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DECLARATION

I, undersigned, declare that this is my original work and has not been submitted to any other college, or university other than the United States International University- Africa for academic credit.

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ABSTRACT

Cash transfers have increasingly been regarded as best practice for social protection mechanisms in developing countries. In Kenya, the pilot program of cash transfer introduced in the year 2004 focused on Orphans and vulnerable children with the aim of mitigating the effect of Acquired Immuno Deficiency Syndrome (AIDS) and Human Immuno Virus (HIV) on children in the nation. In Malawi, the Social Cash Transfer was rolled out in 2006 on a pilot basis in response to chronic hunger and poverty faced by households in the country. Cash transfers in Kenya and Malawi have a number of similarities. Notably, the overarching objective of poverty reduction. However, there are significant differences in the design and targeting of programs in the two countries. In addition, cash transfer programs in Kenya are largely government funded while Malawi’s Social Cash Transfer program is donor funded.

This study aimed at comparing cash transfers in the two countries and analyzing the effects of differences in funding and design have had on the success of programs implemented. The study was grounded on Anthony Giddens’ social investment theory that argues for active social investments by the state in the welfare of society. The interrelationships between variables in the study has been captured in the conceptual framework. The study found that cash transfers in Malawi resulted in higher consumption and investment within beneficiary households. Similarly, programs in Kenya had positive impacts on investments. However, programs in Kenya did not significantly affect consumption levels of households. The study also revealed that CT programs did not have positive impacts on health. They did however positively influence enrollment in school in both Kenya and Malawi. The study recommends increased government commitment in the design and funding of programs especially in Malawi. Governments also need to accompany CT programs with investments in social infrastructure such as schools and hospitals to increase the effectiveness of the programs. The thesis recommends further research into the influence of donor funding on the design and implementation of cash transfer programs.
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<th>Full Form</th>
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<tr>
<td>CSSC</td>
<td>Community Social Support Committee</td>
</tr>
<tr>
<td>CT</td>
<td>Cash Transfer</td>
</tr>
<tr>
<td>CT-OVC</td>
<td>Cash Transfer for Orphans and Vulnerable Children</td>
</tr>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DSD</td>
<td>Department of Social Development</td>
</tr>
<tr>
<td>ECLAC</td>
<td>Economic Commission for Latin America</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GoK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>HSNP</td>
<td>Hunger Safety Net Program</td>
</tr>
<tr>
<td>KES</td>
<td>Kenya Shilling</td>
</tr>
<tr>
<td>MDA</td>
<td>Ministries, Departments and Agencies</td>
</tr>
<tr>
<td>MLEAA</td>
<td>Ministry of Labour &amp; East African Affairs</td>
</tr>
<tr>
<td>NAC</td>
<td>National AIDS Commission</td>
</tr>
<tr>
<td>NSSP</td>
<td>National Social Support Policy and Program</td>
</tr>
<tr>
<td>OPCT</td>
<td>Older Persons Cash Transfer</td>
</tr>
<tr>
<td>PMT</td>
<td>Proxy Means Test</td>
</tr>
<tr>
<td>PWSD-CT</td>
<td>Persons with Severe Disability Cash Transfer</td>
</tr>
<tr>
<td>SCT</td>
<td>Social Cash Transfer</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
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</table>
CHAPTER ONE: GENERAL INTRODUCTION

1.0 Introduction

Sustainable Development Goals (SDGs) objectives are to overcome global development challenges including eradicating poverty and inequality in all of its forms. SDG 1 – ‘Eradicate poverty in all of its forms’ specifically targets to devise nationally approved, effective social welfare systems and measures for all by 2030 and to attain sustainability and economic growth of the poor and the vulnerable (The United Nations, 2016). The failure of international emergency responses to address vulnerability, specifically in the African continent and the recurrent financial crises has resulted into increased, renewed focus through integration of the global economy to use safety nets as a means of eradicating poverty. In 2008, as a result of the global economic crisis, it was discovered that cash transfers played a very vital role as a form of investment in a world which has myriad of uncertainties (Lin & Pumaphi, 2009)

Cash transfers (CTs) have proved to be the most effective assistance programs in low and middle-income countries. They are noncontributory cash payments financed by formal institutions (non-governmental, governmental, or international organizations) to selected individuals that meet certain criteria in order to cater for their upkeep or sustainability in regards to basic needs (Garcia & Moore, 2012). According to the Department for International Development (DFID), cash transfers are devised in order to achieve a wide range of objectives. These include; immediate poverty alleviation, better health and nutrition, economic productivity and growth and social cohesion (Development, 2011).

While still implementing Cash transfer programs, there has been complementary systematic efforts to determine their success and understand their overall impact on the livelihood of
households. This study explores the design and implementation of cash transfer programs in Kenya and Malawi.

1.1 Background of the Study

Direct cash transfers are amongst of the most common poverty reduction strategies. CT programs are a relatively new weapon in the arsenal of developing countries. However, they are not new in a post-industrialized context. According to Bonnesen, (2012) the use of cash transfer programs stretches back a century or more in Western Europe (Bonnesen, 2012). As of 2008, Barrientos and Hulme gave an estimate of 150 million households that benefitted from cash transfer initiatives throughout the developing countries (Barrientos & Hulme, 2008).

The first popularly acknowledged CT programs were implemented in Latin America in the 1990s to alleviate poverty and create conditions for upward social mobility through human capital investments (Teixeira, 2009). This was in response to the inequality and exclusion resulting from structural changes and economic liberalization in the 1980s.

Cash transfers were first designed in response to the challenge of poverty affecting the United States and Canada in the 1960s. One of the most successful transfer experiments was the Manitoba Basic Annual Income Experiment (Mincome) between 1975 and 1978. It was a government funded Guaranteed Annual Income program to address poverty (Simpson, Mason, & Godwin, 2017). Oosterbeek, Ponce and Norbert (2008) state that Brazil is the first country to adopt CT programs on a massive scale in the year 1995 when the government launched a programme known as Bolsa Escola and Bolsa Familia (Oosterbeek, Ponce, & Norbert, 2008). Mexico followed suit and launched Progresa, later known as Oportunidades, while Nicaragua rolled out the Red de Proteccion Social. Other 1990s CT programmes initiatives in Latin America included Programa de Asistencia Familiar in Honduras and Subsidio Unico Familia in
Chile (Son, 2006). This CT programmes implemented in these countries had positive results as devices of social welfare protection. These programs resulted into improved food consumption, better schooling, among other positive benefits (Fiszbein & Schady, 2012).

Following the success of these programmes in Latin America, other countries in the world followed suit in their implementation at a very high rate (Fiszbein and Schady, 2009). By the year 2009, over 30 countries in the world had in operation some form of CT program. And in 2010, the number of such developing countries had risen to 45, with more than 110 million families benefiting from these programmes (Development, 2011). Samson (2009) states that cash transfer programmes in many developing countries were welcomed and believed to be an effective tool in combating poverty. The huge acceptance and implementation of CT programmes elsewhere following their success in Latin America, led to them being rated highly as one of the most welcomed anti-poverty initiatives during the last decade of the 20th Century for developing countries (Aber & Rawlings, 2011).

1.1.1 Cash Transfer Programs in Africa

There has been a steady increment of CT programmes in Africa, from 21 to 37 by the year 2013, of the countries that have at least one programme in operation (World Bank Group, 2014). These programmes are similar in specific regional dimensions, and most of them are unconditional, generally targeting people who are vulnerable and poor.

Several CTs have been introduced that have both broad and specific goals in the past decade, with South Africa being amongst the first countries to adopt cash transfers. The government of South Africa initiated the program: Child Support Grant (CSG) in 1998 in order to provide cash assistance to children caregivers whose living conditions was in extreme poverty (Delany,
Ismail, Graham, & Ramkissoon, 2008). The program is regarded as largely effective in improving children’s health, enrolment and retention in schools.

Other CTs have subsequently been introduced in the past decade. They include Malawi’s Social cash transfer for Orphans and Vulnerable Children, Ghana’s Livelihood Empowerment against Poverty (LEAP), Nigeria’s In Care of the People (COPE), among others.

CT programs have broader benefits extending from the household, as it has proved to improve the economies of countries such as Ghana, Ethiopia, Lesotho, Zimbabwe, and Malawi, mainly through improving the purchasing power of households due to the increased disposable income. For instance, the Ghanaian Livelihood Empowerment Against Poverty program (LEAP) increased disposable income by 2.5 cedis (US$ 0.57) for every 2 cedis (US$ 0.46) allocated to selected households (Thomem, Taylor, & J, 2004). This in turns translate to improved trade and service delivery thus also benefitting others who are not under the program.

Governments in conjunction with international donors like the World Bank, UNICEF, DFID and other governmental and nongovernmental organisations, finance cash transfer programs in Africa. In Latin America, centralised government bureaucracies often implement CTs. This indicates higher reliance on community participation in African CTs (Garcia & Moore, 2012). The programmes are put into operation through community co-operation where leaders and members participate in choosing who will be the beneficiaries as well as evaluating and monitoring them.

1.1.2 Limitations of Cash Transfers in Africa

There are several limitations of designing and implementing CTs in Africa. Akinola (2016) describes some major limitations. First, there is lack of adequate technical and administrative
capacity. While the involvement of community leaders and members addresses this inadequacy, most of them are poorly trained. CTs demand important collaboration and coordination amongst relevant Ministries, Departments and Agencies (MDAs) for effective implementation, monitoring and evaluation. However, people or stakeholders involved often at times receive stringent training on CTs through workshops funded by donors and the government. (Akinola, 2016).

Limitation to the success of Africa CTs as poverty alleviation tools is the short duration they are implemented and low coverage levels. Most of the programmes only last for a period of about three years. This short period makes it difficult to solve the poverty alleviation goal and also inability to accumulate enough human capital for this purpose. The duration of education for a child in Africa ranges between six to nine years while the CTs programme enrolment mostly only lasts for a few years, making it difficult to achieve the overall goals of poverty reduction and human capital development over the short intervals (Akinola, 2016).

A third limitation is the tendency of CT programs in Africa to focus on vulnerabilities rather than poverty, which Garcia and Moore (2012) argue could be because of high poverty rates and deep poverty gaps. Fiscal limitations restrict the percentage of the poor population that could be covered by CT programs and vulnerability-focused criteria are often easy to identify and are perceived as fair for the general population (Garcia & Moore, The Cash Dividend; The Rise of Cash Transfer Programs, 2012). In addition, Kabeer (2009) posits the amount of cash transfers is minimal, and the utilization of poor people to improve the nation’s per capita income too minute to accumulate any substantial effect on the macroeconomic growth or the levels of poverty in the nation.
1.1.3 Cash Transfers in Kenya and Malawi

The selection of Kenya and Malawi has been motivated political and economic differences in the respective countries. Both Kenya and Malawi have a shared history of direct British colonial rule. However, the colonial legacies adopted within both countries differed greatly, resulting in the development of diverse post-colonial economic and political framework. Kenya gained her independence in 1963. Shortly afterwards, Malawi became an independent nation in 1964. Both countries subsequently effected constitutional changes that replaced the British parliamentary system with presidential and one-party systems.

Nonetheless, both countries possess the characteristics of developing countries grappling with poverty. Consequently, poverty reduction as an objective is common to both countries. However, their approach to CT programs is markedly different. One of the major differences lies in the targeting mechanisms. Kenyan CT programs targets specific vulnerable groups such as orphans and older persons. Malawi’s programs on the other hand targets ultra-poor households. In addition, CT programs in Kenya are government led and funded while in Malawi, Non-Governmental Organizations such as the Global Fund and the United Nations Children’s Fund (UNICEF) fund them.

The time period defined has been informed by the inception of CT programs. The first program, OVC-CT was piloted in Kenya in 2004 while Malawi’s SCT was began in 2005. The six-year period since 2008 has been selected as it provides adequate time to access the impacts of the transfer adequately.

There has been progress in the alleviation of poverty in Kenya in recent years. The Kenya National Bureau of Statistics reports that 36.1 percent of Kenyans live below the poverty line
(Kenya National Bureau of Statistics, 2018). However, human development is uneven and deprivations persist. Poverty incidence is high in the rural areas, where 40.1 percent of the residents are considered poor. This is in sharp contrast to growing incomes in urban areas and points towards sharpened inequalities.

Malawi, located in southeast Africa, is amongst the least-developed countries in the world, having mainly a rural population and an agricultural based economy. In Malawi, progress in alleviation of poverty has not been as effective. The International Monetary Fund (2017) notes that one of the poorest country in Africa is Malawi consisting of 50.7 percent of its population living below the poverty line and furthermore 25% living in extreme poverty. This has resulted into a lot of effort to reduce poverty in this country, albeit, without results due to quick population growth which neutralizes any marginal economic gains. According to a survey done, there was a slight decrease in the poverty rate from 52.4 percent to 50.7 percent between the year 2005 to 2017 (Malawi National Statistics Office, 2017). Most of the poor population are in the rural areas, with data showing that 57 percent exists in these areas, in contrast with 17.0 percent living in the urban areas.

The Government of Kenya has been proactive the support cash transfer programs, with an estimated 632,000 households benefiting from KES 13.8 billion in the 2016/17 fiscal year (Kenya National Bureau of Statistics, 2018). This is operationalized through a social protection framework referred to as National Social Protection Policy (NSPP). Various cash transfer programs have been implemented since 2002 using this framework.

The inception of cash transfer program was in 2004 in response to HIV and AIDS affecting vulnerable children and orphans. The CTs for Orphans and Vulnerable Children (CT-OVC) aimed to promote families within the communities to retain these children, as well as improving
their human capital development (National Gender and Equality Commission, 2014). This initiative was a response to the HIV/AIDS pandemic that affected a high number of orphans and vulnerable children. From year 2005-2009, the government had increased its allocation to these programme from US $800,000 to US $9 million with an increased coverage of 47 districts. This policy has been retained from this point with the government increasing its allocation consistently.

This program was largely successful in improving the social wellbeing of beneficiary households. A study by Oboka, 2013 reveals that a large percentage of families (69.3%) receiving OVC-CT money used the money to meet the educational needs from their children. He however recommends a redesign of the program to include conditions that require families to invest the proceeds to economic development.

Safeguarding the social welfare in Malawi has been operationalized through the National Social Support Policy and Programme (NSSP). Malawi’s first and only cash transfer, Social CT Program (SCTP) began in 2006. The program has been scaled up to reach over 163,000 beneficiary households (United Nations Children's Fund, 2016).

This program has been largely successful in increasing food security and consumption. It has also been noted to have significant impact on the ultra-poor poverty gap. The program was also found to improve the health and welfare of children. (The University of North Carolina, 2016). Uniquely, the SCTP led to an increased engagement in economic activity.

1.2 Statement of the problem
The ‘rise and rise’ of social protection has been proven to yield significant benefits in reducing non-transient vulnerability while building human development (Fisher, et al., 2017). Many
scholars have argued for the positive outcomes in the livelihoods of households because of CT programs. This led to the adoption of the Social Policy Framework by the African Union in 2008. Consequently, Kenya and other African countries have adopted various social protection plans that best fit their unique contexts.

Kenya and Malawi have diverse political, social and economic contexts. Malawi is one of the least developed countries in the world, with a Gross National Product (GDP) of USD 5.442 billion in 2016. An estimated 85 per cent of the population 18.62 million resides in the rural areas. Agricultural output represents 30 per cent of the country’s GDP (World Bank Group, 2018). The agricultural sector is dualistic, with smallholder farmers mainly growing agricultural crops and estates concentrating on the production of tea, sugar and tobacco for export. Manufacturing in contrast only contributes 15 per cent that indicates unfavourable trade balance due to the importation of industrial goods.

Kenya on the other hand is a much larger and more diversified economy. In 2015, the World Bank named Kenya a low-middle income country. The GDP of the country was USD 70.53 billion in 2016 (World Bank Group, 2018). According to the National Council for Population and Development (NCPD), 79 per cent of the 46.6 million Kenyans were living in the rural areas in 2017 (National Council for Population and Development, 2018). The Kenya National Bureau of Statistics reported that agriculture contributed 25 per cent of GDP. Manufacturing only contributed 9.6 per cent to GDP (The Kenya National Bureau of Statistics, 2018). Unlike in Malawi, production from the real estate, tourism and financial services sectors contributed 24.1 per cent to GDP.

Poverty and vulnerability to external shocks remain widespread in the countries. Both countries have taken important economic and structural reforms to achieve economic growth. One of the
notable strategies to alleviate vulnerability has been the use of cash transfer programs. In Kenya, several programs have been implemented since 2004. Malawi on the other hand has only implemented one program, Malawi’s Social Cash Transfer (SCT) since 2006. The programs have been administered and rolled out differently and have had varying results.

Several studies have been carried out to assess the effects of cash transfer programs on the improvement of livelihoods of participant households in both jurisdictions. Obaka (2013) noted that the OVC-CT program led to dependency in Bungoma district and did not encourage investment in economic activity. Merttens, et al., (2013) noted that the HSNP was effective in increasing food consumption. Omollo, (2017) found that the OPCT reduced vulnerability in majority of the households. However, a large percentage of the respondents noted that the amounts transferred were insufficient.

The International Policy Centre for Inclusive Growth (2015) noted the Malawi’s SCT proceeds were used to invest in off-farm small businesses. Beneficiaries also increased the variety of purchased foods. The program also resulted in increased enrolment in schools (International Policy Centre for Inclusive Growth, 2015). However, Malawi’s SCT program has received criticism. One of the major issues raised has been the inability of the program to raise the living standards of vulnerable households on its own. Marta (2017) found that the program did not change the household’s perceptions on education (Marta, 2017)

The government of Kenya continues to scale up its expenditure on cash transfer programs. In the 2018/19 budget, direct cash transfer programs were allocated KES 29 billion. In the 2018/19 budget, direct cash transfer programs were allocated KES 29 billion. The government of Malawi has also demonstrated an increased commitment to transfer programs, with K1.5 billion approved in the 2017/2018 budget.
The intention of this paper is thus to examine the design and organization of CT programs in Kenya and Malawi. The study also analyses the linkages between the nature of political and economic systems in both contexts to provide a foundation for the comparison of various aspects of CT programs in the two countries and their effectiveness.

**1.3 Purpose of the Study**

The purpose of the study was to compare the impacts of Cash Transfer Programs in Kenya and Malawi.

**1.4 Objectives of the Study**

The objectives of this study were:

1. To compare the political and economic contexts of cash transfer programs in Kenya and Malawi.
2. To investigate the motivation for the establishment for CT programs in Kenya and Malawi.
3. To establish the funding structure of CT programs in Kenya and Malawi.
4. To determine influence of CTs on the economic and social wellbeing of beneficiary households in Kenya and Malawi.

**1.5 Research Questions**

The study aimed to answer the following questions:

1. What is the political and economic context of cash transfer programs in Kenya and Malawi?
2. What are the aims for the establishment of cash transfer programs in Kenya and Malawi?
3. What is the funding structure of CT programs in Kenya and Malawi?
4. How do various cash transfers influence the social and economic wellbeing of beneficiary households in Kenya and Malawi?

1.6 Significance of the Study

This study was informed by the lack of comparative studies on the impacts of CT programs in Kenya and Malawi. As earlier mentioned, CT programs in both countries are set in completely different social and economic contexts. One of the most notable differences noted is the source of funding for CT programs in Kenya and Malawi. Researchers have recommended the analysis of cash transfers to analyze their sustainability. This study will enable readers to understand the deployment of programs in different jurisdictions and its effect on the result of the program in achieving the objectives. Financial Assistance, Land Policy and Global Social Rights (2012) indicated there were numerous reports on CTs by practitioners, but minimal scholarly research on them.

Both governments have shown remarkable commitment in providing social protection for vulnerable communities. In Malawi however, programs are largely donor supported. As governments continue to increase their expenditure on such programs, it is valuable to understand the differences in policy and results arising from government verses donor funded programs. Therefore, the findings from the study would provide crucial knowledge to agencies and the government that provide CT programs in respective countries.

This study also contributes to academia by exploring the effect of the design of programs on their impacts. It also lays the foundation for further research on various focus areas such as the influence of the sources of funding on the design of CT programs.
1.7 Limitations of the Study

CT programs consists of the core idea that cash allocated to the poor is an investment that will result in the building of the human capital of the populace. However, CTs implement across different countries are not identical because of the difference in the population, political structure, and geography, thus difficult to compare one program to the other (Fiszbein & Schady, 2012). Even in Latin America, economic, it is not possible to have a homogenous stand on the implementation and design of CT program due to economic, political and social differences.

Consequently, the researcher faced challenges when comparing CT programs in two different jurisdictions. Outcomes were influenced by factors that are unique to a specific country that do not occur in the other. To mitigate this, the researcher selected study variables that were common to Kenya and Malawi. In addition, differences that were likely to cause variation in results were identified and explained.
CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents the reviewed literature and the theories that guide the study and previous empirical studies relevant to the study. The key themes upon which the review of literature was based are social policy approaches that are linked to the idea of CTs, evolution of cash transfer as instruments of social protection, the ecosystem of social protection the place of cash transfer programs within the ecosystem. This section also includes a deep dive into the various types of cash transfer programs. The other theme of literature review is use of cash transfer money by beneficiaries, impact of cash transfer on the socio-economic welfare of beneficiaries. The theoretical framework employed in the assessment of variables in the study is Anthony Gidden’s social investment perspective. This section contributes to literature on cash transfer, which has focused largely on the consumption effects of programs in different settings. It offers insight into the political economy of transfer programs and the effects of different policy approaches in varying jurisdictional contexts and its effects on outcomes of CT programs.

2.1. Defining Cash Transfer Programs

Cash transfers fall under the wider umbrella of social protection programs. The Food and Agricultural Organization (FAO) defines social protection as a set of interventions given to
reduce economic and social risk and vulnerability. FAO posits that social protection includes three types of programs: social assistance, social insurance and labor market protection (Food and Agriculture Organization, 2015). The concept of social protection emerged in response to the “social safety nets” discourse and agenda of the 1980s and 1990s. Initially seen as a response to shocks, over time. Their emergence was also in response to the inadequacy of formal social security systems, especially following structural adjustment policies and fiscal crises in many developing countries in the 1980s and 1990s, the notion has broadened to also address chronic poverty.

The Asian Development Bank on the other hand defines social protection as the set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people’s exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption/loss of income. They present the following elements of social protection: labour markets, social insurance, social assistance, micro and area-based schemes to protect communities and child protection. (Asian Development Bank, 2003). All of these components are targeted to specific vulnerable groups within the population.

Labour market programs are aimed at the working age population, being either in formal or informal employment. They encompass labour adjustments that improve the efficiency of the operation of labour markets. This follows the argument that efficient labour markets precede development as employment provides a major source of economic support for workers. Examples of such programs include labour exchanges, skills development programs, direct employment generation, income support and unemployment insurance. Labour support programs also improve safeguards to ensure due process in the procurement of goods and services in compliance with legislation (Asian Development Bank, 2003).
Social insurance programs are contributory programmes that provide cover for designated contingencies affecting household welfare or income. They aim to mitigate risks that workers in the labour markets are exposed to. Such programs include health insurance, old age insurance to provide support after retirement, work injury compensation and unemployment insurance. Social assistance programs on the other hand provide protection to those who cannot qualify for insurance payments or would otherwise receive inadequate benefits. Social assistance programs are designed primarily to enhance social welfare by reducing poverty directly. Programs targeted to younger people can also promote longer-term growth and development by encouraging greater investment in human capital. Social assistance programs include welfare and social services, temporary subsidies and cash transfers (Asian Development Bank, 2003).

The Asian Development Bank uniquely identifies micro and area-based schemes. This is in line with the nature of the Asia and Pacific regions. The Bank argues that there region is particularly vulnerable due to the prevalence of young and poor people in the population. Micro-based schemes are targeted to small-scale agriculture and the urban informal sector. The idea is to insure the poor against risks that present areas of vulnerability. A good example of such a scheme is crop insurance programs that facilitate innovation by encouraging new farming techniques. This category also includes microinsurance and social funds.

The fifth component as noted by the Asian Development Bank is child protection. This social protection component ensures that children are protected from all forms of abuse and exploitation. Investment in children is a key factor in poverty reduction and economic growth but it is usually a small proportion of national budgets, despite ample evidence that the small investments currently made bring considerable future benefits to society as a whole. Such programs include early child development programs, school feeding programs, youth programs,
family allowances and street children initiatives (Asian Development Bank, 2003). The table below provides a summary of the different components of social protection.

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
<th>Targeted Vulnerable Group</th>
<th>Program Examples</th>
</tr>
</thead>
</table>

below provides a summary of the different components of social protection.
Table 2.1 Components of Social Protection

<table>
<thead>
<tr>
<th>Labour market programs</th>
<th>Labour adjustments that improve the efficiency of the operation of labour markets</th>
<th>Population in working age, being either wage or non-wage employees (formal or informal), employed, unemployed, or underemployed.</th>
<th>Labour exchanges, skills development programs, direct employment generation, income support and unemployment insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Insurance</td>
<td>Contributory programs that provide cover for designated contingencies affecting household welfare or income</td>
<td>The sick, elderly, widowed, disabled people, pregnant women, unemployed, eligible for insurance schemes.</td>
<td>Health insurance, old age insurance to provide support after retirement, work injury compensation and unemployment insurance</td>
</tr>
<tr>
<td>Social assistance</td>
<td>Provide protection to those who cannot qualify for insurance payments or would otherwise receive inadequate benefit. Enhance social welfare by reducing poverty directly</td>
<td>The mentally and physically disabled, ethnic minorities, substance abusers, orphans, single-parent households, refugees, victims of natural disasters or civil conflicts, sick, elderly, widowed, disabled, pregnant women, and unemployed ineligible for insurance schemes.</td>
<td>Welfare and social services, temporary subsidies and cash transfers</td>
</tr>
<tr>
<td>Micro and Area Based Schemes</td>
<td>Micro-based schemes are targeted to small-scale agriculture and the urban informal sector.</td>
<td>Rural and urban communities at risk.</td>
<td>Crop Insurance, microinsurance and social funds</td>
</tr>
<tr>
<td>Child Protection</td>
<td>Ensures that children are protected from all forms of abuse and exploitation</td>
<td>Children and youth (0–18 years)</td>
<td>Early child development programs, school feeding programs, youth programs, family allowances and street children initiatives</td>
</tr>
</tbody>
</table>

The World Bank Group describes cash transfers as providing cash assistance to the poor at risk of falling into poverty in the absence of the transfer. They are aimed at increasing the real income of poor and vulnerable households. The World Bank describes two basic types of social assistance. The general-based social assistance and the more specific family allowance (World Bank Group, 2014). The Cash Learning organization on the other hand defines a cash transfer as the provision of money to beneficiaries that may be households or individuals. This can be done as an emergency relief measure. It may also be intended to meet their basic needs such as food or for the purchase of some assets necessary in sustaining their livelihood (The Cash Learning Partnership, 2011).
Gracia and Moore (2012) describe cash transfers as noncontributory cash payments financed by formal institutions (non-governmental, governmental, or international organizations) to selected individuals that meet certain criteria in order to cater for their upkeep or sustainability in regards to basic needs (Garcia & Moore, 2012). This is in line with DFID’s definition that posits that cash transfers are direct, regular and predictable non-contributory payments that raise and smooth incomes with the objective of reducing poverty and vulnerability (Development, 2011).

As seen above from the above definitions, the aspect of regularity of provision of cash to avert the risk of poverty is a common theme. This is in contrast other types of social protection programs. Other social protection mechanisms have been defined as a type of public spending that enables specific populations. This is done in the form of specific goods and services. The key distinction is between cash transfers and transfers that are intended to provide a specific good. The largest form of in-kind benefits are commonly in the fields of healthcare and education (Gahvari & Currie, 2008).

2.2 The Re-emergence of Productive Social Policy

The idea of social spending as investment in the European context gradually reemerged in the 1990s in response to fundamental societal changes. This paradigm shift was famously articulated by Anthony Giddens, outlining a change from the welfare state to the social investment state (Giddens, 1998). This change reflected an agreement on change of thinking in regards to social policy as a promoter of economic development rather than a hindrance. In addition, this stance of considering social policy as an investment has been captured in various concepts and metaphors insisting on the redefined idea of social policy and the enabling (Gilbert, 1991), productivist (Rudra, 2007), and developmental welfare state.
The Organization for Economic Development (OECD) was also instrumental in devising ways and means that society can be investment focused. In the 1980s, the OECD had held a firm stance that one of the factors that restricted economic growth was social welfare, and it later in the ministerial conference in 1992 came up with five new strategies for social policy. Key among them was the role of social expenditure in society to spur growth of output and employment without inflation.

2.3 The Social Investment Perspective

African countries have found it populist to increase the human capital accumulation of citizens by the use of social spending. Currently, European and Latin American social policy approaches, have been enshrined on social spending in order to increase total accumulation of human capital. The major motivators for human capital accumulation investment is the reason that the benefactors also include the entire society. In this regard with skilled personnel, there are ample opportunities for better positions in the labour market which works to ensure self-dependence and reduction of poverty. It is therefore understood that when the social policy is reframed in ensuring development discourse to a manner of treating market failure to the concept of social policy (Anderson, 2005).

As a way to increase the comprehension of the relevance of the perspective perceived in the social investment present day development policy, it is important to analyse the evolution of modern day state welfare thinking. According to Jenson and Saint-Martin (2006) convergence first occurred in 1945 around Keynesian economics especially in Europe. The paradigm contained some equivocal agreements on the number of consensus on a number of general principles about the role of the state, state–society relations, forms of policy intervention, rights and responsibilities of citizenship (Jenson & Martin, 2006).
Meanwhile, in Latin America, *prebishian* influences dominated social policy. Raúl Brebish the director of the Economic Commission for Latin America (ECLAC) developed the structuralist economic theory. He argued that “peripheral” developing countries were dependent on the countries at the “center”. He proposed increased state involvement in search for “inward development”. Draibe and Riesco (2007), explain that the ECLAC promoted a state led development in which economic development and social progress where equally emphasized (Draibe & Riesco, 2007). The Keynesian and Prebishian principles dominated political systems in Europe and Latin America in the post-World War II period until the 1960s.

In the 1970s and early 1980s, a political and economic theory of neoliberalism emerged. Heimo (2014) explains that they challenged and destabilized the post 1945 social and economic policy in many parts of the world. The Washington Consensus reshaped economies and political policies through structural adjustment policies. (Heimo, 2014). Neoliberal theory recommends an entrepreneurial focus and development of strong institutional frameworks defined by strong free market and trade for the advancement of the welfare of individuals. The state is relegated to the creation and protection of the institutional framework, guaranteeing monetary stability and security.

Right-wing economists criticized public social transfers during the neoliberal era due to the increase in the fiscal burden that they brought as well as financial instability that accompanied the entire public social transfers. Moreover, the public social transfers were considered ineffective and inefficient that did not conform to tenets of labor supply, savings as well as investments they were viewed as inefficient due to adverse incentives on labor supply, savings and investments (United Nations Research Institute for Social Development, 2010). According to Mkandawire (2005), prominence in lack of employment as well as adverse demographic changes
such as high infant mortality rates, bought out with accurate precision fiscal limits to universal provision. This therefore led to the questioning of social transfer policies while at the same time public spending was perceived to be the key source of economic crises in these countries. Social policy was therefore considered to be an inflationary tool that increased general price levels as well as pushing real costs of commodities upwards (Andersson, 2005).

The popularity of social investment as well as debate and issues raised on deliberate ways to undertake social protection that would enhance development agenda, redefined the concept that has been widely considered on poverty reduction, especially in the instance of tackling persistently low incomes and their structural causes. The developing economies have therefore held measures to address poverty menace in light with improve in economic growth, human capital development as well as social protection. Cash transfer has therefore come in handy, and has helped in addressing these three objectives by the way of combining different social policy protection elements.

2.4 History of Cash Transfer Programs

Developing economies have considered the effectiveness of cash transfer programs that have an astounding response as a result of the convincing evidence that is related to their effectiveness. Despite the fact that cash transfers have been very common in quite a number of countries, their success stories have only been recorded and documented in programs that have been executed in Latin America. The evidence of effectiveness of cash transfer programs that have been executed in Sub Saharan Africa (SSA) with enormous success lack consistent documentations. This is changing partly as a result of the work of the Transfer Projects, as well as growth in social media that has made record of social impacts in SSA difficult to be recognized and documented. It has therefore implied that the current situation shows that the effectiveness and impact of cash
transfers in SSA has in the recent past exceeded that of any other region in terms of both breath of analysis across the country as well as its breath of analysis across nation and in its depth of analysis within the nation. The expansion of cash transfers in some of these counties has been mainly attributed to existing evidence base that has been consistently built in regard to their effectiveness in addressing rampant social challenges in these countries. This evidence has been presented in the form of both normal reports and e-reports, books as well as journal articles.

Few studies have embarked on cash transfer programs which have particularly been implemented by governments in SSA prior to the year 2010. According to a book written by Garcia and Moore (2012) there are numerous programmes that have been implemented by a number of governments in SSA prior to the year 2010 that show the insights provided are primarily anecdotal and not based on rigorous evaluation of government programs. However, much improvement was seen in a book published and yet edited by Handa et al. (2011) that has been in position to show serious analysis of cash transfer programmes and their effectiveness, yet they published the same in a smaller scale and also focused on quite narrower set of outcomes. Other notable articles that have contributed to the built up of body of knowledge in relation to cash transfer programmes in SSA countries include the work of Davis et al. (2012) that reviewed emerging revolution which looked at the aspects of political economy of these countries.

Fizbein and Schady (2009) on the other hand reviewed existing evidence on conditional cash transfer programmes (CCTs) and concentrated on evidence from Latin America. The review was also biased on individual indicators rather than evidence based on countries. The work of Fizbein and Schady (2009) also shows various design options of CCT programmes and shows the extent to which the programmes have been important for redistribution of resources to the poor as well the impact created in poverty reduction. Other development issues that were highlighted in the
The last study that has also had an impact on cash transfer programs specifically in SSA was conducted by Adato and Hoddinott (2010). They looked at both the quantity and the quality of approaches used in the evaluation of CT programmes together with politics behind the promotion of such programmes. Similarly, the study also critically investigates the CCT programmes in Latin America and tackles political economy of the programmes in some established nations in Latin America. They were also in position to show that CCTs in the region had quite positive significant impact on education health and health notwithstanding.

Earlier studies on cash transfers allude to the fact that impact of CT programs is first experienced by the recipient. It is then transformed to the household, then to the wider community and ends up impacting the entire nation. It is therefore true to insinuate that the beneficiaries of CT programmes exceeds by far the actual number of people who are considered to be the recipients of the CT programs (Moller and Sotshongavy, 1996; Ardington and Lund, 1995; Lund, 1993 and Fereira, 2003). These studies specifically singles out the impact created by social pensions received by elderly people and the fact that the benefit extends beyond the elderly since the elderly (recipients of the CT program) uses the social pension to not only improve their own living standards but also the living standards of the people around them. It therefore creates an interesting multiplier effect where the recipient benefits, extends the benefit to close relatives and friends, to the wider community and the benefit eventually moves to the entire country. It has also been noted that cash transfers improves individual self-esteem as well as enhancing empowerment of vulnerable individuals in the community such as the elderly young girls,
orphaned children and last but not least people with special needs that enhances their own participation in the community that propels them from being burdens in the society to major problem solvers in the same communities. CT programs therefore can be said to have the power to elevate the recipients not only in impacting their lives and lives of others, it is capable to transform the recipients into active problem solvers in the society that addresses other unrelated challenges in the society.

A good example is a girl who through CT programs received education that enabled her to train as a doctor of the same community she came from. Another recorded incidence is from Save the Children UK/HelpAge International IDS, (2006) report where a Lesotho pensioner describes the disdain treatment he initially received as if he was dead. He declared that he was then being treated with respect. A male disability grant recipient in Langa, South Africa was also quick to note the immense support he has obtained from disability grant that has enabled him to be in a position to afford medicine as well as food. He further appreciated the transformation in his life, with a full insurance cover as well as a bank account (Surender et al., 2007). The other important societal group that has increased the impact of CT programs is women. It is believed, and necessarily true, that when you feed one woman you are able to able to feed the entire generation. This is because there is much expectations that is placed on a woman, from taking care or bringing up children to providing for their immediate and extended family as well as help in gender equality. A mother of six children and a recipient of Dowa Emergency Cash Transfer (DECT) programme was able to explain how she was the one in better positions to identify all the problems of the family, since she has experienced them all. She said that she was the one who kept the money advanced to her, after which she was in position to plan and spend the cash addressing the needs of each member of her family. She was also quick to note that men do not
necessarily care on the welfare of family members. They would rarely prioritise family needs to their own needs (Mvula, 2007).

Individual transformation through social cash transfer is not limited to improving self-esteem or individual empowerment, rather it enhances physically fit adults to be actively involved in improving the economy of the country, through seeking employment. This has become evident in South Africa, where it was discovered that the households that were beneficiaries of Old Age Pension, were in position to participate in productive labour force to an extent of 11% to 12% higher than the participation of the households that were not receiving the grant. They also indicated a higher employment rate of up to 8-15% higher (Samson et al, 2004). The results are also consistent in Zambia where social cash transfers have also been found to motivate beneficiaries as they perceive themselves to be less poor as well as the society consider them to be less poor thereby increasing future hopes for being even more successful, a prerequisite for overcoming the poverty stricken mentality.

Further evidence in Malawi showed that beneficiaries of cash transfer programme looked at the future with better hopes than those who had not benefited from social cash transfers. This has led to improving nutritional content of food they undertake, as well as enhancing food security in the region. Social cash transfer in Malawi, suggests that a big chunk of cash transfer has been spent on food as per the study conducted by Devereux et al. (2006). The beneficiaries of old age pension social cash transfer in Lesotho also reported that ever since the program was introduced, they have never slept hungry. Further reports indicate that food security did not improve on quantity, but the quality of food that was made available to nations that benefited from social cash transfer increased significantly. Countries such as Zambia, Lesotho were able to experience a variety of food that they had not eaten before the programs were introduced in their countries.
According to Aguero et al. (2007) the study showed that in South Africa, the grants that supported children, showed that for children that received the grant, they were in position to have better growth than the children who did not benefit from such grants. Growth was indicated by increase in their heights and weight. Women who received old age pension grants, were observed to spend more of the grants on food as compared to their male counterparts. As a result, it was observed that more girls grew in both height and weight than boys as more of the food was spent on more girls than it was spent on boys (Case & Deaton, 2003).

Social cash transfers are however not limited to improving food security and general nutrition but rather there is existing evidence that shows that the transfers also lead to increase in access of healthcare and education. Cash obtained by beneficiaries of these programs is spent in improving nutrition, education, and medical health access. Cash transfers in Zambia led to a decrease of prevalence of illness from 42% to 35%, optical complications also reduced from 7.2% to 3.3%. This was identified to emanate from the fact that beneficiaries of social cash transfers were in position to afford eye treatment costs including eye surgery, use of spectacles among others. Child mortality also decreased significantly while patients with chronic diseases obtained medical care that improved their situation from deplorable state. Sensitization of chronic illness such as HIV/AIDS, Polio among other diseases was increased that led to significant decline of new HIV infections in Kenya (Williams, 2007).

Social transfers also improved education levels. Cash grants that were awarded to beneficiaries were used to pay for school fees that increased enrolment of children to schools as well as ability to afford secondary and tertiary level of education. The social cash transfers also supported instruments that were used to improve the quality of education and also those that enabled learners to actively participate in school learning. These include, school uniforms, writing
materials, text books, school feeding programs, treated and clean drinking water, proper school toilets among others. In South Africa it was noted that the receipt of Child support grant was positively correlated with the number of new school enrolments. This means that as Child Support Grant increased so did the school enrolments. Williams (2007) also indicated that increase in child support grants ensured that more children went to school, as a matter of fact, grant decreased the chance of a child not going to school by over a half. Devereux (2001) further states that in Namibia, fourteen from sixteen pupils participated in school as a result of the fact that their grandparents participated or were beneficiaries of old age pension grants. According to Miller (2008) fees payment by beneficiaries of social cash transfer, meant that there was more incentive to enable their children attend school. This reduced child labour as well as school absenteeism. A case study that was done in Malawi, showed that with social cash transfer programmes, absenteeism in school going children decreased from 2.6 days in average to 1.6 days. In South Africa, various models showed that old age pension grants resulted to a decrease of from 20% to 25 % of those pupils and students who were not attending school. Similarly, this gap was shown that it decreased to 25% once child support grants were awarded (Samson et al., 2004).

Social cash transfers also influenced the level of investments in households. When a household is in chronic poverty levels, it hardly maintain its assets. It also lacks the initiative and cash required to maintain the assets and they become the first thing to be sacrificed in the instances of acute shortage of basic necessities such as food, shelter and clothing. These households rarely see any need to invest in livelihoods and in productive activities as basic necessities are prioritized. It also become critical as food prices always increase during period of food shortages. It adds more pressure for disposal of family assets, in order to acquire food, which now trades at
significant high prices. This becomes a vicious cycle in which individuals sacrifice their assets that would have generated future income to support them, for short term solutions to hunger problem, which traps households in poverty (Devereux et al., 2008). Cash transfers have therefore enabled households to be at ease with life issues, as basic commodities are made available in all the entire seasons. The households are therefore saved the embarrassment of distressing their assets in order to acquire the basic commodities. They are therefore able to follow through with their assets in generating revenue that would assist them in their future livelihoods. Cash grants can also be used by beneficiaries in obtaining small investments that they may use, in order to assist them in generating future revenue. They can use the cash to acquire agricultural tools, small farming ventures, and other trade investments which do not require a lot of money to start. A good example is Kalomo social cash transfer grants in Zambia, where it is believed that 29% of the total grants is used in the investments in the form of purchase of livestock, farming inputs as well as other affordable and sustainable enterprises. Through this scheme it was believed that ownership of assets increased significantly within the beneficiaries. The ownership of goats increased by seven times and 15% increase in the number of livestock owned. Majority of the households indicated that they had invested part of cash grants that they had received, and the investments generated up to 52% of extra income. A similar initiative was witnessed in Swaziland, where Old Age Grant provided capital through credit unions and cooperatives to assist in farm input projects that were accessed on concessionary terms (Dlamini, 2007).

It was also noted that the most vulnerable people, when they receive cash, they spend it on food items or on purchase of assets that would be used in generating future income to sustain them. It therefore follows that cash grants awarded to these people are immediately released to the
economy from which they enhance economic growth. Cash grants increases the disposable income that is available to the beneficiaries. This means that they adjust their level and spending pattern which in turn increases production of goods and services. Ultimately there is increase in economic growth as the grants have a multiplier effect on spending and generation of goods and services in the entire economy (Ardington & Lund, 1995).

The history of social cash transfer in Africa, therefore shows that there exists quite distinctive effects of social cash transfers among the different vulnerable groups, specifically in Sub-Saharan Africa (SSA). In absolute terms, the Child Support Grant for the households affected by HIV reduced poverty prevalence by 8%, while Foster Care Grant had an effect of reducing poverty by 6% while the Old Age Pension grant had an impact of reducing poverty index by 48% (Booysen, 2004). If the facts on importance of social cash transfer can be restated in other terms, it would mean that 55.9% of old people who qualifies for Old Age Grants would be in poverty, while 38.2% would be in ultra-poverty. The impact of social grants therefore is to reduce the percentage of poor people in vulnerable regions. It has also been noted that as poverty decreases with increase in social cash transfer projects being undertaken in Africa, the cost of these projects and programmes are expected to decrease with decrease in the level of poverty (Samson et al., 2005).

2.4.1 Brief History of Cash Transfers in Kenya

Cash transfers in Kenya started in the regions of Arid and Semiarid Lands (ASAL). The economy of Kenya was mostly driven by agricultural sector which was considered the backbone of the economy of the country. However, the type of farming that was highly practiced was subsistence farming that purely relied on rainfall and favorable climatic conditions. The highlands regions in Kenya are in position to receive adequate rainfall that enable it to grow
crops such as tea and coffee that is meant for export. Wheat has also been grown on Mau ranges which is also in highlands area (Operario et al., 2011). The Central part of Kenya has also received adequate rainfall as a result of highlands area such as Nyandarua ranges, and Mount Kenya region. Areas around large water bodies also receives adequate rainfall, which means Western part of Kenya including Nyanza region receive adequate rainfall as a result of being near to Lake Victoria. The regions with adequate rainfall supported population of people living in the areas as they could eke out a living from subsistence farming. However ASAL areas that comprises a total of 11 counties out of the total 47 counties are regions marked with poor infrastructure, low human development index as well as harsh weather conditions. The 11 counties have around 36% all the way to about 62% of the regions considered arid and semi-arid. The region has experienced devastating and harsh climatic conditions that increased drought and famine in the area. The livelihoods of the communities living in the region -mostly pastoralists communities have experienced seasons with total failure of predictable rainfall that significantly reduced period between droughts in 10 years’ time. This therefore threatened the way of life for this communities, as they lost herds of livestock to drought as well as deteriorating humanitarian conditions that claimed human lives (Wachira, 2011).

Cash transfer programs were therefore started in the ASAL regions in Kenya that looked to support the pastoralists’ communities who had been hit by drought condition that claimed lives of several people and threatened hundred thousands of others in the region. The severity of deplorable humanitarian issues in ASAL region in Kenya have been a great concern to the country as well as the entire world where an enhanced response that would bring about long term food security. The situation has solicited active involvement of both the government and donors by the use of social cash transfer programmes to provide a mechanism that will address food
shortage among other needs once and for all. The programmes have been quite essential in ensuring that they not only address the immediate need of these marginalised communities but also provide an asset base that can be useful in generating future returns to these vulnerable individuals. The humanitarian conditions worsens during dry seasons, where unreliable rainfall make communities in the ASAL regions vulnerable. Most of these communities are pastoralists and they not only lose their livestock, but they also lose lives as a result of malnutrition and dehydration. The social cash transfer programmes in Kenya have therefore increased in the past six years, in order to address these challenges. The Kenyan government has worked with humanitarian organisations that include NGOs, UN agencies as well as Red Cross society in Kenya have worked with zeal to help the community in deplorable conditions of drought, floods and displaced families as a result of inter-clans related conflicts (Wachira, 2011).

The country has made quite an investment on social protection in five different social protection transfer schemes which are intended to address various critical conditions that targets various regions and communities in the country. The biggest of these programmes is HSNP which stands for Hunger Safety Net Program and aims at vulnerable communities living in ASAL areas. The communities are vulnerable to issues regarding frequent droughts, floods in rainy seasons, as well as chronic diseases. Other cash transfer programmes also emerged to help most vulnerable and ultra-poor children in Kenya living in deplorable conditions in urban slums of Nairobi and other major towns in Kenya. These children are also exposed to high risk of sexual violations, drugs exposures, chronic diseases, loss of parents and guardians among others (Daimon, 2010).

Children require parental love, care and protection. However, when they lose parents to either HIV AIDS or other chronic diseases, or through other means, the children become vulnerable as they are not ascertained of obtaining their daily needs such as foods, clothing, shelter, protection
and education. Daimon (2010) suggests that in the early 2000s, a total of 1.7 million children had either lost a father or mother or both to HIV/AIDS, while million other children were struggling with sickness. Orphaned and vulnerable children (OVC) find themselves in deplorable state that they face insecurity. Lack of parental love early in their lifetime has adverse effects on their general upbringing that affects their quality of life. Parents are also vital to the children as they ensure that their children are well fed, go to good affordable schools, are not exploited by other children or adults and are supported both mentally and spiritually. The vulnerability that results from loss of parents, places the children in precarious positions that they are at risk of mental illness, hunger, economic deprivation, insecurity and they have higher risks of engaging in illicit sexual behaviour, teenage pregnancies, joining criminal gangs, drug abuse and drugs trafficking (Operario et al., 2011).

There was an established system in Kenya that was previously used to cater for orphaned children. However, following the HIV/AIDS epidemic in the country that soared the number of parents who succumbed to the illness and left a great number of vulnerable and orphaned children, it has become untenable, to provide foster homes for these children. There was increased stigma around HIV/AIDS that adversely affected the children orphaned as a result of the disease. The caregivers who were left to take care of these children were also strained by the needs of these children. The vulnerability of these children elicited the interests of UNICEF (United Nations Children’s Fund) where they solicited the support of the public as well as government support to initiate a social programme. It undertook campaigns and advertisements in the media, highlighting the plight of children who had been left by their parents as well as orphaned children who were themselves suffering from the chronic disease. Advocacy posters were also printed and conducted media interviews with the country director for UNICEF. The
outcome of these campaigns was splendid as over 350 parliamentary candidates including over one hundred elected candidates supporting the initiative. The newly elected president Mwai Kibaki was also in support of the clarion call by UNICEF (Pearson & Carlos, 2009).

The new administration did not go back on its word and after being sworn in, they abolished all fees requirements by the primary school pupils. They also started various processes that were used to assess and pilot the social cash policies. Moody Awori – The Vice president brought out cash transfers as one of the policy implementations to be undertaken. There was great concerns on whether corruption among the recipients of funds would no render the program of less impact as the cash would be squandered even before the children had chance of receiving the required services from such a programme. It was however noted the success of cash transfer programs in other parts of the world, as well as the most important attribute of the program being cost effective that has been of significant impact in Latin America (Pearson & Carlos, 2009).

According to the study by Pearson and Carlos (2009) in the year 2004, UNICEF took a great initiative of aiding the government of the day in establishing a “pre-pilot” program that was significant in establishing a feasibility study on implementation and operation of the cash transfer program in three districts. The program aimed at providing care for 500 ultra-poor OVCs that involved cash grant of Ksh 500 per month. The program was very instrumental in providing basic care and transforming lives of beneficiaries. The families were in position to afford food and promote schooling activities for the children. The pilot programme dispelled any fear of misappropriation of funds as families found a way to support their daily basic needs and were able to engage in investment activities with their previously acquired assets being safe from disposition. After the results of the pilot program, the government in collaboration with humanitarian organizations recommended a scale up of the entire programme.
The cash transfer program involved various stakeholders who supported the initiative to ensure success in its implementation as well as ensure that care, protection and basic necessities are provided to the OVCs. The collaborative effort was composed of different ministries and government bodies that were led by National Steering Committee for OVCs together with representatives from the Ministry for Home Affairs (Pearsons & Carlos, 2009). The operations that went into implementation of the cash transfer program was handled by a central unit. The unit had committees at the district level that were in charge of targeting together with follow up, as well as village level representatives whose primary role was to ensure that they spread the word across families that would be in better position to qualify in the cash transfer programme (Ayala Consulting Co. Ltd, 2007).

The plausible performance of the economy contributed greatly to more government contribution towards the program where 280,000 children were able to benefit from the program, in conjunction with World Bank, DFID and UNICEF in the year 2012 (Hinda et al., 2014). The cash transfer program had achieved a total of 480,000 children with the total number of households being a record 240,000. The benefits from the program were not only constricted towards provision of basic necessity but it had a contribution on macro-economic factors in the society. This was evident on the increase in consumption level as well as 36% reduction in absolute poverty. However there was no significant improvement on malnutrition measures such as height and weight of the children, they were able to consume better food with milk and other nutritious food (Ward et al., 2014). Improvement on reduction of sexual debut among under aged children mostly girls was evident 4 years after introduction of the Cash transfer program. The statistics indicated that among the girls, there was a total reduction by 40% while 30% among both girls and boys. The exposure to infection of HIV/AIDS was also significantly reduced with
over 80% of sexually active girls restricting themselves to one sexual partner. It also reduced early teenage pregnancies that had affected the total level of school enrolment among young girls (Handa, 2014).

As a result of plausible benefits that have been observed of Cash Transfers in Kenya, it features prominently as an important factor in policy guidance in regard to OVCs and policies regarding people living with HIV, including President’s Emergency Plan for AIDS Relief (PEPFAR, 2012) together with UNAIDS (United nations Programme on HIV/AIDS. In conclusion therefore, Kenya has shown an impeccable model for cash transfer that has active and committed government together with sensible donor support that has ensured improvement in quality of lives.

2.4.2 Brief History of Cash Transfers in Malawi

Information obtained from National Statistical Office (2016) indicate that Malawi, a landlocked country, is located in Southern Africa with a population that had been estimated to be 17.2 million people as per available data in 2015. This population is made up of mostly young people with over 45% of the entire population comprising of people aged 14 years old or younger. The country is landlocked with 50.1% of the population being female. The majority of people in Malawi live in rural areas (approximately 84%) with a low unemployment rate of 7.5%, where about two thirds of the people 15 year and above are employed (World Bank Open Data 2018). Despite the low percentage of the unemployed people in Malawi, there is a quite significant number of people who live in poverty and in extreme poverty conditions. This can be explained by the fact that majority of the people live in rural areas and work in agricultural activities that yield low returns and the income is significantly volatile as it depends on erratic weather conditions in the region.
According to National AIDS Commission (2015) the HIV/AIDS epidemics in the country has adverse effects on the people of Malawi. Despite the fact that household income for majority of people is barely adequate to cover basic necessities of food and non-food items, the cost of treatment for opportunistic diseases in HIV positive individuals is high and untenable for these people. The epidemic during the first decade had a devastating effect on increasing the mortality and morbidity rates that left quite a significant number of orphans, windows, and siblings that were in custody of economically unproductive elderly relatives (Angeles et al. 2016).

According to a survey that was undertaken between the year 2010 to 2013 by the Household Income Survey in Malawi, it showed that 50.7% of the entire population was living below the national poverty line, and could therefore not be in position to easily afford basic food and basic non-food items. 25% of the population was living below the extreme poverty line and therefore unable to easily afford basic food items. The survey further indicated that there was high dependency ratio with each household member fit for work having 3 or more dependants. There was a 10% of the population that was considered unfit for work and dependent on the rest of the population which could also barely make ends meet. This 10% unfit for work was therefore identified as the country’s flagship cash transfer project (SCTP) and its registry tool (Angeles et al., 2016).

Social policies and programs in Malawi are a concern of the international donors with limited support and influence from the government. This implies that social protection programmes are in most cases supported, funded and followed up by different organizations that fund those initiatives in the various districts in Malawi. There is no cohesion in the form of funding in a particular county, which means that one district may obtain more funding than the other, while at the same time one initiative may be funded by more than one international donors that result into
effort duplications. There is also a challenge in harmonization of the operations of the cash transfer programme and tools in the country as different districts obtain different or similar funding from donors (ILO, 2016). It is also paramount to identify a major stakeholder in Malawi’s Social cash transfer programs the World Bank, which set up a Fund of USD 50 million. The fund was called Local Development Fund (LDF) and it was created in 2008-2009 with the mandate of overseeing World Bank funded projects in Malawi. According to Juergens et al. (2016) the World Bank has been actively involved in the Social Cash Transfer Program in Malawi by undertaking funding of the program through LDF in different districts, particularly the districts that had not benefited from the program previously. LDF therefore sampled all the districts in the country and identified 9 other districts that had not been accommodated by the social cash transfer project.

The major challenge that affect the SCTP and its operations in Malawi, is the lack of harmony on implementation of the projects. However, there is substantial evidence of help and uplifting of livelihoods through the use of cash transfer programmes. The SCTP’s operations in Malawi had a need of standardisation in different districts to ensure harmony in the various stakeholders from the national level, district level up to the village level. Harmony was also required in identification of the projects that need to be undertaken in various districts in order to ensure that maximum benefit is obtained by the beneficiaries and humanitarian issues have been adequately addressed in the region.

Another major challenge that would need to be addressed is to identify the manner in which corruption in implementation of SCTP would be stemmed out. A good example is the Cashgate Scandal, where resources that were meant to help the old and vulnerable children were lost in the process. There was therefore an appeal to create a single basket of all the donor funding, from
which the resources obtained would be distributed to the districts and finally the households would be in position to benefit adequately from such funding. It would also help in reducing the fragmentation of the social protection system that has been enhanced by the fact that there are different donors and different stakeholder in the programme. The stakeholders have different objectives and their donations are set to achieve different results. This kind of fragmentation has affected the impact of the SCTP in Malawi (Juergens et al., 2016).

The final recommendation that was generated on Malawi SCTP is government involvement in the programme that has been seen as crucial in running of various programmes and enhancing the increase of financial ownership over these programmes. This is seen as the way in which harmonization of the Social Cash Transfer funds would be ultimately attained in Malawi. The government could also ensure that it reallocates funds that it spends on social initiatives as well as ensure that it sets aside budgetary allocation that would ensure that it has adequate contribution towards the SCTP and success of the program in the region. The recent increase in disbursements geared toward support of SCTP in Malawi by the government is quite marginal as compared to contributions that has been undertaken by international donors.

2.5 Types of Cash Transfer Programs

Social cash transfers have been defined as money paid by either the government or NGOs to individuals, households, society groups or community with an aim of reducing chronic or extreme poverty and therefore targeting decrease of social risk and economic vulnerability among the beneficiaries (Samson, 2009). Samson further notes that these contributions can either be unconditional or conditioned to certain activities to be undertaken by the beneficiaries such as working in tandem with various work requirements. The contributions can also be distributed
universally to a certain community or certain society group or they can be explicitly targeting certain individuals who are poor or extremely poor, or vulnerable to a certain social risk.

Conditional Cash Transfers are earned by beneficiaries once certain conditions have been fulfilled. This is designed in order to ensure that beneficiaries behave or act in a certain way that the designers of these social cash program consider consistent with the achievement of their objectives. The may also instigate conditions in order to avoid or discourage a certain behavior that is contrary to their desired objectives such as undesirable spending (Slater & Mphale, 2013).

While different objectives have been pursued by means of CCT programs, as noted by Handa and Davis (2006), most CCTs have the same two-way objectives, that focuses on the development of human capital, both in the short-run and in the long-run in order to alleviate poverty (Handa & Davis, 2006). Likewise, Lund, Noble, Barnes, and Wright (2008) noted cash transfers to be one of a range of measures for addressing poverty (Lund, Noble, Barnes, & Wright, 2008). Similarly, Borraz and González (2009) noted that the passing of poverty from one generation to another was the main aim of CCT programs. CCT programs main focus is families living in extreme poverty, so that; poverty is alleviated in the short term while in the long run, improving investment in human capital of these households.

Son (2008) noted that the two most important types of cash transfer that have had the most positive impact on the society are the conditional and unconditional CT which have in turn proved reliable safety net for the families. Agüero, Carter and Woolard (2007) singled out the Child Support Grant in South Africa as a case of unconditional cash transfer. According to Pearson and Alviar (ND), social assistance to families or households, cash transfers, and noncontributory pensions are the major initiatives of conditionally or unconditionally remitting cash to the society in order to attain basic social protection.
2.6 Design of Cash Transfer Programs

The design and implementation of cash transfer programs can affect the quality of output of these cash transfers, despite the type of CTs. The identification and selection of beneficiaries is once such issue, particularly in high poverty and vulnerability environments. The existing literature allude to the fact that there are distinctive ways for targeting either the local authority social cash transfer or else household level social cash transfers.

Elis et al (2009) identified 6 different approaches, towards the identification and selection of beneficiaries of social cash transfer programs in Africa. They listed the different approaches as follows: categorical, geographic, use of means tests, community selection, proxy means test and self-selection. The different ways and approaches used in social cash transfer has different costs implications as well as different error capacity in targeting, inclusion or exclusion. The resultant output of social cash transfer has different impact depending on the approach that was undertaken in targeting the beneficiaries. This means that promoters of various cash transfer programs in various areas have to identify the best way in which to identify their list of beneficiaries, with the intent of achieving high effectiveness and efficiency of social cash transfer interventions (Elis, Devereux, & White, 2009).

Secondly, there are various stakeholders on implementation of social cash transfer programs. These stakeholders are involved in different stages and they are in charge of undertaking different activities such as identification of beneficiaries may be under different organization, verifications for the necessary conditions in order for a beneficiary to qualify to be part of the program and the implementation or the disbursement of funds to support the program might also be under a different organization. For instance, the Nairobi Urban Social Protection Program that was implemented by Oxfam involved various private and public agencies and community
leaders. A notable partnership was the agreement with Safaricom, a telecommunications service provider to facilitate timely disbursement transfers using their mobile money platform (MPESA) (Mohanty, 2008). This demonstrates that collaboration and coordination among different stakeholders improves the impact of cash transfers on both the beneficiaries and the economic status of the country.

Thirdly, it has also been noted that the livelihood of the beneficiaries, largely depend on the duration of the cash transfer program, the total amount of transfers as well as the availability of investment opportunities which are critical in ensuring that the impacts of social cash transfers are sustainable as well as graduation of beneficiaries of these programs in order to accommodate new people while the previous beneficiaries become self-reliant that promotes autonomy (Chirwa, Dorward, & Matita, 2011). They further posits that in order to enhance sustainable developments of social cash transfers, there is a great need to have other complementary programs such as trainings on entrepreneurship, artisan courses, efficient living styles that avoids wastage and protects the environment among others. These activities enhance participation of beneficiaries in productive activities which would mean that they would be in position to generate future income streams for self-sustenance without depending on the social cash transfer. It also ensures that there are able to embrace graduation systems from the social cash transfer programs, which reduces the total budgetary allocation for the programs, since the beneficiaries decrease with each graduation of a beneficiary (Chirwa & Mvula, 2013).

### 2.7 Impacts of Cash Transfers

The impact of social cash transfers can be explained to be two fold. This means that the impact can be classified into two categories, which is the benefit received by the improvement of the welfare of the beneficiaries of the program as well as economic benefits for the local economy
which improves various macroeconomic factors such as economic growth. Social cash transfers are also vital in poverty alleviation, and enhancement of human capital as a result of schooling opportunities where individual are able to acquire necessary skills required in various jobs. The program also enhances workers health that has a positive impact on the total output of each worker which improves the GDP of the local country. The beneficiaries of cash transfer programs have also been observed that they are able to preserve their assets that they use to generate future income. This enhances the demand of local goods and services as the risks are mitigated and investments encouraged (Samson, 2009). Conditional cash transfer programs have also resulted in increase of school enrollment among children. This has enabled increase of the skilled labour in the local economy, as well as ensuring that vulnerable children are able to obtain education that may instill necessary skills and qualities that would improve their future life.

2.7.1 Education

Studies have shown great impacts of all types of social cash transfer on education (Fiszbein & Schady, 2012). A review of literature provides evidence for a couple of impacts. CT program provides income that enables households afford school fees as well as other related costs, including uniforms and reading and writing materials that keep children in school. The children are also unburdened from the requirement where they were supposed to contribute towards provision of household income and as such were unavailable in attending school. The other benefit in regard to education is the improvement of nutrition which according to existing evidence in Latin America, conditional Social Cash transfer programs led to improved nutrition in students that had a positive effect on school enrollment as well as a decrease in school absenteeism (Arnold et al, 2011; Adato and Bassett, 2012; Miller and Tsoka, 2012; Levy and
Schady, 2013). Adato and Bassett (2012) noted the increased impact of conditional social cash transfers over unconditional cash transfers on school enrollment. This was attributed to the fact that conditional cash transfers had set out unambiguous conditions that required the children for the households under the cash transfer program to enroll in school as well as avoid absenteeism, otherwise they would be kicked out of the program. This ensured that there was maximum school attendance and almost zero absenteeism in schools.

Levy and Schady (2013) also highlighted that as a result of conditional CT programs, the enrollment for households under the program exceeded enrollment for households not in the program by 90% in primary schools in Latin America. Similarly the number exceeded by 60 to 80% for secondary (Levy, Schady, & N, 2013). The South African Department of Social Development (DSD) and UNICEF show that the Child Support Grant in addition to increasing attendance, the program results in improved cognitive skills and higher test scores. (Department of Social Development, 2010). Robertson et al (2013) found out that from the category of students who attended schools 80% of the times, the students from the unconditional CT program in Zimbabwe were 7.2% higher than other students while those who came from households under CCT were 7.6% higher than the rest of the students who were not under any social cash transfer program (Robertson, et al., 2013).

### 2.7.2 Health Outcomes

Adato and Bassett (2008) revealed various ways in which cash transfers are used to influence households that are affected by HIV and AIDS. The funds provide schooling for the children rather than the usual funding in provision of labor, increasing investments in micro and medium business endeavors which may in fact improve the income generating capacity of the household, but the latter is preferred for its social and economic impact. Indeed there is revealed evidence
that indicate positive results in healthcare of the households which include increased usage of health facilities, increased allocation to health, better health status and inoculation, although these evidences are varied (Fiszbein & Schady, 2012).

Robertson et al. (2013) in a study conducted randomly in Zimbabwe, found out that the children with birth certificate that benefited under the UCT program improved by 1.5% and those under the CCT program increased by 16.4% and the number that underwent full vaccination was higher by 3.1% under the UCT program and 1.8% higher in the CCT compared to the control group. Reis (2010) in a study of Brazil reveals that children who benefitted from cash transfer programs enjoyed better health status that the ones who did not benefit from these programs initiatives.

2.7.3 Food Security Outcomes

The positive impact of cash transfer on household include improved access to food as they are able to buy using the allocation and also purchase farming equipments and facilities which in turn result into improved agricultural production. Leroy et al (2009) and Gaarder et al (2010) observed that there was evidence linking CCTs programs to positive impacts on the community such as supply of health care, parental education, food provision and sustenance, and liquidity among households. The extended impact include food security, improved household income, better feeding practices and care, improved diet quality, increased women’s income and control over the resources, better child health care, improved women’s knowledge and awareness; better health care usage and child health; and the improvement in girl child education in the long-term (Leroy, Ruel, & Verhofstadt, 2009). Miller et al (2011) presents the argument that; for there to be an overall improvement in food security, there must be balanced allocation of food among the households that constitute that particular economy or community (Miller, Tsoka, & Reichert, 2011).
2.7.4 Productive Investments

Cash transfers also result in the improvement of funds and resources allocated to other productive activities that result in income generation such as agricultural practices and small and micro business activities. However, this allocation into such kind of investments tends to be minimal in these Cash transfer programs. Adato and Bassett (2008) in a review of a variety of CTs programs in Africa, found that out of seven programs implemented, only two had the beneficiaries allocating funds to investment, and further to these, less than 5% of the beneficiaries utilized the cash transfers for purpose of investments and savings. Hoddinott et al (2012) analyzed the effect of complementing Cash transfer with other programs that availed assistance and training in Ethiopia, and found out that benefitting from both programs and substantial or high allocation of funds through cash transfer had positive impact on the usage of fertilizers and thus resulted into improved agricultural investments, but the evidence on agricultural yields was varied.

According to the Food and Agricultural organizations (FAO), productive impacts of cash transfer occur because of changes in key aspects of behavior of beneficiary households (Food and Agricultural Organization, 2014). Such changes in beneficiary household behavior as noted by FAO manifest in the following areas:

1) The improved employment of different household members

2) More income generating capacity as a result of improved investments, that include livestock and crop farming, as well as other non-farming engagements;
3) More allocation of funds into natural resources conservation that ensure that land is utilized properly and optimally through use of viable farming inputs, including advanced farm equipment;

4) Risk management through adoption of more rewarding productive policies that enable the farmer to be flexible and capable in challenges that appear, thus avoiding other extreme measures in the effort of coping such as distress sales and the cases of children dropping out of school;

5) Reduction in the engagement of risky or negative income generating activities such as commercial sex, stealing and begging.

2.7.5 Poverty Reduction and Vulnerability

Cash transfers can be utilized in the effort of bridging the gap between the poor and the rich by fighting against extreme poverty and vulnerability and restricting the transfer or trend of this predicament to generations that follow. This is attained by utilization of the funds allocated through the transfers in income generating activities that results into improvement of living standards. There is a variety of evidence especially in studies done in Latin America that reveal that cash transfers results into positive effects in poverty reduction (Arnold et al, 2011; Levy and Schady, 2013; Fiszbein and Schady, 2009). Adato and Bassett (2008) observe that the operational cash transfer programs and simulation of the programs in the country indicate that these programs have high capability of reducing poverty, especially bridging the huge poverty gap and the severe consequences of extreme poverty by targeting households that are poor, with children, and without able-bodied members, or the elderly.
2.8 Theoretical Framework

This study sought to compare the impacts of cash transfer programs in Kenya and Malawi. This was informed by the theory of social investment. Policy positions of governments in Kenya and Malawi have been markedly different. The social investment theory provides a framework to examine the policies, design of cash transfers, and compare the outcomes of the programs in Kenya and Malawi.

Anthony Giddens (1998) developed the theory of Social investment. Giddens quintessentially makes an entrepreneur of the state that values positive welfare and invests in human capital. He envisions a citizenry of ‘responsible risk takers’. Giddens describes the aim of government as “usage of market dynamics but with the public interest in mind. This entails a balance between regulation and deregulation and between the economic and non-economic in the life of society”. Giddens calls for a "new partnership" in the responsibility of catering for the welfare and functioning of households, markets and states, and challenged the government to encourage an entrepreneurial culture, offering safety in order for investors to readily take risks, resulting into open and many possibilities (Giddens A., 1998).

In addition to this transformation in the interaction among markets, social and economic sectors of society and government; there is also an inquiry of the basic structure of welfare and a push for its ‘modernization’ to result into enhanced social status and improved economic competitiveness social well-being (Perkins, Nelms, & Smyth, 2004). The state therefore had to make changes in its approach by doing away with the traditional stance of passiveness and reactionary to the social investment stance that is characterized with active and pro-active focus (Andersson, 2005). James Midgley further articulated the concept of the social investment state. He advocates for productive social policies and programs but further associates them with the
efforts to utilize the power of economic growth for social welfare improvement (Midgley, 1991). Midgley along with other social development scholars highlight a number of common themes that shape the framework of social investment.

The social investment policy primarily recognizes and combines the economic and social dimensions contained therein. According to Midgley (1999), this is characterized by efforts to shift the focus on social welfare from consumption and maintenance-oriented social programs to those that invest in people thus enhancing their ability to participate in the productive goal of the economy. Although it recognizes that some members of beneficiary household will never be economically productive, there is high potential and possibility that the many who are currently still dependent can be transformed into productive members of the society through the right interventions (Midgley, 1991).

Investment implies returns. The nation of time underpins the social investment approach. The returns are expected in the future because of consumption that occurs presently. According to Jenson and Saint Martin (2003), state spending must not only be utilized in the present for current needs. For it to be worthwhile, it much be an investment that will be beneficial through reaping rewards in the future. It is crucial to the social investment concept that programs adopted to result into positive returns that benefit the economy (Jenson & Saint-Martin, 2003).

Government spending should therefore be carefully allocated to where it is needed and will produce the best yields (Jenson & Saint-Martin 2003b). This concept is elaborated into a more straightforward reference of ‘increasing cost-effectiveness in social welfare’ (Midgley 1999, p.9) and ‘modernizing social protection to make it sustainable’ (Jenson & Saint-Martin, 2003). The positive returns are also thought to have a multiplier effect. Through improved economy’s
productive participation and the resultant contributions to it, social and economic benefits are enjoyed by both the individual and the overall economy.

Social investment focuses on transforming the stance from redistributive, consumption-focused social welfare that settles only on rights and benefits to investment oriented focus in human capital that enhances the people capability to participate in the economy. This move is consistent with Amartya Sen’s influential analysis of welfare in terms of potential productivity rather than just mere consumption. Midgley (1999) notes that economic development has been shown to be linked to investments in human capital. For instance, investments in education have been shown to produce high rates of return (Midgley, 1991).

Another pivotal element of the social investment concept is ensuring that as many as possible citizens participate in the labor force in order to ensure social interaction and cohesion and economic productivity. Overall the objective of attaining full employment is superseded by that of employability. This primarily is to be attained through inclusivity of the population into the labor market and lifelong learning and improvements. The third way concept of ‘no rights without responsibilities’ is emphasized here. As Midgley expresses it:

"Instead of using valuable resources that are also scarce in the maintenance of needy people through cash transfers, the [social investment] approach proposes programs that assist them to find employment or become self-employed. In this way, they not only earn money but become self-respecting independent citizens who work, pay taxes, and contribute to economic development."

(Midgley 1999, p.13)

According to Jenson and Saint-Martin (2003), the aim of social policy should be to achieve social inclusion. This was concluded from a study of child poverty and the risks it poses to social inclusion. They found that poverty creates a risk to cohesion and recommended a mix of tax
advantages and transfers to vulnerable families to reduce threats to social cohesion (Jenson & Saint-Martin, 2003).

Anthony Giddens theory of 1998 was used in this study to help the researcher to organize various aspects of the study into a single explanatory framework. Previous research has shown a positive relationship between investments in social policy and welfare outcomes in societies. This research compared outcomes in the context of programs in Kenya and Malawi. The Social Investment theory was used to structure the research process and establish if social investments have indeed led to improved outcomes in Kenya and Malawi.

2.9 Conceptual Framework
The interrelationships between study variables were conceptualized as shown in figure 2.1 below

![Conceptual Framework Diagram]

- **Moderating variable**
  - Government policy
  - Funding of the CT Programs
  - Organization and targeting mechanisms

- **Independent Variable**
  - Cash Transfer
    - Amount
    - Payment Interval
    - Mode of Payment

- **Dependent Variables**
  - **Social wellbeing**
    - Impacts on education
    - Impacts on health
  - **Economic wellbeing**
    - Food expenditure
    - Food security
The study sought to compare cash transfer programs in Kenya and Malawi. This was based on the thesis that the effectiveness of the cash transfer programs is a factor of the political, social and economic context as well as the design and implementation of the programs. The study examines this relationship by comparing cash transfer programs in Kenya and Malawi. The independent variable in the study was cash transfer. The aspects of cash transfer as independent variable included the amount of money received by households, payment interval and mode of payment.

In order to assess the political and economic structures in the countries, an analysis of the development of the governance and economic structures was conducted. The period assessed included the precolonial structures into the modern day social and economic structures and their effect on the development of cash transfers in the country.

The study had two dependent variables, which were economic wellbeing, and social wellbeing. Economic wellbeing was analyzed in terms of consumption and investment in productive assets. Social wellbeing was analyzed in terms of the household's ability to access and enjoy improved health and educational facilities. Literature review shows that there exists a relationship between social investments and the wellbeing of beneficiaries. The strength of the relationship however is not clear in different state and policy contexts. Anthony Giddens in his social investment theory
argued that states that adopted an entrepreneurial approach to investment in the welfare of its citizenry noted improved outcomes in human capital development and overall wellbeing. The study envisaged that the differences in the two economic, social and political contexts would provide a suitable basis for the comparison of outcomes of CT programs. Consequently, the researcher sought to compare the impacts of cash transfers in Kenya and Malawi.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter described the research methodology that was suited to the nature of this the study. It describes the research design and the research area. It also included a description of the sampling techniques, instrumentation, data collection procedures and analysis.

3.1 Research Design

The study used a qualitative research design. This was necessary to gain an in-depth understanding of CT programs. The researcher identified cash transfers that have been rolled out in Kenya and Malawi between 2008 and 2014. The researcher also examined policy considerations guiding the organization of the CT programs including targeting mechanisms. Finally, the researcher evaluated the influence of existing cash transfers on social and economic wellbeing of households.
The decision to utilize a descriptive research design was guided by the observation of Mugenda (2008) that qualitative research designs are commonly used to gain a detailed understanding of a particular topic. He noted descriptive studies, because of their explanatory nature can be direct and simpler to conduct, yet quite important for providing the basis upon which correlational and experimental studies emerge (Mugenda, 2008). Shaw (1999) also argues that descriptive research enhances data analysis and gathering across the variables under study (Shaw, 1999).

In addition, Lambert (2012) posits that descriptive design enables the presentation of the relationship between variables and the impacts established in the research. This linkage is presented through content analysis of data retrieved from secondary articles such as journals, books, official websites as well as government gazettes (Lambert, 2012). This is conducted through pursuing a comparative analysis of diverse study variables while involving contextualized information presentation.

3.2 Research Methodology

This study relied on secondary data. The researcher concluded that this would provide a comprehensive overview of the programs and facilitate achievement of objectives within the scope and timelines of the process. The data was collected using content analysis method. The sources of data that the researcher focused on include relevant knowledge databases such as the World Bank and the Overseas Development Agency, government publications from the governments of Kenya and Malawi, journal articles and relevant studies and media publications. To ensure objectivity, the researcher applied the following criteria to select relevant documents:

i. Type of document

ii. Procedures and instruments for data collection
iii. Procedures for data analysis

iv. Findings

v. Validity of conclusions

vi. Recommendations and their validity

3.3 Sampling and Data Analysis

3.3.1 Sampling Frame

The sampling frames include a list of items, people or in this case documentary sources that constitute the population from which a researcher makes reference while collecting data essential for the study. The researcher focused on relevant knowledge databases such as the World Bank and the Overseas Development Agency, government publications from the governments of Kenya and Malawi, journal articles and relevant studies and media publications. This facilitated the collection of authentic information from a centralized point within a short time. The data collected focused on cash transfer programs implemented within the countries studied. This data was analysed through a comparative content analysis as deduced from the documents within the sampling frame.

3.3.2 Sampling Technique

The researcher used purposive sampling to guide data collection. Purposive sampling involves the use of judgement in determining the data sources in the study. The researcher then used an inductive and deductive approach to code and analyse the data. This facilitated the gathering, analysis and presentation of reliable information within the required period.
3.4 Data Collection

This study was interested in retrieving information from secondary data, where journals, articles, books, documentary, and government gazettes forms the basis of required materials. The researcher focused on relevant knowledge databases such as the World Bank and the Overseas Development Agency, government publications from the governments of Kenya and Malawi, journal articles and relevant studies and media publications. The method was preferred due to the short time allocated for the study to and lack of funding to facilitate primary data collection. Therefore, secondary data befitting the study objective acquired in content form, presented reliable information, which can be used for critical analysis of various variables in play.

3.5 Data Collection Procedures

The secondary information was acquired with the assistance of the United States International University of Africa Library and the subscribed online journal as well as articles. This enabled easy access to valid documented information which assisted in developing the study credibility. This offered unlimited access to broad information within the shortest time possible.

3.6 Data Analysis

The information collected was analyzed using a convenient deductive approach. The specific element was direct content analysis. The process concentrates on content analysis, as it intends to initiate comparison of the various data category represented within a specific period. As noted by Bryman (2012), qualitative method gives a descriptive content analysis which focuses on presenting conflicting ideas and unresolved issues within the focus on concepts, procedures, and interpretations required for the data (Bryman, 2012). The focus presented in direct content analysis approach aims at validating or extending theory (Philipp, 2000). This opened up
avenues for predictions to be carried out on the specific study variables or as well concentrate on the link between study variables thus encouraging deductive approach application. The interest within content analysis relies heavily on the researcher’s choice as per theoretical and substantive concern on individuals or elements as well as the emerging challenges in the study. The content analysis approach is usually more structure as earlier study finding or concepts can be initiated through key concepts or variable being identified first in the analysis phase. This is because the earlier findings act as a platform to follow in discussion and analysis where contrasting opinions may emerge hence presenting potential and reliable discussion, conclusion and recommendations.

3.9 Ethical considerations

Care will be taken to ensure strict observance of ethical principles, standards and codes in the study. As part of observance of ethical standards in the study, the researcher has ensured the maintenance of the highest standard of objectivity in discussions and analysis throughout the study. In addition, the researcher has ensured that other authors works used is acknowledged and cited appropriately.

CHAPTER FOUR: A COMPARISON OF CASH TRANSFERS BETWEEN KENYA AND MALAWI

4.0 Introduction

This chapter presents results of descriptive statistical analysis of the data, their interpretation and discussion. The results were used in the comparison of programs in Kenya and Malawi and were reported in three sections. The first section describes the features of interventions in both
countries. Subsequent sections describe the researcher’s findings on the use of transfer funds, impacts on consumption, investment and education and health.

4.1 Comparative analysis of the Political Economic contexts of Kenya and Malawi

This comparative review provides an analysis of the political economy in Kenya and Malawi. The economic, social and political structure of a country is interconnected to its development and by extension to the provision of welfare to its citizens. This section of the study is inimical to understanding the societies and providing insights into the organization of CT programs in both Kenya and Malawi.

4.1.1 Malawi

Malawi is a land looked country located in South-eastern Africa and covers 118,484 sq km. It is made up of three regions – Northern, Southern and Central Region. According to the World Bank Group, Malawi had an estimated 18.82 million people in 2017. 66 per cent of its total population is estimated to be below 25 years. The sex ratio is 0.98male(s)/females, with a higher illiteracy levels reported among males (World Bank Group, 2018). The country’s overall literacy rate was 65.7 per cent in 2017 according to UNESCO’s Institute for Statistics (United Nations Educational, Scientific and Cultural Organization, 2017).

The administrative and national office in central Malawi is located in Lilongwe City while the country’s manufacturing and commercial hub is located in the provincial capital of the Southern province Blantyre City. Mzuzu being the main town in the Northern Province and Zomba; a trading centre between Blantyre and Lilongwe and the former political capital and were declared cities in 2008. Stolz (2014) reports that the Chewa, who mainly live in the Central region are
Malawi’s largest ethnic group (50.2%). The Lomwe (14.5%) and the Yao (13.8%), who both live in the Southern region are Malawi’s second and third largest ethnic groups respectively (Stolz, 2014).

4.1.2 The Pre-Colonial Era

Vibrant polities with moderately developed economies characterized precolonial Malawi. Polities such as Misuku, Ulambya, Kameme, Nthalire and Wenya occupied Northern Malawi. These polities did not have elaborate structures of governance, as this area was an entry point into modern day Malawi and north eastern Zambia. Consequently, immigrants entering the area proceeded to other regions (Kalinga, 1985).

Southern Malawi on the other hand was occupied by the Ngonde. A long range of mountains that provided an abundant water supply flanked the area. This supported a vibrant agricultural economy that produced surplus, which traded with the neighbours in return for iron products, pottery, and salt. The staple crops grown included millet, cassava, bananas and maize. They also owned large herds of cattle that enabled them to sustain their economy. These favorable conditions contributed to the establishment around 1600 of a centralized political system by the Kyungus, the dynasty which was to dominate the Ngonde state throughout the precolonial period (McCracken, 2012).

This strong economy enabled the Ngonde to offer refuge to the Henga-Kamanga who in 1877 rebelled against Ngoni rule and were forced into exile. The Henga-refugees were settled in different parts of the kingdom. A significant number of them, however, were given land on the northern border and were expected to use their experience as former Ngoni warriors to repel
attacks from neighbouring tribes who had in the recent past made several raids to the Ngonde (Kalinga, 1985).

Consequently, the Southern region was considered a suitable base for the establishment of a British station in the region. However, the British regarded the Ngonde as lazy as they were reluctant to act as porters to the British. They therefore sought workers from the Northern region.

In contrast to the importance placed on agriculture, animal husbandry was largely neglected. There were no peoples in the Malawi regions that were purely pastoralists. The Ngonde kept cattle in extensive numbers. They were mainly owned by the Ngonde political class who distributed them in a temporary basis (McCracken, 2012). Moreover, hunting constituted as a source of food and also enabled the indigenous people to socialize. The indigenous people also took part in trade. A variety of commodities were traded including earthenware posts, tobacco, cotton cloth ironware and salt.

4.1.3 The Colonial Era

Nyasaland, now present day Malawi was declared a British protectorate on May 14, 1891 (Tangri, 1968). This incorporated Malawi into the British Imperial system of political, social and economic domination. The British used indirect rule to govern the Nyasaland protectorate. The country was divided up into administrative units called districts. These were further subdivided into divisions under a principal headman. The incumbent traditional leader became the principal headman. There was no ordinance detailing how the district heads were to be selected. This led to the enactment of the the District Administration (Native) Ordinance of 1912 (Kalinga, 1985).

The central government comprised of the Executive Council and the Legislative council. These institutions were established in 1907 as a result of settler pressures and decision making was
highly centralized. This remained as the status quo even after the appointment of non-officio African members in 1955. Kaunda (1995) posits that these appointees lacked any real power to influence decision making, as they could not question the official line. (Kaunda, 1995) This centralization of decision making in government was still a prominent feature of Banda’s post-colonial regime. The 1961 general elections were the first test for popular representation. The electoral system was designed to exclude the majority of Africans through educational and wealth qualifications.

Kaunda (1995) argues that the salient feature of the colonial economy was the dominance of settler plantations and estates in the growing of cash crops such as coffee and tobacco (Kaunda, 1995). Nyasaland was not one of Britain’s more valuable colonies because it lacked natural resources. It was therefore vertically integrated with the rest of Southern Africa as a labor pool. As stated above, Northern Nyasaland was underdeveloped even in the precolonial period. This subsisted into the colonial era. The Southern region on the other hand was economically viable but was beset by perennial poverty. This led to the mass exodus of labor to Northern Rhodesian Copperbelt and Southern` Rhodesia’s commercial plantations. According to Daimon (2010), Nyasaland’s greatest export was manual labour because there was insufficient employment to cater for the population (Daimon, 2010).

McCracken (2012) however portrays a dissenting view. He argues that the portrait of Malawi as a labor reserve for other African countries is not completely true. In Central Malawi, peasant farmers became involved in commercial agriculture at a time when the settler sector was in decline. However, they faced a myriad of challenges including high transportation costs, irregular international prices, drought and pests and exploitative marketing systems (McCracken, 2012).
The Federation of Rhodesia and Nyasaland (1953-1963) consolidated the structure of the economy. Malawi remained a labour pool for Southern Rhodesian mines, and a dumping ground for the latter’s cheap manufactured products. Industry did not develop any further than agricultural processing of tobacco (grading and packing), as well as cotton ginning and packing. No dramatic change had occurred in the pattern of the economy up to independence in 1964 (Kaunda, 1995).

4.1.4 The Post-Colonial Era

A brief history of the political arena in Malawi shows that the country gained independence in 1964. Malawi was granted independence in 1964. The struggle for independence was led by the educated cream if the African society. The nationalists were urban based and used the peasantry as a means of acquiring legitimacy. They were connected to the masses by a common abhorrence of the colonial system. Therefore, mass grievances only served to provide a populist front by unifying anti-colonial struggle. They only concentrated on welfare politics that was for their own benefit rather than the peasantry. As a result, their main objective was to replace alien control of the system with indigenous control. State apparatus therefore came under the control of a socio-economic segment that was unwilling or unable to transform its basic structures and orientation (Kaunda, 1995).

The post-colonial state was characterised by the dominance of central government under the leadership of Dr. Kamunzu Banda. The president replaced the Governor General as both the Head of State and the Head of Government. The Cabinet Crisis of 1964 led to the consolidation of power by Dr. Banda in an attempt to control and avert any rebellion to his accumulation of power. According to Kaunda (1995), the Cabinet Crisis was an event in which six cabinet ministers rebelled against Banda’s rule barely six weeks after Malawi was granted independence.
This heralded the beginning of an autocratic regime. Consequently, the charisma of Dr Banda was institutionalized as his omnipotence was exorted. Manda (2002) posits that the systematic reduction of civil and political freedoms in the post-colonial regime resulted in the emergence of a ‘culture of silence’ (Manda, 2002). This perpetrated the culture dependency of the Malawian society even to date.

The economic structures developed in the post-independence period perpetuated the colonial economic regime. The Malawian development plan focused on the commercialization of agriculture. However, Malawi continued to honour all agreements, obligations, treaties and conventions entered into by the colonial government. This in effect confirmed existing interests over land, interests, estates and minerals. This influenced greatly the land tenure system in Malawi (Kaunda, 1995). Moreover, peasants were marginalized as the European land owners were replaced by political and public leaders. Land was increasingly transferred from smallholder use to estate use. What little was left to them was to cultivation of food crops and low value cash crops, while providing a low cost labour reserve for estate agriculture.

The focus on commercialization of agriculture facilitated the development of an export-oriented economy. The promotion of tobacco also referred to as Malawi’s ‘green gold’ by Chirwa and Dorward (2013) was central to the dispensation of political patronage. Banda rewarded elites based majorly in the central and northern region. The middle class support was attained through initiatives/ investments in secondary and higher education and employment in the civil service. Mass support on the other hand was as a result of massive visible investments in a variety of developmental and infrastructural projects across the country, that included credit subsidies and fertilizers allocated to improve the livelihood of poor smallholders, and a promise to deliver
national food security. There was minor attention to social welfare policies in this stage as the government played down the existence of chronic poverty (Chirwa & Dorward, 2013).

The independence decade was characterised by impressively high economic growth rates. However, the economy was fragile. This good fortune was quickly reversed during the commodity prices decline of the 1980s. Terms of trade fell drastically during this time, exuberated by 1980/81 drought and the Mozambique civil war. The government resorted to structural adjustment loans and foreign sources of funding for development.

The second phase of Banda’s reign was heralded by the adoption of Structural Adjustment Programs (SAPs). Jayco (1989) defines SAPs as programs that were aimed at increasing productivity and stimulate sustainable development. They called for profound changes in the social, political and economic structure of a country (Jaycox, 1989). In Malawi, the agricultural sector transformed drastically as a result. The major reforms adapted were the gradual removal of subsidies and agricultural market liberalization.

Market liberalization involved expanding access of cash crops to smallholder farmers to increase their disposable income and the raw materials available to increase export earnings. Subsidies were also removed and marketing of agricultural produce was no longer restricted to the Agricultural Development and Marketing Corporation (ADMARC). However, food prices were held down. The substitution of smallholder food crop production with cash crop therefore became commonplace. This led to a food crisis in 1987 along with rapid increase in maize prices (Chirwa & Dorward, 2013). Meanwhile, the prospects of growth in the manufacturing sector dwindled. Munthali (2004) reports a decline in the in manufacturing growth from 5 per cent before the SAPs period to 4 per cent subsequently (Munthali, 2004).
Politically, Banda’s popularity was increasingly fragile. This was exasperated by the 1987 food crisis. There were growing calls for political change and this prompted reversals in policies and government interventions and fertilizers subsidies and were re-introduced. Even though there was improvement in maize production to the changes in policies, maize shortages were exacerbated by severe droughts in the years 1992 to 1994. Meanwhile, access to patronage from tobacco was extended to a much larger part of the middle classes, primarily in the central and northern regions, through the promotion of large numbers of small-scale (Chirwa & Dorward, 2013).

In 1993 after a devastating drought, very strong domestic opposition, and growing international pressure, Banda accepted a referendum to be conducted on the restoration of multi-party democracy, thus Malawi transitioned to multiparty democracy in 1994, with Balaki Muluzi as Malawi’s second president. He was president for two terms from 1994 to 2004 and his leadership was marred with severe macro-economic mismanagement, huge fall in the value of the country’s currency, a weakening government capability and rampant inflation; all of which negatively affected the overall economy over the 10 year term. Privateers took advantage through opportunism by privatizing national resources, funds were diverted, and the issue of bonds to cater for budget deficits became a leeway source of patronage majorly for the southern region elite who had commercial rather than agricultural interests and as a result; short-term financial interests of the political elite drove the policies adopted as the focus was following patronage (Cammack & Kelsall, 2011).

Rampant inflation resulted in the collapse of the real value of civil service salaries. Consequently, middle class patronage involved the ‘democratization of corruption’ as referred to by Booth et al. (2006). Muluzi’s political power base was in the south that was populous in
contrast to Banda’s less populous center. The stagnation of the economy in addition to the growing land pressure and declining soil fertility, politics and mass patronage shifted to maize sufficiency and fertilizer subsidies. This led to the re-introduction of maize and fertilizer subsidies under the Targeted Input Program (TIP) that was considered a social protection program. However, Chirwa and Dorward (2013) posit that the role of the program was ambiguous. The program had populist roots and was geared towards short-term political patronage objectives (Chirwa & Dorward, 2013).

President Bingu Wa Mutharika, Malawi’s third president was elected into office in 2004. He served two terms in office. According to Agbor (2012), his first term was characterized by impressive economic growth rates. The economy grew at 6.5 per cent and the rate of inflation was stable at 6.5 percent, which was in contrast with the preceding decade which recorded about 2 percent economic growth vis-a-vis a 35 percent inflation rate. There was also increase in exports which enabled Malawi to increase its foreign reserves, and in turn alleviated volatility in the country’s currency (the kwacha). Malawi as a nation attained the status of a net exporter and greatly improved its infrastructures (Agbor, 2012).

He remained focused on development goals and instituted credible economic management processes. One of the programs that he introduced was the Agricultural Input Subsidy Programme (AISP). Chirwa and Dorward (2013) argue that this program was aimed at tapping into nationalist sentiment in a populist but positive way. This program is largely funded from domestic resources. In 2013, it was estimated to take up nearly 10 per cent of budget and had a reach of 1.5 million households. Right before the next election, Mutharika’s government increased subsidies greatly, to the tune of US$300 Million with the source majorly being from government revenues. This directive constituted one-sixth of the total government expenditure.
and around 6.5 percent of the Gross Domestic Product (GDP). However, it quickly became apparent that President Bingu Wa Mutharika had autocratic tendencies. Moreover, corruption and political patronage became rife in his administration (Chirwa & Dorward, 2013).

These shortcomings did not negate people electing him on a landslide victory precipitating his second term in office in 2009. The subsidy program was a major boost to his manifesto that resulted into massive support from rural beneficiaries and diversion of funds enabled him and his party with plenteous opportunities to possess and utilize substantial resources for political mileage (Chisinga, 2009). The resulting parliamentary majority culminated in him being released from the dependence of support from the middle class and this gave a leeway to exercise both his dictatorial tendencies and increase in corruption and political patronage (Chisinga, 2009). This in effect caused negative results in both politics and the economy starting from late 2011 to April 2012 when he suddenly died.

Joyce Banda succeeded Mutharika after his death. Unlike her predecessors, she was widely regarded as a leader who championed the rights of women and the poor. She prioritized stabilization of the economy, with a focus on the rural poor who had been adversely affected by the shortcomings of Mutharika’s growth focused directives. Hamer and Seekings (2017) reported that she prioritized improvement of foreign exchange, fuel shortages, tobacco industry crisis, energy crisis, human rights violation, poor governance, unemployment, diplomatic crises among other pressing matters (Hamer & Seekings, 2017).

She instituted austerity measures that made her popular within the international community but led to criticism locally. Her most important decisions were devaluation of the local currency, liberalization of fuel prices, and pursuit of other internationally backed, market-based reforms. As a result of these policies there was economic hardship and numerous labor strikes, increase in
inflation and decrease of gross domestic product (GDP) per capita from USD 347 in 2011 to USD 223 in 2013, making it among the least in the world. For instance, the price of maize surged to almost double to USD 13 for a 50kg bag at the end of the year 2012, from a fair price of USD 7 recorded in May the same year. The World Food Programme reported severe shortage of food by the end of year 2012 which caused a huge population base of about 1.63 million people (11 per cent of the population) to suffer. The increase in commodities prices caused a ripple effect of civil servants strikes who demanded increment in their wages forcing the government to comply awarding them an average salary increase of 19 percent (World Bank Group, 2013). Her administration was also riddled by corruption. The ‘cashgate’ scandal is one of the well-publicized cases of financial impropriety during Banda’s reign that led to the loss of US 250M. According to Cook (2017), this led to restriction of aid by European and other multilateral donors. (Cook, 2017) Some of this restrictions are still in place.

President Peter Mutharika is Malawi’s current president. Having secured an election victory on 21 May 2019, President Mutharika begins his second term in service to the Republic of Malawi. Peter Mutharika was President Bingu Wa Mutharika’s brother. He has a strong academic background in international law. However, unlike his predecessors, Peter reportedly lacks the charisma and poise to compel crowds. He has maintained his popularity on the basis of a policy centered on balanced inclusive governance, mixed private and public sector approaches to spurring economic growth and downsizing of government (Cook, 2017).

President Peter Mutharika’s government has initiated a number of projects geared towards increasing economic development through infrastructures and investments initiatives. For instances he has constructed roads connecting rural centres to urban markets and the initiative of the water project connecting a Mozambican port to Malawi via Zambezi river. The
administration is also focusing on the increase of electrical power supply, an objective shared by preceding administrations; developing a wide range of energy sources such as biofuels, renewables, fossil fuels; implementing reforms and building huge capacity in the energy sector.

This president has also been able to form private-public partnerships in the energy sector while supporting improved airport management; with the aim of facilitating and protecting private investments and promoting ease of conducting business in the country. With these, he has enjoyed substantial success during his tenure. Malawi has improved in its standings in regards to performance with the World Bank’s annual Doing Business index positioning the country 111 as at 2018, from 164 in 2015, with visible improvements in ensuring access of credit (The World Bank, 2018).

4.2 Kenya

The Republic of Kenya is located in Eastern Africa and covers an area of 580,367 sq km. it is made up of 47 counties. The National Council for Population and Development estimates that Kenya had a population of 46.2 million people in 2017 (National Council for Population and Development, 2018). 61 per cent of Kenya’s population is estimated to be below the age of 25 years. The sex ratio is 0.98 male(s)/females, with males reported to have higher literacy rated than females.

Overall, the countries literacy rate was estimated at 78 per cent. The Kenya National Adult Survey Literacy Report (2018) reported that there were wide regional disparities in literacy, 87.1 per cent in Nairobi compared to 8 per cent in the Norther parts of the country (Kenya National Adult Literacy Survey, 2018).
Nairobi is Kenya’s capital and most populous city. The Kenya Bureau of Statistics reported that there were 3.6 million people living in Nairobi (Kenya National Bureau of Statistics, 2018). The country is much more ethnically diverse than Malawi, with a total of 43 ethnic groups.

### 4.2.1 Pre-Colonial Era

Decentralized polities with a mix of agrarian and pastoralist communities characterized the pre-colonial political economic scene in Kenya. Communities such as the Agikuyu and the MijiKenda who developed agricultural economies occupied the Central and Eastern highlands.

Others, including the Maasai and the Samburu practiced pastoralist forms of production and occupied the semi-arid parts of Northern Kenya. Production was primarily for collective subsistence rather than individual accumulation. Consequently, surpluses were quantitatively small and imposed limitations on trade. Ndege, (2009) observed that regional trade was minimal and only involved prestige goods. Its influence on the society was therefore minimal. He also posits that the society was largely equal and rewards were redistributed equally to meet needs. Such egalitarian ideals ensured that people did no slide into poverty (Ndege, 2009). These conditions did not facilitate the formation of centralized kingdoms.

The Kenyan coastline in contrast had well developed polities that engaged in trade with the Chinese, Arabs, Portuguese and the Ottoman Turks. East African coast was part of the Indian Ocean world commercially, culturally, and even at times politically. Beachy (1967) postulates that there was evidence of domination of the region by Arab merchants as early as the second century A. D. (Beachy, 1967). The main commodity traded at the time was ivory. The Swahili kingdom and culture flourished as a result. Trade eventually evolved to include slaves by the 19th
century. This formed the first interaction of East Africa with British imperialism that culminated in the annexation of Kenya and the start of colonial rule.

4.2.2 The Colonial Era

The East African Protectorate, later to be renamed Kenya was declared in 1895. The British used indirect rule to govern the newly annexed territory under the British East African Company until 1920. Kenya was declared a British colony on July 23 1922 and her first British governor was appointed. Their rule was characterized by military expeditions into the interior as they appropriated African land for settlement by white settlers. This led to forced migration of people among the Agikuyu, the Nandi, Abagusii, Giriama, Ababukusu and all the other tribes who met colonialist with force. This colonial conquest led to the replacement of indigenous leaders with collaborative agents and porters (Ndege, 2009).

Kenya was divided into districts and governance was conducted via native tribunals, Chiefs’ councils, and local native councils. The purpose served by these administrative post was for political expedience and to ascertain that the costs involved were incurred by the Africans. It was majorly for the interest of the British capitalist accumulation of wealth that law and order was maintained.

Ndege (2009) explains that British economic policy in Kenya comprised of African forced labour, land alienation for European settlers, peasant commodity production, export production, development of settlers dominated agricultural production, education, rail and road transport and communication, and health. These initiatives were strategized and incrementally implemented at established sages/period of colonialism: the pre-1920 period that was interrupted by the outbreak
of the First World War; the interwar period, which also included the great depression between 1929 and 1934; the Second World War 1939-45 and the post-war period (Ndege, 2009).

Zeleza (1985) poignantly illustrates this. The World War II period and the resultant upsurge in demand for labour and food supplies resulted in the forced conscription of 98,000 Kenyans to serve in the armed forces. In addition, colonial governments intervened at the level of production and exchange by forcing peasants to grow certain crops. Moreover, the colonial administration imposed new systems of quotas, price controls and bulk purchasing. It is during periods that the infamous marketing boards emerged that were to become a prominent feature of the post-colonial period. This alteration in the organization of the local economy had dire consequences such a severe food shortages resulting in starvation of Africans in Central and Western Kenya (Zeleza, 1985).

By 1944, the first unofficial African members were appointed to the Executive council. However, just like their Malawian counterparts, they did not influence policy. They were relegated to criticizing the colonial administration’s policy. Peasants and workers who became the nationalist bourgeoisie led the struggle for independence in Kenya. Conscriptions often provoked fights and rural disturbances. In the urban areas, workers resorted to strikes. A strike wave in 1942 for instance lasted until the end of the Second World War. This sowed the seeds for trade unionism. By 1943, there were 10 registered trade unions in Kenya (Zeleza, 1985). This had effectively created political organizations that matured into militant nationalist movements.

The Mau Mau resistance (1952-56) convinced the colonial administration that the settlers were not a viable base for a political regime. The colonial government embarked on the development of new alliances with the moderate nationalists. The transition to independence was carefully engineered by the colonial regime. They inaugurated democratic processes in response to
nationalist demands as a means of ensuring moderate leaders. This significantly affected the political economy of the independence period (Holmquist, Weaver, & Ford, 1994).

### 4.2.3 The Post-Colonial Era

Kenya was granted independence in 1963. The government was established on a Westminster model constitution after lengthy consultations at Lancaster House, in London. This constitution established a strong central government with a federal provision for regional governments. However, despite this independence, the new African elitist group perpetuated the colonial structures on behalf of the colonial powers. At the helm of government was Kenya’s first president Jomo Kenyatta (Onyango, 2015).

The government consolidated power during the 1960s and 1970s. This led to a highly centralized system of government that was centered on the civil service. The whole of provincial administration came under control of the Office of the President, 1965 from the Ministry of Home Affairs. The provincial administration was given a dominant role as an agent of the executive. This gave the president a tight hold of the countryside. This was followed by constitutional amendments to increase presidential power and make the country a *de facto* state (Swainson, 1978).

Moreover, the composition of the nationalist union changed as the government steadily created a state that favoured the accumulation of capital at the expense of the masses. It is no wonder that the government acted to curtail the independence of the labor movement by bringing it under the control of central government. After 1965, the Confederation of Trade Unions (COTU) replaced the Kenya Federation of Labour (KFL) (Swainson, 1978).
Economically, the first decade after independence was a period of economic prosperity and high aspirations. Rono (2002) observed that the GDP growth rate in this decade averaged 6.6 per cent. Enrolment in schools at all levels of education was growing in addition to high levels of savings and investments among households (Rono, 2002). Centralization of government resulted into evident inequalities in the rate of development across the nation with high investments directed to former white Highlands in Central and Rift Valley provinces, and urban areas at the detriment of the rest of the country. This inequitable distribution of resources caused unemployment, rapid rural-urban migration and financial crisis.

The President also encouraged a culture of self-help, as embodied in the national mantra ‘harambee’. This was relevant at both the local and national level. Nationally, it affected the extent to which external sources were employed. Great efforts were made to mobilize domestic resources although external debt was also sought. The Central Bureau of Statistics reports that in the financial year 1963/64, 82 per cent of the total originated in external sources. This had fallen to 46 per cent in 1973. At local level, the spirit of harambee encouraged public participation in the provision of resources for projects that were of direct benefit (Central Bureau of Statistics, 1973). This also contributed to the emergence of a strong co-operative culture.

There was also rapid movement of large-scale capital into agricultural processing and industrial enterprise. The export sector remained intact. Moderate nationalists bought out land that was previously held by settlers with the tacit cooperation of key nation. Holmquist et al. (1994) argue that only 20 per cent of highlands was divided up for small holders (Holmquist, Weaver, & Ford, 1994).

Another notable feature of the post-scale expansion of state credit institutions Corporation (AFC) and the Industrial and Commercial Development Corporation (ICDC). The ICDC has been the
main source of state finance to the local commercial and industrial sectors. The Corporation is funded 57% from Kenya government source, 18 per cent from commercial bank loans, 7 per cent from the West German government, 1 per cent from the Swedish government and 17 per cent from others (Swainson, 1978).

The government of Kenya also adopted SAPs as tools for economic management as initiated by the World Bank and the International Monetary Fund. These programs had numerous effects on the economy. Rono (2002) posits that SAPs led to inflationary pressures, marginalization of the poor in the distribution of educational and health benefits and a reduction in employment (Rono, 2002). This resulted from the reduction of government expenditure on social goods and services. Kamau (2005) argues that SAPs increased due to higher dropout rates for students who could not afford to pay university fees (Kamau, 2005).

The 1970’s were also characterized by economic expansion albeit at a much slower pace. Inflationary pressures and increasing unemployment where also growing concerns. Holmquist et al. (1994) note the increasing growth in manufacturing. The World Bank estimates that manufacturing production constituted of over 13 per cent of GDP. This was twice the proportion in 1967 (World Bank, 1983).

Vice President Daniel arap Moi ascended to the presidency following the demise of President Kenyatta in August 1978. The 1978 oil shock led to economic decline in economic activity because of the shrinkage of capital flows into the country, growing debt and rising import prices. This regime could no longer use patronage to stem opposition.

The country experienced further slump by the year 1992 as the number of strikes increased, Gross domestic product (GDP) grew at a staggering rate during the first half of the 1980s,
recording an average increase by two and a half percent per year. In the case of GDP, which was adjusted due to the changed terms of International trade, reduced on average of over one percent every year through the proceeding five years. Even though there was a minor growth period between 1986 and 1988, rates of GDP growth began declining again in 1989, until economic growth had virtually stagnated by 1992.

Kenya's industrialization faced imminent danger of collapsing around late 1980s. Slow growth, reduced governmental budgets, limited domestic buying power, and declining tariff barriers, also consisting of increasing inflation with the ever enlarging exchange rate devaluations of the Kenyan shilling; all combined to destabilize the import substitution industrialization policy that was at the heart of Kenya's industrialization effort and was a pivotal piece of the modern urban sector. With dwindling international and domestic investments in the manufacturing for export industry and the evident lack of state reconstruction and maintenance of infrastructures; Kenya’s efforts in industrialization became more difficult, perhaps even more than is reported in the little more than one percent growth recorded for 1991-92 period for manufacturing production.

The state under the Moi regime also intervened in agricultural production. Holmquist et al. explain that this was done systematically by the presidency by installing ethnic cohorts and allies into allies key positions in the state and parastatal and nongovernmental organizations that service the modern urban and large-holder sectors, and sometimes market the coffee, tea, and other crops of the large-holder and competitive sectors (Holmquist, Weaver, & Ford, 1994).

Political freedoms were largely curtailed during this regime. Dissenting factions made efforts to an opposition political party. This led to arrests and restrictions, while a panicking regime pushed a measure through the National Assembly creating a de jure state (Nyong'o, 1989). In reaction several political factions of the dominant class began to worry about the unpredictability of the
regime, and they cast about for alternatives. The coup attempt of August 1982 was one consequence. The relatively mild anti-corruption character of the initial coup announcement indicates that the initiative came from among the elite, rather than as a challenge to it (Nyong'o, 1989).

The Moi regime acceded to demands for multiparty elections following the November 1991 Paris Group meeting of donors that withheld fast-dispersing aid. The international debt burden, a declining economy and chronic fiscal crisis made it increasingly difficult for the regime to promote economic growth and deal effectively with domestic political unrest through fiscal expenditure. The willingness to hold multiparty elections was a calculated risk with the regime betting that it was easier to meet the challenge of democracy than run a patronage-based regime without substantial international aid flows.

The elections did not result in the improvement of Kenyan fortunes. On the contrary, Moi and KANU won despite considerable evidence from national and international monitoring organizations of the lack of credible and fair elections. The regime was more authoritarian than before resulting in further economic decline and opposition immobilisation. This was the status quo until H.E. Mwai Kibaki succeeded him in 2002.

When H.E. Mwai Kibaki took over, Wachira (2011) posits that 56 per cent of the population lived below the poverty line. In addition, unemployment was rife, the cost of capital for businesses was in excess of 25 per cent and public infrastructure was dilapidated (Wachira, 2011). The Kibaki administration instituted the Economic Recovery Strategy (ERS) for Wealth and Employment Creation 2003-2007 as its primary vehicle through which it would improve provision of infrastructural services, education and healthcare to Kenyans and while creating employment for its citizens.
ERS implementation was highly beneficial to the country as it led to increased growth in the Gross Domestic Product (GDP), increased collection of revenue and significant growth in foreign exchange reserves. There was also increased investments in building and construction, tourism, manufacturing and ICT sectors (Ministry of East African Community and Regional Development, 2019). The ERS was replaced by Vision 2030. It was an economic blueprint designed to turn Kenya into newly industrialised, middle-income nation by 2030.

The Kibaki administration also prioritized the provision of free primary school education. This was Kenya’s first social welfare plan. Wachira (2011) reports a 55 per cent increase in primary school enrolment from 6 million in 2002 to 9.3 million in 2010. The government also subsidized secondary school. While these initiatives and pro-activeness were successful in increasing school enrolments, their effectiveness seemed to be lacking, especially at the secondary level where the majority of beneficiaries were children from well off families. (Wachira, 2011).

Kenya’s fourth president H. E. Uhuru Kenyatta was elected under the new constitution on March 4 2013. President Kenyatta’s reign has been characterized by strong economic growth as evidenced by high GDP growth rates. The African Development Bank estimated the GDP growth rate at 5.45 per cent driven by strong private consumption (African Development Bank Group, 2019). Kenyatta’s administration has continually focused on four pillars to facilitate the achievement of Kenya’s economic blueprint. These four areas include enhancement of manufacturing, food security and nutrition, universal healthcare and affordable housing.

The Uhuru administration has also focused in social welfare. Consequently, Kenya has been able to attain some Millennium Development Goals (MDGs) targets, including near universal primary school enrolment, reduced child mortality and narrowed gender gaps in education. Interventions and increased spending on health and education are having positive results in the
economy and populace of Kenya. While the healthcare system has undergone through various challenges recently, free maternal health care at all public health facilities and devolved health care will improve health care outcomes and develop a more equitable health care system (World Bank Group, 2018).

However, his administration has faced significant challenges such as a burgeoning public debt and grand corruption. Omondi’s (2019) analysis shows a string of what he refers to as ‘ghost projects’. These are phantom projects that have consumed billions of taxpayer funds without any tangible returns (Omondi, 2019). This has continually reduced trust by the population in the strength of government institutions. Moreover, it has interfered with the progress of welfare projects. The Universal Health Coverage pilot program for instance was under fire for the irregular procurement of medical equipment. This outlook negatively affects outcomes of investments in social welfare.

Governments in both countries implemented non-cash transfers to address the problems of vulnerability and poverty. Kenya has previously been able to implement successfully non-cash transfer programmes such as, emergency and special programmes; food relief in the drought stricken areas; school bursaries for needy children, and a wide range of other closely related initiatives. This was enhanced by liberalization of the country’s political system post 1992. One of the most successful non-cash transfer that was implemented was the free primary education. Stakeholders were aligned on the sustainability of programs without external donors and the centrality of government in delivering positive outcomes on CT programs.

Similarly, in Malawi non-cash programs were implemented. However, unlike Kenya, different players in government, civil society, donors and even private sector players did them as isolated projects. Chisinga (2009) further points out the disparity of objectives in stakeholders
implementing non-cash transfer programs (Chisinga, 2009). Government was not proactively leading non-cash transfer programs. The result was uncoordinated efforts by donors in many parts of Malawi with different goals.

4.3 Description of Malawi’s SCT

This study sought to enumerate the motivations for the establishment of cash transfer programs in Malawi. The Social Cash Transfer Program is and has been Malawi’s only cash transfer program. The program was piloted in Mchinji District in 2006 under the auspices of UNICEF. According to the Abdoulayi et al (2016), the program had reached over 163,000 beneficiary households by December 2015 (Abdoulayi, et al., 2016).

4.3.1 Objectives of the Program

The SCT aims at reducing poverty, hunger and starvation in ultra-poor and labor constrained households. Malawi’s National Statistics Office defines ultra-poor as households whose total consumption is less than K53,262 (USD109). The program also aims to increase school enrolment and attendance of children living in the targeted households and invest in their health and nutrition status. It also aims to generate a knowledge base on the feasibility, costs and benefits of cash transfers as a component of a Social Protection Program for Malawi.

4.3.2 Targeting Mechanisms

Two main criteria must be fulfilled for households to be enrolled in the scheme. The household must be in extreme poverty and unable to meet their most urgent needs. The program aims to select at least 10% of ultra-poor households. They must also be labor constrained defined as having no able-bodied member in the age group 19-64 years who is fit for work, or has to care for more than 3 dependents.
The targeting process involves an elected Community Social Support Committee (CSSC). The CSSC undergoes a two-day training conducted by the district social transfers committee under the superintendence of the District Commissioner that guides the identification of ultra-poor and labor constrained households.

The profile of beneficiaries observed by the Fourth Integrated Household Survey shows that 4 per cent of the households headed by women benefited from cash transfers as compared to 1.5 per cent registered by households headed by their male counterparts. It was also observed that there was a higher proportion (6.5) of the widowed from direct cash transfers as compared to those that were divorced/separated, married and never married.

Chirwa and Mvula (2013) note that there is some ambiguity on the constitution of ultra-poor households. This results in the exclusion of many households that meet the criterion. Data on targeting criteria also suggest poor targeting. Thirty percent of the beneficiaries met the labor constraint criterion in 2008 and in 2013 only sixty two percent of the beneficiary households had dependency ratios of more than three. He observed a rise in dependency ratios for beneficiary households between 2008 and 2013 (Chirwa & Mvula, 2013). Similarly, the average number of meals is higher than the 1-meal-per-day that is used as a yardstick of determining poverty in the targeting guidelines. In fact, the beneficiary households tended to have more meals per day than the group it was being compared to.

### Table 4.1 Targeting Outcomes

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<tr>
<th>Targeting Criteria</th>
<th>Beneficiary Group</th>
<th>Comparison Group</th>
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<td>(N=802)</td>
<td>(N=400)</td>
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<td>2008</td>
<td>2013</td>
</tr>
<tr>
<td>Proportion with Dependency Ratio &gt;3 (%)</td>
<td>33.8</td>
<td>61.6</td>
</tr>
<tr>
<td>Number of Meals per Day</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>Proportion with 1 Meal per Day (%)</td>
<td>13</td>
<td>5.1</td>
</tr>
</tbody>
</table>
4.3.3 Transfer Amount and Payment Procedures

According to Miller et al. (2008) a 1 member household received MK600, 2 member household received MK1,000, 3 member household receives MK1,400 and a household with 4 or more members received MK1,800 per month. In addition, households also received bonus payments of MK200 and MK400 for children in primary and secondary schools, respectively. Consequently, the average amount received per household on average was MK1,700 per month (Miller, Tsoka, & Reichert, 2008). The transfer amount was increased due to a decline in the real value of the transfer amount following the devaluation and eventual floatation of the Malawi Kwacha.

Table 4.2 Structure and Level of Transfers

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Member</td>
<td>600</td>
<td>1,000</td>
<td>1,700</td>
</tr>
<tr>
<td>2 Members</td>
<td>1000</td>
<td>1500</td>
<td>2200</td>
</tr>
<tr>
<td>3 Members</td>
<td>1400</td>
<td>1950</td>
<td>2900</td>
</tr>
<tr>
<td>4+ Members</td>
<td>1800</td>
<td>2400</td>
<td>3700</td>
</tr>
<tr>
<td>Primary School Child Bonus</td>
<td>200</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>Secondary School Child bonus</td>
<td>400</td>
<td>600</td>
<td>1000</td>
</tr>
</tbody>
</table>

Source: Computed by author based on NAC Evaluation Report and UNICEF End line Evaluation Survey.

Beneficiary households receive the CTs monthly at a predetermined locale centrally convenient place to the village, preferably a primary school. The District Council is in charge of all the financial transactions relating to the CTs at the district level.

The office of the Director of Finance is paramount in ascertaining that the CTs are remitted on time to the selected beneficiaries and proper accounting in maintained as a crucial element in the continuity of the program through replenishment. The recommended directive is that the head of the beneficiary family/household is the one to collect the funds, but other members of the households can be appointed and registered to receive cash on behalf of the household head; This
is in the event where the head is incapacitated or unable, so advanced in age that he/she could not make it to the collection points. It is the District Council that gives notice to the respective beneficiaries on the dates when the payments/allocations are to be made. Chirwa and Mvula (2013) reported that stakeholders and beneficiaries were complaining about the delays in allocations and lack of explanation and substantial reasons for such delays. The number of beneficiaries that reported delay of receiving the cash transfer was 86%, while the average delay period was 78 days and a maximum of 1 year of delays in the allocation and receipt of these CTs. The modal period ascertained in the Cash transfers payment delay was three months.

4.3.4 Funding

Cook (2017) argues that Malawi was at one stage, world-wide, the fifth most dependent country on aid. The extent of official development assistance (ODA) it received was equivalent to 75% of the value of government expenditures, and this percentage has been even higher in the past (Cook, 2017). It is therefore not surprising that the SCTP is funded largely by international donors.

The Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) directs the SCTP with added policy oversight provided by the Ministry of Finance, Economic Planning and Development (MoFEPD). See table 4.3 below:

<table>
<thead>
<tr>
<th>Amounts Disbursed</th>
<th>Time Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Fund</td>
<td>$110,400,000,000</td>
</tr>
<tr>
<td>European Union</td>
<td>EUR 50,000,000</td>
</tr>
<tr>
<td>Kreditanstalt für Wiederaufbau (KfW)</td>
<td>EUR 13,000,000</td>
</tr>
<tr>
<td>Irish AID</td>
<td>£2,867,459</td>
</tr>
<tr>
<td>Government of Malawi</td>
<td>$4,368,000</td>
</tr>
</tbody>
</table>

Table 4.3 Disbursement Structure
Source: Computed by author from several grant reports.

This model of financing is likely to result in fragmented implementation of CT programs. It increases the administrative costs of running the programs due to the high volume of financial flows. Moreover, lack of formal budget commitment from the Government of Malawi signalled a lack of commitment that dissuaded donors who only fund government programs. Angels et al (2012) note a delayed scaling up process in the SCT due to capacity constraints (Angeles, S, Mvula, & H, 2012).

The Fourth Integrated Household Survey reported that a small proportion of people in Malawi benefited from cash transfers from both government and other partners (2.1 percent and 2.4 percent respectively). By place of residence, a higher proportion in rural areas benefited from both government and other partners than urban areas. For instance, 2.5 percent of people from rural areas benefits from government while 0.4 percent of people from urban areas benefits from government. Similarly, 2.8 percent of the population in the rural areas benefited from other partners with only 0.6 percent of their urban counterparts benefiting from other partners.

Table 4.4 Cash and inputs programmes by background characteristics, Malawi 2016/17

<table>
<thead>
<tr>
<th>Background characteristics</th>
<th>Direct Cash Transfers from Govt</th>
<th>Direct Cash Transfers from others</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malawi</td>
<td>2.1</td>
<td>2.4</td>
<td>3</td>
</tr>
<tr>
<td>Place of residence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>0.4</td>
<td>0.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Rural</td>
<td>2.5</td>
<td>2.8</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Source: Fourth Integrated Household Survey.
4.4 Description of CT Programs in Kenya

Currently there are five (5) CTs programmes being implemented in Kenya with close collaboration between the Government and a group of key Development Partners, especially UNICEF, DFID and the World Bank. The Kenya National Safety Net Programme (NSNP) reports that more than 500,000 households receive cash transfers on a regular basis with an additional 374,806 households in Northern Kenya receiving cash assistance in the case of extreme weather events (Kenya National Safety Net Program, n.d.).

4.4.1 Objectives of the Programs

The study sought to establish the motivations for the establishment of CT programs in Kenya. The programs aim to alleviate poverty among vulnerable groups by providing a social protection mechanism that makes regular, predictable cash transfers to households. Specific objectives of the programs are summarized as per table 4.5 below:
Table 4.5. Objectives of Cash Transfer programs in Kenya

<table>
<thead>
<tr>
<th>Program</th>
<th>Program Start Date</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cash Transfer for Persons With Severe Disabilities (PWSD-CT)</td>
<td>2011</td>
<td>1. To strengthen the capacities of parents and children with disabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Improve the livelihoods of parents and children with disabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Alleviate integrated poverty among parents and children with disabilities</td>
</tr>
<tr>
<td>2. Cash Transfer for Orphans and Vulnerable Children (CT-OVC)</td>
<td>2004</td>
<td>1. <strong>Education</strong>: increase school enrolment, attendance and retention for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 to 17 year old children in basic school (up to standard 8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. <strong>Health</strong>: reduce the rate of mortality and morbidity among 0 to 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>year old children, through immunizations, growth monitoring and vitamin</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A supplement provision</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. <strong>Civil registration</strong>: encourage caregivers to obtain identity cards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>within the first six months after enrolment, birth certificates for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>children and death certificates for deceased parents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. <strong>Strengthening capacities within the household</strong>: Coordinate with</td>
</tr>
<tr>
<td></td>
<td></td>
<td>other Ministries and partners training on areas such as nutrition and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>reproductive health. Provide guidance and refer cases related to HIV/AIDS,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>both among adults and children who are members of the household</td>
</tr>
<tr>
<td>3. Hunger Safety Net Program (HSNP)</td>
<td>2008</td>
<td>1. To ensure effective, financially secure and well-targeted use of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>safety net and cash transfer program to support some of the most</td>
</tr>
<tr>
<td></td>
<td></td>
<td>vulnerable and poor in Kenya</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Implement a scaled up, integrated, effective government-led and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>financed safety net program.</td>
</tr>
<tr>
<td>4. Older Persons Cash Transfer (OPCT)</td>
<td>2007</td>
<td>To provide regular and predictable cash transfer to poor and vulnerable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>older persons (65 years and above) in identified deserving households.</td>
</tr>
</tbody>
</table>

Source: Prepared by author from National Safety Net Program Reports
4.4.2 Targeting Mechanisms

The selection of beneficiaries is based on a household’s eligibility based on defined criteria. The Ministry of Labour and East African Affairs (MLEAA) also employs the use of a Proxy Means Tests (PMT) to determine which households that are extremely poor. The PMT uses a set of averaged variables that are representatives of the characteristics of poor households in order to determine which households best qualify based on data from the 2005/06 Kenya Integrated Household Budget Survey (KIHBS). Households that have been highlighted in the community targeting and consequently visited by enumerators are assigned a PMT score based on their household characteristics. Households below the pre-defined PMT cut-off are enrolled into a program (Ministry of Labour and East African Affairs, 2016).

The PWSD-CT targets persons with severe disability that require permanent and intensive support on a daily basis. The OPCT targets older persons above the age of 65 years who are not enrolled in any other cash transfer program.

Households are eligible to receive the CT-OVC if they are the primary caregivers to a child who has lost both parents, caregiver or child has been chronically ill for three or more months before the selection is done; and the child belongs to a household headed by a child who is less than 18 years old. The selection process involves a community based participatory method.

Bryant (2009) observed that communities came up with their own criteria for selecting beneficiaries, using broad directives provided by UNICEF. An open public meeting would then be arranged where a list of qualifying vulnerable children was arrived at (Bryant, 2009). Oboka (2013) observed that the average age of recipients was 54.7 years. This shows that the program mainly benefited elderly people who were primary caregivers for orphans and vulnerable
children. Thus, people with advanced age were given high priority in targeting of beneficiaries (Oboka, 2013).

HSNP targets poor households that lack capacity to participate in productive programs and are at risk of further depth of poverty in times of extreme shocks such as drought. The selection process involves the voluntary registration of all households. Households were then ranked in line with the results of a community wealth ranking. The poorest households formed core HSNP beneficiaries, with the remaining households identified in a ranked list that could be used to scale up transfers in response to shocks (Sandford, Merttens, R, Riungu, & SabatesWheeler, 2016).

Targeting analysis conducted in Kenya is to be at par with well-known programs around the globe. A comparison of household poverty of profile beneficiaries with those of the population at large revealed a 78 per cent poverty rate among beneficiary households. This was double the national rate of 38 per cent. The demographic eligibility requirement of specified vulnerability such as OVC status had widespread public support and provided a transparent way to select a sub-group of poor households given the context of widespread poverty and limited program resources.

4.4.3 Transfer Amount and Payment Mechanism

Transfers are made via the National Safety Net program (NSNP) that is mandated with the co-ordination of CT programs in Kenya. According to MLEAA (2016), payments were made through Post Office branches in the initial phases of the CT programs. Beneficiaries were required to present their national identity cards to authenticate their identity. However, this process was noted to be inefficient in delivery due to heavily manual processes.
The HSNP and OVC-CT pioneered the use of electronic systems. In partnership with Equity Bank, a local financial services provider, payments were made to beneficiaries using the bank’s agent networks. Beneficiaries received a smart card that enabled a two-factor authentication process along with available biometric data (Ministry of Labour and East African Affairs, 2016).

Odero (2012) however found that 50 percent received their cash, while 49% were paid through banks, agents or through debit cards. He also noted that beneficiaries were unaware that payments granted them the ability to access and utilize financial services because of the program (Odero, 2012).

The transfer amounts have also been revised to reflect the real value of transfers in line with the rising cost of food prices. See table 4.6 below.

### Table 4.6. Amount of benefit transferred per Household

<table>
<thead>
<tr>
<th></th>
<th>Amount Transferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWSD - CT</td>
<td>2,000</td>
</tr>
<tr>
<td>CT - OVC</td>
<td>500</td>
</tr>
<tr>
<td>HSNP</td>
<td>1,075</td>
</tr>
<tr>
<td>OPCT</td>
<td>2,000</td>
</tr>
</tbody>
</table>

Source: Computed by author from various reports

This is consistent with findings by Oboka (2013) who observed that the amounts paid to the households in 2005 when the OVC-CT program was first started in Bungoma County was Ksh 500. The amount had been increased to Ksh 1500 per month in 2006, and later on to Ksh 2000 in 2011.

This is unlike Malawi’s SCT where households received variable cash transfer values based their composition and size. Consequently, households felt that the cash transfer amounts are inadequate. Oboka (2013) observed that 78.7 per cent of respondents indicated a need to increase the transfer amount paid to households. In addition, responses from qualitative studies carried
out by the Institute of Development Studies noted that higher impacts could be achieved by increasing the transfer amount (Institute of Development Studies, 2012).

4.4.4 Funding

The MLEAA provides policy and administrative oversight to cash transfer programs in Kenya. The NSNP is in charge of the coordination of the programs. The Government of Kenya in partnership funds the programs with international donors. Unlike Malawi, the Government of Kenya developed and adopted an expansion plan that led to government led financing of the projects as shown in table 4.7 below

Table 4.7. Financing of Cash Transfer Programs in Kenya

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td></td>
<td>'000</td>
<td>'000</td>
<td>'000</td>
</tr>
<tr>
<td>CT-OVC Total</td>
<td>KES 6,736,038</td>
<td>KES 4,014,903</td>
<td>KES 7,755,541</td>
</tr>
<tr>
<td></td>
<td>USD 77,426</td>
<td>USD 46,148</td>
<td>USD 83,844</td>
</tr>
<tr>
<td>GoK</td>
<td>KES 4,763,062</td>
<td>KES 2,146,552</td>
<td>KES 5,699,287</td>
</tr>
<tr>
<td></td>
<td>USD 54,748</td>
<td>USD 24,673</td>
<td>USD 61,614</td>
</tr>
<tr>
<td>World Bank Loan</td>
<td>KES 938,039</td>
<td>KES 933,496</td>
<td>KES 619,116</td>
</tr>
<tr>
<td></td>
<td>USD 10,782</td>
<td>USD 10,730</td>
<td>USD 6,693</td>
</tr>
<tr>
<td>Foreign Grant</td>
<td>KES 1,034,938</td>
<td>KES 934,856</td>
<td>KES 1,437,138</td>
</tr>
<tr>
<td></td>
<td>USD 11,896</td>
<td>USD 10,745</td>
<td>USD 15,537</td>
</tr>
<tr>
<td>OPCT Total</td>
<td>KES 2,857,000</td>
<td>KES 2,560,113</td>
<td>KES 5,930,586</td>
</tr>
<tr>
<td></td>
<td>USD 32,839</td>
<td>USD 29,427</td>
<td>USD 64,114</td>
</tr>
<tr>
<td>GoK</td>
<td>KES 2,857,000</td>
<td>KES 2,560,113</td>
<td>KES 5,930,586</td>
</tr>
<tr>
<td></td>
<td>USD 32,839</td>
<td>USD 29,427</td>
<td>USD 64,114</td>
</tr>
<tr>
<td>Foreign Grant</td>
<td>KES 770,000</td>
<td>KES 770,000</td>
<td>KES 770,000</td>
</tr>
<tr>
<td></td>
<td>USD 8,851</td>
<td>USD 8,851</td>
<td>USD 8,324</td>
</tr>
<tr>
<td>World Bank Loan</td>
<td>KES 770,000</td>
<td>KES 770,000</td>
<td>KES 770,000</td>
</tr>
<tr>
<td></td>
<td>USD 8,851</td>
<td>USD 8,851</td>
<td>USD 8,324</td>
</tr>
</tbody>
</table>
4.5 Use of Transfer Funds

The study sought to determine the utilization of transferred amounts in Kenya and Malawi. Abdoulayi et al (2016) reported that recipients of the SCT in Malawi used transfer funds to buy food (94 per cent); other basic uses included purchasing clothing and shoes (45 per cent), paying formal government education fees (43 per cent), and paying for rent or shelter (38 per cent). Just over one-fourth of the beneficiaries used transfer funds to buy livestock and other agricultural inputs (Abdoulayi, et al., 2016). In Kenya, households also used transfer funds to purchase food. This is with exception of OVC-CT, where the main use of the transferred amount was on educational needs (69%) as observed by Oboka (2013).

Other programs in Malawi and Kenya also showed higher utilization of the CT program on education. This is consistent findings by Slater and Mphale (2008). They studied CT programs in Mohale’s Hoek and Maseru districts of Lesotho and reported that cash transfers were utilized primarily to buy food and other basic household needs. However, Slater and Mphale noted at instances, though not often, the funds allocated to some households were used to pay school fees for their children education and also to invest in their livelihood (Slater & Mphale, 2013).
The low expenditure on agricultural activity in Kenya is consistent with expectations as the recipients are vulnerable and may be unable to engage in productive activity. See table 4.7 below for details.

Table 4.7 Use of transfer funds by households

<table>
<thead>
<tr>
<th></th>
<th>Malawi</th>
<th></th>
<th>Kenya</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SCTP</td>
<td>OVC-CT</td>
<td>OPCT</td>
<td>HNSP</td>
</tr>
<tr>
<td>Food</td>
<td>94</td>
<td>15</td>
<td>94</td>
<td>85</td>
</tr>
<tr>
<td>Education</td>
<td>45</td>
<td>69</td>
<td>68</td>
<td>24</td>
</tr>
<tr>
<td>Clothing</td>
<td>43</td>
<td>3</td>
<td>82</td>
<td>31</td>
</tr>
<tr>
<td>Health</td>
<td>-</td>
<td>7</td>
<td>54</td>
<td>17</td>
</tr>
<tr>
<td>Farming/Livestock</td>
<td>25</td>
<td>3</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Business</td>
<td>6</td>
<td>4</td>
<td>58</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Prepared by author from various evaluation reports. Note: Figures are in percentages.

4.6. Impacts on Consumption

The study aimed at establishing the impacts of transfers on consumption of households in Malawi and Kenya. As shown in table 4.8 below, Malawi’s SCT program led to higher consumption between 2010 and 2014. Abdoulayi et al (2016) observed that the average total per capita consumption at midline for treatment households was MWK36,876 (US$ 0.31 per person per day) compared to MWK31,302 (US$0.26 per person per day) for control households. Overall deductions indicate these were US$0.45 and US$0.35 per person per day for treatment and control households respectively (Abdoulayi, et al., 2016). This translates to an increase in consumption by MWK4,149 at midline. This had more than doubled to MWK 10,293 by end line.
The table 4.8 shows that food expenditure recorded the largest consumption impact (MWK8,475) which represents 85 per cent of total consumption impact of the program. The other constituents of consumption most affected by the program are clothing (MWK697), and education with an increase of MWK203 (Abdoulayi, et al., 2016)

### Table 4.8 Impacts on Household Consumption Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Endline Impact</th>
<th>Midline Impact</th>
<th>Impact Diff</th>
<th>Diff % age</th>
<th>Baseline Treated Mean</th>
<th>Endline Treated Mean</th>
<th>Endline Control Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Expenditure</td>
<td>10,293</td>
<td>4,149</td>
<td>6,143</td>
<td>100%</td>
<td>45,840</td>
<td>53,882</td>
<td>41,196</td>
</tr>
<tr>
<td>Food Expenditure</td>
<td>8,475</td>
<td>2,460</td>
<td>6,014</td>
<td>82%</td>
<td>35,519</td>
<td>41,189</td>
<td>31,008</td>
</tr>
<tr>
<td>Clothing Expenditure</td>
<td>697</td>
<td>734</td>
<td>(37)</td>
<td>7%</td>
<td>376</td>
<td>1,083</td>
<td>228</td>
</tr>
<tr>
<td>Housing Expenditure</td>
<td>(255)</td>
<td>550</td>
<td>294</td>
<td>-2%</td>
<td>5,252</td>
<td>5,339</td>
<td>5,468</td>
</tr>
<tr>
<td>Health Expenditure</td>
<td>(12)</td>
<td>448</td>
<td>460</td>
<td>0%</td>
<td>1,490</td>
<td>1,767</td>
<td>1,757</td>
</tr>
<tr>
<td>Education Expenditure</td>
<td>203</td>
<td>198</td>
<td>4</td>
<td>2%</td>
<td>331</td>
<td>504</td>
<td>329</td>
</tr>
</tbody>
</table>


Chirwa & Mvula also studied food security and consumption in a survey of households between 2008 and 2013. Several indicators were used to assess food security; self-assessment indicators of adequacy in food consumption, number of meals per day and the Coping Index Strategy (CSI). However, they did not find significant differences in food consumption between the beneficiary group and comparison group. They attributed this to intervening programs, particularly availability of subsidized farm equipment in which there is high access in both groups. Chirwa et al observed that majority of those who benefit from the farm input subsidy tend to be subsequent beneficiaries at another allocation, implying that some of the beneficiaries
of SCT scheme have also benefited regularly from the farm input subsidy (Chirwa, Dorward, & Matita, 2011).

A study conducted by Bosworth et al (2016) reported an increase in consumption levels among beneficiary households. Average consumption levels of adults rose to KES 274 in 2009 from KES 232 in 2007 (Bosworth, et al., 2016). The Ministry of Labour reported also that the OVC-CT led to increase per capita expenditure, particularly on food, with the result that the diversity of the diet of beneficiary households increased as they consumed more animal products and more fruit. MLEAA also reported a 13 per cent reduction in the share of households living on less than USD 1 a day. Asfaw (2012) observed that there was a 12.3 per cent increase in expenditure on dairy and eggs (Asfaw, et al., 2012). However, the increase in consumption was subsequently offset by high levels of inflation.

Institute of Development Studies observed from an evaluation of the HSNP that there was no significant change in average consumption. However, a statistically significant reduction in expenditure levels of comparison groups was noted. Expenditure levels reduced by 10 per cent which is reflected in statistically significant increases in poverty rates in this group of around 5%. This was explained by the severe drought that affected HSNP in the affected districts. Consequently, the program was found to provide a safety net to households from the effects of drought (Instutute of Development Studies, 2012). The MLEAA also reported increased consumption especially among poor households, with an 87 per cent increase reported among beneficiary households (Ministry of Labour and East African Affairs, 2016).

A study conducted on OPCT recipients in Makadara Constituency reported that the transfer amount did not make any meaningful contribution to their consumption. Respondents attributed this an insufficient amount transferred (Omolo, 2011). This was consistent with findings by
Mohamed & Sakwa (2018). They studied the effects of OPCT program in Garissa and observed that the amount disbursed was not sufficient to improve their consumption levels (Hassan & M, 2018).

**4.7 Impacts on Investment**

The study sought to determine the impacts of CT programs in Kenya and Malawi on productive investments by households. In Malawi, agriculture constitutes the main economic activity for its rural poor population. Consequently, the main constraint to their productivity is the inability to use or own any agricultural implements. Abdoulayi et al (2016) noted major positive results on asset purchases in the last 12 months, the number of different assets owned and actual expenditure on asset purchased by the beneficiary households. There is a substantial positive impact on household purchases of at least one asset in the past 12 months, and a significant impact of about 174 MWK for the expenditure on purchases of assets over a base of 211 MWK among beneficiary households (Abdoulayi, et al., 2016).

Similarly, Chirwa & Mvula (2013) observed an increase in the assets owned by households between 2008 and 2013. As shown in the table 4.9, there was a marginal increase in assets owned by beneficiary households between 2008 and 2013

Chirwa and Mvula (2013) also observed that casual labour wages contributed less to incomes to beneficiary households (13%) than to comparison households (24%). This may suggest that the SCT reduces the incidence of households engaging casual labour, a form of labour known to be common among the poorest households in Malawi (Chirwa & Mvula, 2013).

**Table 4.9 Mean Number of Assets Owed by Households, 2008 and 2013**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
Oboka (2013) studied the incidence of new investments and improvement in crop farming among beneficiary households of the OVC-CT in Kenya. He observed that 64 per cent of respondents reported they had come up with new investments after enrollment on OVC-CT. 22.7 percent of these respondents had made investments in livestock farming while 22.3 per cent invested in small-scale trade. He also observed that there was no improvement in the acreage of land under cultivation. Only 14.8 per cent of beneficiary households in Bungoma County reported an increase in the acreage utilization (Oboka, 2013).

Asfaw et al (2012) also observed that the OVC-CT significantly led to the accumulation of productive assets. The program led to a 15.4 percentage increase in ownership of small livestock among beneficiary households compared to the control group. However, there was a very small impact of the program on the ownership of farm tools and implements. Similarly, he found that there was very little impact of the program on crop production (Asfaw, et al., 2012).

However, the Institute of Development (2012) noted that the HNSP had a significant impact on livestock ownership. Qualitative interviews indicated that households were more likely to keep their animals as opposed to selling them to survive the drought. Other respondents indicated that the HSNP cash provided partial protection, allowing for fewer animals to be sold.

<table>
<thead>
<tr>
<th>Asset</th>
<th>Beneficiary Group Mean</th>
<th>Comparison Group Mean</th>
<th>Beneficiary Group Mean</th>
<th>Comparison Group Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicycle</td>
<td>0.13</td>
<td>0.26</td>
<td>0.17</td>
<td>0.36</td>
</tr>
<tr>
<td>Hoe</td>
<td>2.39</td>
<td>2.64</td>
<td>2.38</td>
<td>2.71</td>
</tr>
<tr>
<td>Sickle</td>
<td>1.3</td>
<td>0.56</td>
<td>0.6</td>
<td>0.63</td>
</tr>
<tr>
<td>Axe</td>
<td>0.49</td>
<td>0.5</td>
<td>0.53</td>
<td>0.56</td>
</tr>
<tr>
<td>Bed</td>
<td>0.18</td>
<td>0.31</td>
<td>0.2</td>
<td>0.34</td>
</tr>
<tr>
<td>Radio</td>
<td>0.09</td>
<td>0.2</td>
<td>0.13</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Source: Chirwa & Mvula SCTP Evaluation 2013
4.8 Impacts on Education and Health

The study sought to determine the impacts of CT programs in Kenya and Malawi on health and education. Abdoulayi et al. (2016) observed a decrease in the prevalence of chronic illness between baseline (26 per cent) and midline (21 per cent) individuals in both T and C households at end line. There were no significant impacts observed on the proportion of individuals in poor health between midline and end line.

Similarly, Chirwa and Mvula (2013) did not observe any positive impacts especially on households living with HIV and AIDS. They observed that 21 per cent of beneficiary households compared to 16% of comparison households reported AIDS related causes of death. This is in line with Fizben and Schady (2012) who also noted mixed health impacts of cash transfer impacts across different programs implemented worldwide.

Chirwa and Mvula (2013) did not find significant impacts on education. He attributes this phenomenon to low spending of funds on education. However, they observed statistically significant differences in school enrollment and attendance between beneficiary and comparison groups. The enrollment rate observed within the beneficiary group was 91.9 per cent compared to 85.2 per cent enrollment rate among the comparison group. This is consistent with observations by Abdoulayi et al (2016). There were higher enrolment rates among all age groups in beneficiary households.

Secondary school children (14 to 17) seem to be more affected than for primary school aged children (6 to 13). For the former, school attendance during the current school year (without interruptions) had improved to about 16 percentage points at midline and 13 percentage points at endline. For the latter, school attendance during the current school year (without interruptions)
had improved to about 13 (10) percentage points at midline and 8 (12) percentage points at endline (Abdoulayi, et al., 2016).

Oboka (2013) observed that the OVC-CT allowed 76 per cent of respondents to have their children in school. In two FGDs conducted, the participants concluded that the main contribution of OVC-CT to households was to enable caregivers keep children in schools by using the money to meet educational needs of children.

Bosworth et al (2016) found that the OVC-CT program had significant impact on education. There was a 4.5 per cent increase in school enrollment of children aged between 6 – 17 years among beneficiary households. This impact was majorly at secondary school education (Bosworth, et al., 2016). The lower impact on primary education is because of the availability of free primary school education provided by the government of Kenya.

The Institute of Development Studies (2012) did not find any impact of the HSNP on the health status of beneficiaries, with no significant decrease in the incidence of illness or injury. This was attributed to the low expenditure of transferred amount on healthcare. (Institute of Development Studies, 2012; Jenson & Saint-Martin, New Routes to Social Cohesion? Citizenship and the Social Investment State, 2003).
CHAPTER FIVE: GENERAL CONCLUSION

5.0 Introduction

This chapter presents a summary, conclusions and recommendations based on the findings. The summary presents each section of the study in brief, while conclusions are made for each research question and recommendations are based on the general findings of the study. This study set out to compare the impacts of cash transfer programs in Kenya and Malawi. The objectives of the study were as follows:

1. To compare the historical political and economic contexts of cash transfer programs in Kenya and Malawi.
2. To investigate the motivation for the establishment for cash transfer programs in Kenya and Malawi.
3. To establish the funding structure of cash transfer programs in Kenya and Malawi.
4. To determine influence of cash transfers on the economic and social wellbeing of beneficiary households in Kenya and Malawi.

5.1 Summary of Findings

Below is a summary of the findings of the study.
5.1.1 Differences in political economic structures

The first objective of the study was to compare the historical political economic structures of Kenya and Malawi. This was done to situate CT programs and to provide a stronger basis for the comparison of these programs. Findings revealed that the colonial and precolonial histories of the two countries where largely similar. However, their role and importance in their respective territories affected the structure of their economies to date. Malawi is still largely underdeveloped because estate farming as set up by the colonial administrations has failed in distributing wealth to the poorer populations. Kenya’s role in British East Africa was a gateway role into the East African region. Moreover, the development of their post-colonial societies showed significant contrasts that influenced their socio-economic context.

The setup of their political structures was also vastly different. Although they all had post-colonial autocratic regimes, political participation in Kenya was much more robust, as evidenced by the strong labour union movement. In addition, the culture of cooperation and self-help as encouraged by Kenya’s post-independence president. This contributed to a more robust growth in the Kenyan economy. In Malawi, Dr. Banda maintained a tight hold on power and quashed violently any resistance. The political class also formed the upper class of the Malawian society and the larger poor population developed a culture of silence and reverence towards the political class.

The result of this was a weak state with weak institutions as evidenced by Malawi’s reliance on donor support to develop a robust social protection mechanism. One of the effects the most significant effects of state weakness was the use of social protection mechanisms as a way to gain political patronage. Programs were not evidence based leading to slower scaling and ultimately reduced effectiveness.
5.1.2 Differences of objectives of the establishment of CT Programs
The study also investigated the motivation for the establishment of cash transfer programs in Kenya and Malawi. Findings from the study revealed that programs in Malawi were driven by the goal of poverty reduction among ultra-poor households. Specifically, Malawi’s SCT aimed to reduce poverty, hunger and starvation in ultra-poor and labor constrained households. Kenyan programs on the other hand were aimed at providing a safety net to vulnerable households. Consequently, the design and targeting mechanism of the programs were geared to respond to their different needs. While programs in Malawi targeted all households that met a defined threshold, Kenyan CT programs targeted households with a specific vulnerability such as orphans, persons with disability and older persons.

5.1.3 Targeting Mechanisms
Both countries had community based targeting mechanisms in addition to defined eligibility criteria. The study found that targeting in Malawi involved an informal multistage process involving various stakeholders in the community. It involved an elected Community Social Support Committee that guide the identification and selection of ultra-poor households. There were significant errors in targeting that were observed in the SCT in Malawi. In Kenya, community based targeting methods were accompanied by the use of PMT scores to select beneficiaries. Moreover, the community participated in the selection of beneficiaries. The result was a more effective targeting criterion that was perceived as fair by other members of the community.

5.1.4 Funding of CT programs in Kenya and Malawi
The second objective of the study was to establish the sources of funding for CT programs in Kenya and Malawi. The findings of the study were that programs in Malawi were majorly donor funded during the period of the study. In addition, there was no national policy framework guiding the implementation of the programs. This created capacity constraints in the scaling of the programs to nation-wide coverage. In Kenya, the GoK was the primary provider of financing within the National Social Protection Policy Framework. This enabled the government to design and execute programs to achieve specific harmonized objectives. The OVC-CT for instance aimed to create a database of children that facilitated identification and tracking of milestones such as growth monitoring and immunization.

5.1.5 Payment Amounts and Processes

The study found that payments amounts were small in Kenya and Malawi. Moreover, processes in ineffective in both contexts. The use of partnerships with private sector stakeholders was also found to be a unique feature of Kenyan cash transfer programs. The HSNP and OVC-CT in Kenya pioneered the use of electronic systems. In partnership with Equity Bank, a local financial services provider, payments were made to beneficiaries using the bank’s agent networks. This improved the delivery of cash payments although it did not result in financial inclusivity for beneficiary households. In contrast, the head of beneficiary household in Malawi collects the transfer amount from the District Council.

5.1.6 Impacts on Consumption and Investments

The third objective was to determine the programs’ influence on consumption and investments for households in Kenya and Malawi. The study also found that transfer amounts to beneficiary households were small and payments were often delayed for programs in both Kenya and
Malawi. In addition, the real value of the transfer amount was reduced by inflation in both countries. The amount of the transfer in Kenya was static despite of the size of the household. However, the SCT in Malawi considered the number of dependents and a bonus for primary and secondary school attendance. Nonetheless, the programs were to have a positive impact on consumption of beneficiary households. The SCT program led to improved food security among beneficiary households. However, CT programs in Kenya did not significantly improve food security but increased the diversity of diets of beneficiary households. Programs in both countries were observed to result in higher investments in productive activities.

5.1.7 Impacts on Social Well-Being

The fourth objective was to assess influence of cash transfers on the social wellbeing of the beneficiary households in Kenya and Malawi. There were no significant health impacts noted in Malawi and in Kenya because of the implementation of the programs. However, there was improved school attendance in beneficiary households in Kenya and Malawi. In Kenya, the study observed that CT programs led to growth in secondary school enrollment. Beneficiary households in Malawi also had higher enrollment than in comparison households.

5.2 Recommendations for policy action

The study made the following recommendations for policy action:

5.2.1 Transfers as a partnership with the poor

The study recommends a partnership approach with the poor in moving out of poverty. This involves designing incentive-based transfers that encourage investment in health and education and increased employment of land and labor resources. This can be done by creating shared value by combining inputs within markets, families and the state. Porter and Kramer (2011) define the concept of shared value as a nexus between a focus on societal and economic
progress. They posit that markets are not defined solely by conventional needs. The private sector therefore also benefits economically by addressing social opportunities (Porter & Kramer, 2011).

5.2.2 Improvement of Targeting Processes

The study found that targeting and payment processes in Kenya and Malawi were ineffective. There were reported delays and misidentification of recipients in both contexts. Due to the nature of CT programs, community perceptions and support are pivotal to ensure their success. Consequently, targeting methods should be objective and community based in order to reduce feelings of unfairness as observed in Malawi. As earlier noted, there was ambiguity in the definition of ultra-poor households that was ultimately a source of conflict. This can be resolved by the adoption of clear and easily identifiable targeting criteria. Neutral information needs to be collected by an independent body of household characteristics in the targeted communities for accountability integrity purposes. This census also should be precise and focused on key variables linked to the targeting criteria. It was further recommended that the community be informed and sensitized on the program, including objectives, and enrollment criteria to decrease or do away with ill feelings against beneficiaries.

5.2.3 Increased Government Funding

The study recommends an increased government commitment in the form of higher budget allocations would ensure consistent supply of cash. In Malawi, the Social Cash Transfer should be scaled up to reach at least 1,000,000 household across the country. In addition, partnerships with financial institutions especially in Malawi would improve the efficient of delivery and reduce administrative costs.
5.2.4 Increase of Payment Amounts

The study also found that transfer amounts were small and payments were often delayed for programs in both Kenya and Malawi. The study therefore recommends an increase in the transfer amounts. To achieve this, the study recommends the use of evidence to provide a case for increased budgetary allocations. Key performance indicators should be identified and measured to enable governments to assess the effectiveness of interventions. Moreover, leveraging on partnerships to facilitate the movement of transfer amounts efficiently improve the overall impacts of the programs.

5.2.5 Training of Beneficiary households to improve Consumption

The study also recommends that training of beneficiaries of cash transfers on finance management, long-term savings and investments. This will help and enable the beneficiaries to withstand shocks in times of inflation, famine and unemployment while at the same time increasing consumption.

5.2.6 Development of Supporting Infrastructure to improve impacts on Social wellbeing

The study recommends that development in supporting infrastructure such as schools and health care facilities should accompany the cash transfers. It is the primary responsibility of the government to provide basic amenities/facilities and make sure that they are readily and easily accessible, so that the poor populace do not use the little money they have on basic services which would have been at the first place been provided by the government for its citizens. Provision of in-kind assistance and vouchers to provide efficiency, dignity and flexibility commensurate with their needs.
5.3 Suggestions for Further Research

Based on the findings from the study, the researcher makes the following suggestions for further research:

1. The researcher suggests that a study focusing on neighbors of beneficiaries in CT programs objectively analyze their feelings towards beneficiaries of the programs and factors that influence relations between beneficiaries and their neighbors. This is because of the variation of relationship impacts noted in the study because of CT programs.

2. Other studies on the role and impact of non-cash transfer programs on the wellbeing of beneficiary communities in Malawi. This is because of the existence of numerous programs running in Malawi concurrent to the social cash transfer.

3. The researcher also recommends further study on the influence of donor funding on the design and implementation of cash transfer programs.
References


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