

According to Maslow, an individual should consider satisfying immediate basic needs before considering higher needs, this in this case; the theory is conformed as most of the beneficiaries of the cash transfer programme opt to use the money on food.

It is therefore possible to argue that the programme is effective to a greater extent in as far as the organization's expectation is concerned. The organization expects the money to strengthen the households' food basket. It is however important to note that some FGD participants argued that although they were grateful, they lamented the inadequacy of the money to meet most of their food requirements considering the sizes of some of the households. They suggested that the money should tally with the size of the household.

Results indicate that a significant portion of the participants were using the money to contribute to the school fees of the children, brothers, sisters and/or grandchildren. To a greater extent, this can be taken as investment, although it is not an immediate investment. However, the organization was mainly focusing on a benefit in the form of something which had a capacity to generate more money not investment in human capital. It is important to note that from a developmental point of view, investing in education is considered more rewarding and protects future generations from poverty. According to Schady and Araujo. (2006) educational investment has been argued to be responsible for breaking poverty inheritance, a situation whereby poverty is passed on from one generation to the other. The importance of educational investment is also part of the theoretical framework and is an expected outcome of cash transfer programmes.

On the issue of extra sources of income, a significant portion of the participants highlighted that they were involved in some income generating projects as indicated below in Figure 4.



**Figure 6: Income Generating Projects**

The study revealed that most participants were involved in petty trade whereby they are involved in buying and selling small household items such as bread, vegetables and sweets. This is highly likely due to the fact that such entrepreneurship levels require less capital to embark on. Focus group discussion participants also indicated that they were involved in petty trade as this was easy to conduct. Key informants went along with the other participants when they indicated that depending with the household size and available labour, some families supplemented their incomes by buying and selling small household products.

It is however difficult to evaluate the programme of cash transfer from this angle for it is not clear whether the beneficiaries were using the cash transfer proceeds to inject into their petty trade endeavors or not.

All the participants, be it from FGDs, structured interview or key informants concurred that each household was getting \$20 per month and the money was being deposited in a local bank. The organization assisted the beneficiaries to open accounts with a particular bank after it had signed a memorandum of understanding with the financial institution.

Key informants from the organization indicated that although the programme was contributing to the economic and social well being of many people, it emerged that there are some beneficiaries whose lives has changed for the better but still wants to benefit from the programme, making it more difficult to take others who are in dire need of help on board. In addition, some key informants highlighted that there are some community leaders who try to dictate who should benefit and who should not, making it difficult for the organization to fully operate independently, without uninvited external influence.

### **Impact of Cash Transfers on Livelihoods**

Results indicate that most respondents revealed that they were having some other income generating projects and were investing their money in one way or the other so that they would increase their level of independence and strengthen their livelihoods. Both the NGO theory as well as the Sustainable Livelihoods Approach argue that assistance aimed at poverty reduction should in the long run address the issue of sustainability. Kathy Lindert (2005) also adds to this notion by noting that eradication of poverty through independence should be the ultimate goal of any kind of transfer, be it in kind or cash. Some of the participants who took part in focus group discussion argued that they started engaging in some form of petty trade after they had started receiving some cash transfers, meaning that had it not been for this service, it could have been very difficult for them to shape their livelihoods. It has been noted that some participants indicated that they were involved in credit groups, an issue which has turned to be one of their livelihoods. One of the FGD participant had to say *“tinotopona nekutamba marounds tichishandisa mari yatinenenge tapihwa”*, translated to *“we use the cash we receive in credit groups which has turned to be our source of income”*.

It is clear that cash transfers are contributing in the establishment and maintenance of livelihoods by the beneficiaries. However, the exact level of contribution remains a myth due to the fact that most beneficiaries receive some other extra forms of assistance, formally and/or informally.

It emerged from the study that most of the participants indicated that the amount they were getting was not enough to address both consumption and investment. They argued that it would be more beneficial if the amounts are increased. Some indicated that the organization should consider setting up a revolving fund

whereby it lends beneficiaries some meaningful amounts which they would use to invest and then give back after a certain amount of time. Some advocated for the funding of groups of individuals who would have come together to form some corporatizes.

Key informants also noted that the amount was not enough for a meaningful contribution to livelihood and consumption. However, they lamented inadequate funding which also limits their efforts to reach more people providing more funds per beneficiary. As highlighted by the sustainable livelihood model, some key informants argued that reduction of poverty is a complex phenomenon which requires multi-players which include the government and the private sector. They noted that each of these should be committed and meaningfully contribute to the eradication of poverty through initiating projects linked to sustainable development and reduction of poverty.

### **Social and Economic Effects of Cash Transfers**

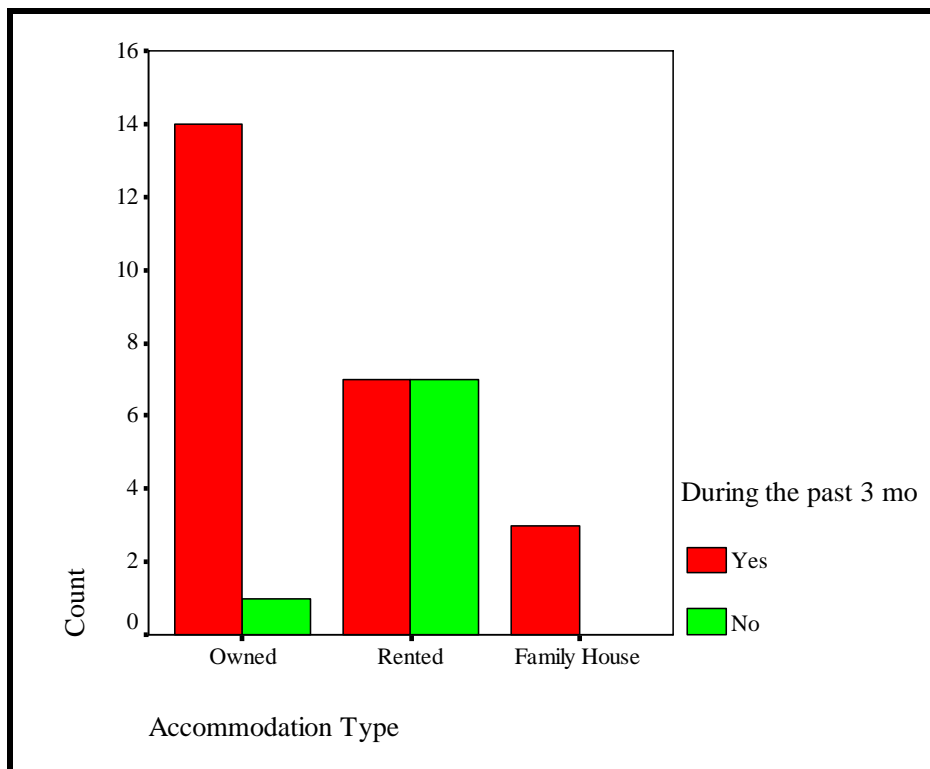
As already mentioned, cash transfer increased the food security of households due to an increased ability to purchase more. Levy et al (2004) have it that a programme meant to alleviate poverty should address the households' economic well being.

Data has it that most of the participants were in a position to spend some money on their household members who fell sick 6 months prior to the study. Focus group discussion participants brought the issue arguing that due to an increased cash at their disposal, they were in a better position to cater for some medical expenses of their household members who were not feeling well or who were chronically ill. One of the respondents had to say "*kana vana vakarwara, tave kutoendawo navo kuchipatara nekutenga mishonga pasina dambudziko*" translated to "when a child becomes sick, we can now comfortably seek medical attention by going to the hospital and buying medications". Table 3 below highlights the number of households who indicated that they had a household member who got sick and those had non. Most of those who had a sick household member revealed that they were in a position to spend on medical care.

<b>Did your household had any member who got sick in the past 6 months?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	25	78.1
No	7	21.9
Total	32	100.0

**Table 3: A household having a sick person in the past 6 months**

It is however important to note that a significant portion of the participants had either their water or power supply disconnected in the past 3 months due to the inability to pay. This indicates that although the economic status of beneficiaries has improved, they still have a long way to go since the majority of them are still facing difficulties in meeting their bills. Figure 5 below clearly depicts that some households, especially those who owned their own houses had their power disconnected due to non payment of their bills.



**Figure 7: Accommodation Type in Relation to Power Cuts**

Respondents who took part in the FGDs indicated that the cash transfers had an impact on their lives as they were now earning some respect in the community due to an enhanced economic life. They argued that they had earned some titles in the community which related to their poverty stricken states. One female participant had to say *“tave kuonekwawo sevanhu nokuti tave kutengawo panotengawo vamwe”* translated to *“we are now considered as human beings because we can now buy products when others are buying”*. Another theme which emerged from the FGDs was the aspect of reduced stigmatization which was rampant in in-kind transfers. Beneficiaries had to wait in queues to collect some products such as cooking oil and mealie-meal, but the introduction of cash transfers have minimized their exposure to the society in as far as their assistance is concerned.

It is however important to note that a theme also emerged from the FDGs whereby they argued that the cash transfer programme is negatively affecting their marriages in the sense that couples argue in as far as the best way to use the money is concerned. Men were allegedly accused of making all the decisions without

consulting their spouses. Some females who participated in the FDG indicated that the effectiveness of the programme was compromised by male dominance, who at times use some of the money for buying irrelevant products such as beer and tobacco which cannot be consumed by all the members of the household and which does not add value either to the food basket or to investment. Cohen, Mark and Dora Weissman (2007) supports the outcome in as far as male dominance is concerned when he alluded to the fact that discord in families and marriages usually rise when it comes to the best use of cash transfer money.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **Introduction**

Chapter 5 is the last Chapter of this study and dwells on summary, conclusion and recommendations. Summary involves an outline of the whole study. Conclusion focuses on the aim and objectives of the study and reviewing to what extent these would were met. The Chapter ends with recommendations both to relevant stakeholders in the field of relief services as well as to academics for further studies.

#### **Summary of the Study**

The aim of the study was to evaluate the effectiveness of cash transfers which are provided to people in Sakubva, Mutare by Mercy Coop as an organization. The research came against the background that there is a general call for relief service providers and NGOs fighting for the reduction of poverty to consider cash transfers and minimize in-kind transfer. Cash transfers are being adopted by many relief organizations yet less has been done on the effectiveness of this method in as far as reducing poverty and maintaining sustainable livelihoods is concerned.

The study was premised on a conceptual framework which in argues that cash transfers are capable of eliminating discrimination, increased protection of assets and encourage investment among other issues. The main thrust of this framework was to indicate possible effects of cash transfers both to the individual and the economy as a whole.

Three theories were used in the study's theoretical framework. The three were the NGO theory, the hierarchy of needs and the sustainable livelihoods model. The NGO theory and the sustainable livelihoods models emphasize that poverty reduction programmes should go beyond mere consumptions, but address the elements of livelihoods and establish independence of the once vulnerable members of the community. The

Maslow's Hierarchy of Needs argues that an individual moves along a set of needs. One cannot desire to move up the hierarchy unless they would have met the current and basic needs.

Existing literature indicates that the effectiveness of cash transfers does not only depend on how the money is used but also encompasses the modalities of the process on the side of the implementers. Modalities include but are not limited to targeting, amount of money and how it is disbursed. These have a bearing on the overall effectiveness of the program. Literature also highlights that the probability of investing using cash transfer amounts is determined by households' currently prevailing position in as far as basic needs are concerned. If a household is managing to meet most of its basic needs, it stands better chances of investing the money either in income generating projects or in education as human capital investment. Though cash transfers look lucrative, it is understood that it has an ability to cause mayhem in a community, all members of a community may claim to be in need. Literature has it that some communities have resisted assistance arguing that it divided them

The study used 54 participants. 32 took part in the structured interviews, 18 took part in 2 focus group discussions and the remaining 4 participated as key informants. Convenience sampling was used to sample the first 2 categories of respondents while purposive sampling was employed to sample key informant participants. A structured interview was used in collecting data from the 32 participants while interview schedules were used in collecting data from focus group discussions and from key informants. Data from structured interview was analyzed using the Statistical Package for Social Sciences (SPSS) while focus group discussion and key informant interviews used thematic analysis

Results have shown that measures have been put in place to make sure the correct individuals benefit from the programme right from the onset. It emerged out that targeting was conducted with the help of community leaders such as counselors, personnel in the educational sector among others. The likelihood of the programme targeting the desired beneficiaries increases as more people are taken on board to determine who should be in and who should be out. This is unlike a situation whereby an individual selects potential beneficiaries.

Data which was collected has revealed that cash transfers have contributed to the establishment and maintenance of livelihoods among beneficiaries. Participation in education has also increased due to the availability of cash. Some beneficiaries have indicated that they were in a position to meet medical expenses of their household members who would have fallen ill.

It has however emerged that cash transfers have brought some challenges, especially among married couples as they would not agree on one best way to use the money. Some have argued that they were frequently involved in conflicts every time they receive their monthly allowances. Some have argued that males were in a tendency to dictate how the money should be used and no consultations were made with other stakeholders such as children and wives.

## **Conclusion**

The study aimed to investigate the effectiveness of cash transfers which are administered by Mercy Corps. the study has shown that the programmes is beneficial to a greater extent in as far as social and economic development is concerned.

The effectiveness of the programme can be traced from the way beneficiaries are selected into the programme. Beneficiaries are selected consultatively. Community leaders are involved in the vetting and identification process, this increasing the chances of targeting the correct households and minimizing chances of corruption. Transparency is enhanced when a number of individuals are involved in the process. The cash is deposited into a bank which is convenient way of sending and receiving money in this day and age.

The programme has helped beneficiaries embark on income generating activities as well as maintaining these projects. Respondents have argued that cash transfers have allowed them to access some economic benefits they have not been enjoying before they enrolled into the programme.

It also emerged from the study that beneficiaries of the programme have benefited socially in the sense that they are now more accepted as equal social partners, unlike before where they would be labelled as social

outcasts due to poverty. It was shown that the ability to meet life's basic requirements has enabled them to be viewed from a different perspective by the society unlike before.

## **Recommendations**

### **Recommendations for Stakeholders**

The study has revealed that although the cash transfer programme has managed to transform the social and economic life of beneficiaries. More needs to be done to make sure more is achieved.

There is need for the government as well as the private sector to increase its commitment to the noble cause of poverty alleviation in communities. More will be achieved if the fight against poverty is to be tackled from a variety of angles. Poverty should be viewed as a social problem and a threat to the country, thus attracting more players to it. The amount issued is inadequate and needs to be supplemented by other organizations' input as well.

It is also recommended that cash transfers be augmented with in kind transfers. This will allow in kind transfers to be used mainly for consumption while cash transfers will be used to enhance development in the form of human capital investment as well as economic investment.

### **Recommendations for Further Studies**

Further studies in the field of cash transfer evaluation will benefit much if all other things are held constant or at least matched. In the current study, the outcome could have been compromised by the fact that different households had different sources of income and some other sources of assistance besides the cash transfer proceeds. Some elderly people could have been receiving some assistance from their children or some other social gatherings such as the church. Under such a scenario, it would be difficult to compare the impact of cash transfers since the overall incomes would be different.

Future studies would also benefit more if they are to conduct a comparison study between in kind and in cash transfers in as far as levels of beneficiary satisfaction is concerned. The study will also look into which of the two is cheap on the part of the organization as well as the one which is meets the organization's objectives to offer assistance.

It would also be interesting to consider other members of the household in the sample to verify claims by the household heads on the use and benefits of the money they receive from cash transfers. A study which includes such people as children and spouses will add a lot of value to the body of knowledge in as far as cash transfers are concerned.

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## **Appendix; 3**

### **Cash Transfer Consent Form**

Introduction : (Enumerator introduces self) Hello, my name is Chido Rosemary Mutambara and I'm studying for a Master of Social Work Degree at the School of Social Work, University of Zimbabwe. I am conducting a study whose purpose is to investigate The Social and Economic benefits of Cash Transfer Programmes in Zimbabwe. Information collected here will be confidential and used only for academic purposes. I am the enumerator and this discussion will last not more than 1 hour. The information will only be used for academic purposes.

Your decision whether to participate or not will not prejudice your future relation with the researcher or the institution to which the researcher is affiliated. If you have any questions, please feel free to seek clarification. It is your right to choose not to respond to questions that you view as being too intrusive.

YOU ARE MAKING A DECISION WHETHER OR NOT TO PARTICIPATE .YOUR SIGNATURE INDICATES THAT YOU HAVE DECIDED TO PARTICIPATE AFTER HAVING READ THE INFORMATION PROVIDED ABOVE.

Signature:

Date:

**Appendix; 4**

<b>Questionnaire Number:</b>
------------------------------

**A. HOUSEHOLD PROFILE**

**B1 Household Head**

Age	Sex		Marital status **	Household size		Vulnerability Characteristics
	M	F		M	F	

\*\* Codes for marital status: (1) Married (2) Divorced/separated (3) widow/er (4) Unmarried

\*\* Codes for vulnerability status: (1)Elderly headed (2)Child Headed (3)Chronically ill (4)Disabled (5)None

\*\* Codes for age  
 1= 20-30 years  
 2= 31-40 years  
 3=41-50 years  
 4=51-60 years  
 5= 61+

B1. What type of accommodation is your household staying in?

1=owned      2=rented      3=company/government      4=relative house      5=family house

B 1.1 How many children of school going age are in school? -----

B 1.1.1 If children are not in school, why? (multiple responses) circle appropriate codes

<b>1. illness</b>	<b>9. expensive/ no money</b>
<b>2. work for food or money</b>	<b>10. child considered too young</b>
<b>3. help with household work</b>	<b>11. pregnancy/ marriage</b>
<b>4. care for ill household member</b>	<b>12. expelled from school</b>
<b>5. care for younger sibling</b>	<b>13. failure eg of exams</b>
<b>6. not interested in school/lazy</b>	<b>14. other (specify)</b>

<b>7. distance to school far</b>	<b>15. N/A</b>
<b>8. Hunger</b>	

B 1.1.2 How many children of school going age are currently not in school? *If no skip to B 1.1.4.....*

B 1.1.3 If any children were not in school, specify reason why? *(multiple responses) circle appropriate codes*

<b>1. illness</b>	<b>9. expensive/ no money</b>
<b>2. work for food or money</b>	<b>10. child considered too young</b>
<b>3. help with household work</b>	<b>11. pregnancy/ marriage</b>
<b>4. care for ill household member</b>	<b>12. expelled from school</b>
<b>5. care for younger sibling</b>	<b>13. failure eg of exams</b>
<b>6. not interested in school/lazy</b>	<b>14. other (specify)</b>
<b>7. distance to school far</b>	<b>15. N/A</b>
<b>8. Hunger</b>	

B 1.1.4 Is your household benefitting from a cash transfer programme (*circle appropriate response*)      **Yes (1)**      **No (2)**

B 1.1.6 How much are you receiving? (specify currency \$US). .....

B 1.1.7 How often do you receive this money? (*Specify frequency eg weekly or monthly*).....

**B3. Mode of cash delivery (*put X in appropriate box*)**

(1)Bank		(2)Direct Cash		(3)Shop Card( <i>e.g OK Easy shop card</i> )		(4)Other ( <i>Specify</i> )	
---------	--	----------------	--	----------------------------------------------	--	-----------------------------	--

**C.EXPENDITURE AND UTILISATION**

Expenditure of amount received from cash transfers only (*reference period 3 MONTHS*)

**C1.** How did you use the cash you received ? (circle all that apply)

- |                                      |                         |                        |                        |
|--------------------------------------|-------------------------|------------------------|------------------------|
| 1. Food                              | 3.Non food items        | 5.Education            | 7.Health               |
| 2. Rentals, Rates ,Electricity Bills | 4.Community Obligations | 6.Investment IGA/ISALs | 8.Other (Specify)..... |

**C2.)Specification of goods purchased using cash transfer money,amount used and source of commodity .**

	Item/Commodity	Amount (\$US/ZAR)	Source of commodity
1			
2			
3			
4			



3				
---	--	--	--	--

C3.1 Do you have other sources of income in your household? (*circle appropriate response*)

**Yes**

**No**

C3.2 If yes what are your other sources of income in the household? (Reference period past 3 months) *Indicate in the table below*

	Sources of income	Amount (US/ZAR)
1		
2		
3		
	<b>Total per month</b>	

**Source of income key**

1)Casual Labour

2)Formal Employment

3)Self Employment(*subletting , carpentry, electrical repairs, cross border trading* )

4)Pension

5)Remittances

6)Petty trade (*Freezit selling ,hawking ,juice card etc*)

7)Other (*Please specify* )



F 1.1 Is your household benefitting (or has it once benefited) from any other programme besides cash transfers?

F 1.2 The program is (was) successful Yes No

F1.3 If yes, the programme succeeded because of: (1) High monetary value of service (2) Implementation of the programme

F1.4 If, no, the program failed to benefit me due to (1) Low monetary value of service (2) Poor implementation of the programme

F1.3

Organization.....  
.....

F 1.4 Specify Benefits 1.....

2.....

3.....

4.....

## G. OTHER CHALLENGES

G 1.1 During the past 3 months did your household experience a water supply cut due to non payment of water or rate bills?

1= yes

2=no

99= na

G 1.2 During the past 3 months did your household experience electricity cut due to non payment of electricity bill?

1= yes

2=no

99= na

G 1.3 Have you been evicted due to non payment of rent/ bills during the last 6 months?

1= yes

2=no

99= na

H 1.1 What recommendations can you make to make the Cash Transfer responsive to your needs?

**Thank you for your time.**

## **Annex: 1**

### **Interview Schedule for Key Informants:**

**Date of Interview:**

**Time of Interview:**

*Questions (please note this is only a guide to the discussion follow up questions to participant responses should be incorporated during the discussion)*

#### **Social Safety Nets Measures**

1. Besides cash transfer, what was/is in place to alleviate poverty in Sakubva suburb from the Government?
2. What provisions are/were being offered by NGOs to reduce poverty in Sakubva before the introduction of cash transfers?
3. What challenges were associated with the above mentioned provisions as methods of alleviating poverty in Sakubva?

#### **Cash Transfer Modalities**

1. What is the background of Cash Transfers in your programming?
2. What is the selection criteria for beneficiaries receiving Cash Transfers?
3. What benefits /gains do you expect to be realized by the beneficiaries of the cash transfer programs?
4. What is the mode of transfer for this Cash Transfer?
5. How much do you give each family?
6. What challenges have you noted in implementing this Cash Transfer Programme?

#### **Cash Transfers and Sustainability of Livelihoods**

1. How has cash transfers programs affected the livelihoods of beneficiaries?
2. How are cash transfers helping in maintaining the established livelihoods of beneficiaries?
3. What can be done in order to maintain the livelihood?

### **Cash Transfers and Related Economic and Social Benefits**

1. What economic benefits have been acquired by the beneficiaries of the cash transfer programs?
2. What social benefits have been realized by the beneficiaries of the cash transfer programs?
3. How do you measure the impact of the Cash Transfer Programme?
4. What are your recommendations for making the programme more responsive to the needs of the poor?

## Annex: 2

### Focus Group Discussion Guide:

#### Introduction

Hello, my name is Chido Rosemary Mutambara and I'm studying for a Master of Social Work Degree at the School of Social Work, University of Zimbabwe. I am conducting a study whose purpose is to investigate The Social and Economic benefits of Cash Transfer Programmes in Zimbabwe. I am the facilitator for today's discussion this discussion will last not more than two hours. Please feel free as this is your group.

#### RESEARCHER NOTES THE FOLLOWING POINTS BEFORE GETTING STARTED:

- There are no right or wrong answers
- Everyone's experiences and views are equally important
- If you disagree with one's line of thinking, that is okay. Alert me by raising your hand and you will be given a chance to express yourself.
- Everything you say is **confidential**. This discussion is only between those of us here
- Because of the pseudonyms used no names will be used in the report.
- Please speak loudly, and only one at a time.
- Questions on any further clarifications

[THE RESEARCHER MAY ANSWER QUESTIONS RELATED TO THE PROCESS e.g. WILL OTHERS KNOW WHAT WE HAVE SAID? BUT **NOT** RELATED TO TOPICS TO BE DISCUSSED.]

#### RESEARCHER THANKS PARTICIPANTS, AND TELLS THEM WE MAY START

Name of Group Interviewed: _____ Date: _____
Site: _____ Time discussion started: _____ Time ended: _____

Participant summary: No. Participants \_\_\_\_\_

**Questions:** *(Please note, this is only meant to guide the discussion)*

1. Before cash transfers were introduced, were you receiving anything in kind from either the Government or NGOs? *(Explain)*
2. What is your understanding of Cash Transfer programmes?
3. Why do you think Cash Transfer Programmes were introduced?
4. When did you start receiving these Cash Transfers?
5. How much are you receiving?
6. How do you spend the money you receive
7. What challenges have resulted from the Cash Transfers
8. What challenges have you experienced ever since you started benefitting from the Cash Transfer Programme?
9. How have you addressed these challenges?
10. What recommendations can you make to ensure that these Cash Transfers are more responsive to your needs?

**RESEARCHER:** Thank you for your important feedback.