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The Impacts of Cash Transfers on Community Dynamics in Tigray, **Ethiopia**

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In 2011, the Tigray Bureau of Labour and Social Affairs launched the Social Cash Transfer Pilot Programme (SCTPP) with support from UNICEF. The programme, which is based in the Tigray region of Ethiopia, aims to improve the quality of life of orphans, vulnerable children, the elderly and persons with disabilities, and to enhance their access to health care, education and other essential services.

The SCTPP operates in two *woredas* or districts: rural Hintalo Wajirat and urban Abi Adi. The programme provides monthly cash transfers of USD7.88 to the poorest and labour-constrained households. In addition, eligible households receive USD1.27 for each child and an additional USD0.50 for each child enrolled in school, up to a maximum of four children. Households with a disabled child receive an additional USD2.00, with a disabled adult USD2.54, and with an elderly dependent USD3.05.

Community Care Coalitions (CCCs)—community-based committees—identify the beneficiary households with input from district social workers. By 2014, the programme was reaching 3,767 households, 75 per cent of which are female-headed. The pilot phase finishes at the end of 2014.

The evaluation

This brief is based on data collected during fieldwork in March 2014. It is an input to a broad evaluation of SCTPP by the International Food Policy Research Institute, together with its collaborators, the Institute of Development Studies and the Department of Economics, Mekelle University. The evaluation contributes to a six-country study exploring the impact of cash transfer programmes on household decision-making, the local economy and social networks in sub-Saharan Africa. The research in Tigray involved focus groups, in-depth interviews and household case studies; it used participatory methods and tools, including social mapping, livelihood analysis, institutional analysis and household income and expenditure analysis.

Impacts

Impact on the household economy – The cash transfer is a safety net enabling beneficiaries to meet their immediate needs and stabilise their consumption. Most recipients reported a considerable improvement in their diets, personal hygiene, housing conditions and access to education, and performance in primary and secondary schools. Regular cash payments allowed households to plan their expenditure allocations and minimise negative coping strategies, such as begging or sharecropping. A number of beneficiaries were able to take on new activities, such as petty trade and farming, and to maintain savings, requiring a degree of risk-taking and planning. The transfers increased access to and control over resources by female-headed households, allowing them to hire labourers rather than relying on male sharecroppers.

Impact on the local economy – The SCTPP boosted local businesses. Households were able to obtain goods throughout the month, thanks to local shopkeepers who supplied goods on credit more readily, having greater trust in timely repayments. Beneficiaries felt 'safer' as a result. The monthly cash injections did not lead to local inflation.

Impact on social networks – The SCTPP increased social connectedness and risk-sharing among beneficiaries. Some people joined informal savings groups and community networks, which promote mutual aid and economic collaboration. The cash transfers allowed households to contribute to local institutions, such as the Church and the CCCs, as well as to assist other poor households, further building social capital and solidarity. Re-entering social relations promoted reciprocity in the community and gave rise to greater confidence and hope for the future. Nevertheless, gains in social inclusion had their limits: beneficiaries were unable to join the most important local networks—burial societies (Iddir)—because of prohibitive subscription fees. Overall, the SCTPP's targeting process was considered fair, causing few feelings of jealousy.

Conclusions

The evaluation recommends strengthening the CCCs to better fulfil their responsibilities, including managing community care and support systems. Specifically, the following are advised: review CCC membership; put into place a capacity development programme; support more systematic activity planning; and agree on a set of operational principles. The report also recommends revising the CCC manual of operations to tailor support to various categories of beneficiaries, differentiating those able to engage in income-generating activities from those who are not.

The evaluation proposes institutional and capacity strengthening at the district level to ensure more effective oversight of the SCTPP. The role and responsibilities of social workers for implementing the programme should be clarified.

Stronger links between the SCTPP and existing livelihood initiatives would help improve household economies and welfare. While the CCCs limit beneficiaries to a single programme to avoid jealousy, access to complementary services could help reduce economic and social risks and promote greater self-reliance and well-being. This could serve as an exit strategy for households that are able to engage in income-generating activities.

Consideration should be given to adjusting the cash transfers for inflation: a deterioration of purchasing power can erode the impacts of the programme. Indeed, many beneficiaries expressed a preference for food transfers due to general inflation.

Reference:

Oxford Policy Management (2014). *Qualitative research and analyses of the economic impact of cash transfer programmes in sub-Saharan Africa: Ethiopia Country Case Study Report. PtoP project report.* Rome, Food and Agriculture Organization of the United Nations.

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