



Impacts of the Social Cash Transfer Pilot Programme in Ethiopia

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THE PROGRAMME

The Social Cash Transfer Pilot Programme (SCTPP) in Ethiopia is the Tigray Regional government's pilot of a social cash transfer currently managed at the national level as the Permanent Direct Support Beneficiaries component of the Productive Safety Net Programme. First payments for the most of the pilot area (i.e., Hintalo-Wajirat *woreda* (district) and Abi Adi town) began in August 2011. The primary objective of the programme is to improve the quality of lives of orphans and other vulnerable children (OVC), the elderly and persons with disabilities as well as to enhance their access to essential social welfare services such as health care. At the time of the baseline household survey, beneficiary households received 155 Birr (equivalent to around US\$8.50) plus additional amounts for children, disabled members, and dependent elderly above 60 years of age.

THE EVALUATION

This brief presents the analysis and findings from a study, conducted between 2012 and 2014, to analyse the impact of the SCTPP. The study complements the main results of the evaluation, led by the International Food Policy Research Institute (IFPRI), which covers a broader set of objectives. The framework for empirical analysis is based on a comparison of programme beneficiaries with a group of non-beneficiaries serving as controls. Data were collected on productive assets, agricultural production, food security, resource allocation among productive activities and the labour supply of household members. The programme targeted beneficiaries who live mostly in rural areas, depend on subsistence agriculture and live in places where markets for financial services (such as credit and insurance), labour, goods and inputs are lacking or do not function well. When provided in a regular and predictable fashion, cash transfers may help households in overcoming the obstacles that block their access to credit or cash.

RESULTS

Five key results can be drawn from this study. First, **the programme has a positive impact on food security**. Beneficiary households overall are 8 percentage points less likely to suffer shortages of food in the last rainy season and 4 percentage points less likely to

consume seed stock during the seven days prior to the survey, which are measures of last resort. Adults and children eat significantly more meals a day in the last week as compared to those in control households. The SCTPP also decreases the number of months (in the last 12 months) with problems satisfying food needs.

Second, **the programme leads to a reduction in the number of hours per day children engaged in household activities**.

Children, aged 6 to 12 in particular, in beneficiary households work fewer hours per day on the family farm and several other activities compared to control households. For example, children aged 6-12

reduce total time dedicated to household responsibilities by around 1 hour per day, with girls aged 6-12 reducing total time by around 1.5 hours per day. The reduction in hours per day spent on child labour activities is concentrated in Hintalo-Wajirat.

Third, we also find evidence of increases in social capital and positive feelings regarding individuals' quality of life. SCTPP beneficiary households are more likely to agree with there being more support to poor people and fewer problems with neighbours in the community. Further, they are also more likely to deem people residing in their community being basically honest and trustworthy. Opinions about life satisfaction and ability to achieve success are higher among male-headed beneficiary households compared with control households.

Fourth, the effects of the SCTPP on agricultural production and the accumulation of productive assets are mixed. While the SCTPP increased the area dedicated to, and crop yield from, sorghum, the SCTPP led to a reduction in barley area and yield. The likelihood of owning various agricultural implements increased while the number of agricultural implements decreased. However, the total value of production in the overall sample

increased by 256 Birr, which corresponds to an 18 percent increase from the baseline.

Fifth, in terms of labour supply and non-farm enterprises the SCTPP has a variety of impacts. Female-headed households are less likely to engage in non-farm enterprises, and we observe either decreases or no impacts on likelihood of engagement, depending on the kind of non-farm enterprise (trading, food processing, or craft). Adult males and adult females are found to work fewer days per month in household non-farm enterprises. Adult females in beneficiary households work more person-days and are more likely to work in wage labour compared to those in control households. Meanwhile, boys aged 13-17 work fewer days in wage labour in the overall sample.

Overall, the study has provided direct evidence that the SCT pilot programme influences the livelihood strategies of the poor in a differentiated fashion across household head gender and geographic area. The programme has helped families by increasing food security and bringing children out of working household activities, which fit with the objectives of the programme.



REFERENCES

Asfaw, S., Pickmans, R., Alfani, F. & Davis, B. 2016. Productive Impact of Ethiopia's Social Cash Transfer Pilot Programme. PtoP report. Rome, FAO.

FOR MORE INFORMATION

Please visit: www.fao.org/economic/ptop or write to: Social-Protection@fao.org

The **From PROTECTION to PRODUCTION (PtoP)** programme, jointly implemented by FAO and UNICEF, is contributing to the generation of solid evidence on the impact of cash transfer programmes in Sub-Saharan Africa. PtoP seeks to understand the potential effects of such programmes on food security, nutrition, as well as their contribution to rural livelihoods and economic growth at household and community levels in Ethiopia, Ghana, Kenya, Malawi, Lesotho, Zambia and Zimbabwe.

