



## The Importance of Understanding and Monitoring the Effects of Cash Transfer Programmes on Child Labour and Education: Findings from Malawi A Policy Brief

The Malawi Cash Transfer Evaluation Team

**The Malawi Social Cash Transfer Programme (SCTP)** has been demonstrated to have a wide range of positive effects on beneficiary households, including an expansion of household agricultural business activities. This brief summarizes the results of two studies which examine whether households rely on children to expand their agricultural businesses. The studies confirm that children support the expansion of household agricultural activities and conclude that the SCTP increases overall child engagement in economic activities. However, working hours are generally moderate and other child wellbeing indicators such as school participation and physical health improve. This suggests that the SCTP nevertheless plays a positive role in the lives of children. These findings contribute to our understanding of the impact of cash transfers on children's wellbeing and highlight the importance of monitoring the possible impact on child labour of programmes – such as graduation strategies – that encourage the expansion of household entrepreneurial activities.

### INTRODUCTION

The SCTP provides regular unconditional income transfers to ultra-poor, labour-constrained households. **The objective of the programme is to reduce poverty and hunger and to increase school enrolment rates.** The programme started as a pilot in 2006 in Mchinji District, and is now benefitting 174,500 households across 18 districts, including

approximately 430,000 children.<sup>1</sup> National coverage is expected in 2018, when the last ten districts of the country will also be covered. The University of North Carolina at Chapel Hill, the Centre for Social Research at the University of Malawi, and UNICEF Office of Research – Innocenti, jointly conducted an impact evaluation to identify the impact of the SCTP on multiple outcomes. **Evaluation results demonstrate a wide-range of improvements in the wellbeing of beneficiary households**, including an increase in food consumption and improvements in children's material wellbeing, such as having a blanket or a pair of shoes. The evaluation also finds evidence among beneficiary households of reduced experience of distress and poor mental health, improvements in health status, improvements in school attendance especially as regards older children, and **increased household participation in businesses, particularly agricultural-related activities.**

Expanded household farm activities may have both positive and negative implications for child wellbeing. Supplemental household income may be invested in children's education, nutrition, and health. However, labour-constrained households with few able-bodied adults may rely on child labour to support the expansion of the household business. Moreover, these households may rely more heavily on children's contributions to household chores. Increased engagement in economic activities and household chores may take children away from study and leisure, and expose them to work-related hazards.

### Malawi's SCTP Transfer Size

The SCTP transfer amounts vary with the size of beneficiary households and with the number of primary and secondary-school age children. The average transfer (7,000 MKW or about 10 USD) is about 20 per cent of beneficiary households' baseline consumption.

<sup>1</sup> Source: SCTP Management Information System, accessed October 2017.

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With the financial support of the U.S. Department of Labor, the UNICEF Office of Research – Innocenti has examined this issue in detail. This brief summarizes the findings, which are based on a rigorous quantitative analysis (so-called cluster randomized control trial)<sup>2</sup> and in-depth qualitative interviews with youth, caregivers and teachers, which help interpret the quantitative results.<sup>3</sup> As part of the qualitative interviews – a unique feature of this study – youth were asked to **photograph their daily activities**. Some of their pictures are shown here.

## RELEVANCE

Child labour may be detrimental for children’s mental wellbeing, lower children’s participation in school or keep them from concentrating in school, and expose them to physical hazards. Ultimately, **child labour may hamper**



**children’s development and keep them from reaching their full potential.** It is therefore important to understand and monitor the (potentially unintended) impact of programmes that enhance household micro-entrepreneurial activity on child labour and associated outcomes, such as child education and health. This holds for large-scale cash transfer programmes, such as the SCTP, and graduation strategies that aim to sustainably move children out of poverty. Improved understanding

of child labour dynamics is particularly relevant if these programmes target labour-constrained households that may rely on children for income generation or if they promote (on- and off-farm) business activities that can be carried out by children.

## FINDINGS

The SCTP strongly increased beneficiary household **investment in agricultural activities** and (both adults and) children increased their participation in these activities.

<sup>2</sup> De Hoop, J., Handa, S., and Groppo, V. (2017). Household Micro-entrepreneurial Activity and Child Work: Evidence from Two Cash Transfer Experiments. Mimeo.  
<sup>3</sup> Zietz, S., de Hoop, J., and Handa, S. (2018). The Role of Productive Activities in the Lives of Adolescents: Photo voice Evidence from Malawi. *Child and Youth Services Review* (in press).

- The probability that **households own livestock** doubled from 30 to over 60 per cent.
- The probability that **households sell crops** increased from 20 to over 30 per cent.
- The probability that **children care for livestock** increased from 4 to over 10 per cent.
- The probability that they engage in crop production increased from 14 to over 20 per cent.
- The increase in engagement in on-farm activities was partly offset by a **reduction in work for pay outside the household** from 19 to 13 per cent. This represents an improvement in children’s lives, as work for pay outside the household mostly consists of casual piece work (so-called *Ganyu*). This type of work entails hard labour for low pay and is the labour of last resort for the ultra-poor.
- The net probability that **children engage in any economic activity** increased from 30 to 34 per cent.
- Yet the programme broadly contributed to **improving school attendance**.
- Children’s **wellbeing indicators** such as health and material possessions also improved.



**Voices of children: The qualitative interviews show that children’s own perspectives on their engagement in economic activities and household chores are mixed, but mostly positive.**

Children feel responsible for caring and providing for their household. One youth mentioned “The one I relied on moved out for marriage... the other went away for work. I am the only man left at home, so when something is needed, it is me who has to go look for *Ganyu*.”

Youth are also proud of their contribution to the household. As mentioned by one youth “I feel good because I started this work some time back and that’s how we manage to have food in our households.”

**Engagement in productive activities is also seen as a way to acquire skills.** Discussing his engagement in construction activities, one youth mentions “This in our life helps us to learn and sharpen the building skills so that when we marry one day and our in-law is asking us to construct a house for



them, we should be able to do that without problems” Speaking of economic activities more generally, another youth mentions “If we were to just sit and watch the parents do it, we would be in trouble in future after the parent’s passing.”

**Working hours are generally moderate** and there is no evidence that the SCTP resulted in child engagement in ‘excessive’ working hours as defined in international child labour conventions and Malawi’s national legislation.<sup>4</sup>

Moreover, while both caregivers and children identify engagement in productive activities as a potential deterrent to school attendance, they widely perceive school attendance as important. **Caregivers indicate that they prioritize work over school only in case of real need and at an emotional cost.** As mentioned by one caregiver “I feel guilty that I’m killing the child’s future... in March I got very sick, I am the one they rely on to bring food on the table, my husband drinks a lot and doesn’t do anything to support the family so the child was really pressed. Him being the eldest at home, he was supposed to do everything alone

<sup>4</sup> To define excessive hours, we follow ILO recommendations and use the following age-specific thresholds (ILO, Report III: Report of the Conference. ICLS 18th Conference, 2008):

- Ages 5-11: 1 hour or more in economic activities, or 28 hours or more in household chores.
- Ages 12-14: 14 hours or more in economic activities or 28 hours or more in household chores.
- Ages 15-17: 43 hours or more in economic activities or 28 hours or more in household chores.

and when it’s too much, he would miss classes.” Perhaps accordingly, **the SCTP had a pronounced positive impact on children’s school participation.** School enrollment increased from 82 to over 90 per cent and uninterrupted school attendance increased from 73 to 87 per cent.

The quantitative findings show that **children’s engagement in hazardous agricultural work increases as a result of the SCTP.** Children in beneficiary households are more likely to engage in economic activities that involve carrying heavy loads, working with dangerous tools, exposure to dust, fumes or gas, and exposure to extreme cold, heat, or humidity. The qualitative interviews provide more perspective on these hazards and suggest that they are generally modest in nature – although not negligible. Dangerous tools are mostly limited to Panga knives and shovels. Children are exposed to dust when they farm on dry land and sweep the floor in and around the household dwelling, which can result in coughs and breathing problems. Children are also exposed to smoke while cooking. There was some mention of exposure to extreme heat due to farm work in the mid-day sun and exposure to extreme noise when working near the maize mill. Injuries were commonly reported but, with a few exceptions, they tended to be minor in nature. Accordingly, the quantitative data suggest that **the health of children in beneficiary households did not deteriorate and, if anything, may have improved.**<sup>5</sup>



<sup>5</sup> We measure only contemporaneous indicators of child health. Longer-term effects could not be measured and the possibility of longer-term negative health consequences cannot be confirmed nor ruled out.

## SUMMARY AND LIMITATIONS

The SCTP increased the likelihood of beneficiary households' engagement in agricultural activities. Children supported the expansion of these activities, yet the programme broadly improved wellbeing indicators for children. Increased household income led to substantive improvements in children's material wellbeing. School attendance increased despite the increase in child work. Child health improved slightly, at least in the short term, despite the increased exposure to hazards. Although these findings suggest that the implications of increased engagement in economic activities were limited, it is important to highlight some **limitations** of our study. First, there are potential implications of child work that we may not have captured. For instance, while engagement in productive activities does not appear to have hampered school attendance, it may have had negative effects on children's ability to concentrate in school. Second, some negative implications of child work may only manifest themselves in the longer run. Think, for instance, of health problems due to exposure to toxic pesticides.



promoting household engagement in entrepreneurial activities that can be delegated to children, such as low-skill agricultural activities.

## POLICY IMPLICATIONS

Various policy options may be considered to enhance the positive impacts and limit the potentially detrimental impacts of interventions that increase household entrepreneurial activities:

- **Provide a clear picture of programme effects on children's education:** This could entail, for example, the collection and analysis of information on children's actual learning outcomes (e.g. test scores, grade repetition), besides school attendance.
- **Invest in sensitization/communication:** The importance of school attendance and the potential implications of child work could be highlighted by means of advocacy campaigns. The latter is particularly relevant for programmes

- **Closely monitor possible unintended impacts on child labour:** Quantitative assessments could be combined with qualitative assessments of child labour. Quantitative assessment can highlight induced changes, while qualitative assessment can highlight attitudes of children and caregivers towards the programme and implications of changes in children's activities.
- **Reflect on the supply-side constraints that limit the extent of the positive impacts of programmes on education:** This could include monitoring indicators of quality of the schooling system and its infrastructure, such as pupil-to-teacher ratio, pupil-to-classroom ratio, adequacy of curricula, availability of electricity and sanitary facilities in schools.<sup>6</sup>

<sup>6</sup> This is also recommended by a study assessing the educational and labour impacts of Malawi's SCTP in its pilot stage: Miller, C. and Tsoka, M., 2012. Cash Transfers and Children's Education and Labour among Malawi's Poor, *Development Policy Review* 30(4): 499-522.

UNICEF Office of Research – Innocenti  
 Florence, Italy  
[www.unicef-irc.org](http://www.unicef-irc.org)  
 + 39 055 20330  
[florence@unicef.org](mailto:florence@unicef.org)  
[@UNICEFINnocenti](https://www.facebook.com/UnicefOfficeofResearchInnocenti) | [facebook.com/UnicefOfficeofResearchInnocenti](https://www.facebook.com/UnicefOfficeofResearchInnocenti)

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