THE INFLUENCE OF CASH TRANSFER PROGRAMMES ON SOCIO-ECONOMIC WELLBEING OF RECIPIENT HOUSEHOLDS IN MIGORI COUNTY,

KENYA

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A Project Report submitted in partial fulfillment for the requirements for the award of degree of Master of Arts in Monitoring and Evaluation

October 2019

DECLARATION

Declaration by Candidate

This thesis is my original work and has not been presented for examination in any other University.

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Declaration by the Supervisors

This Project Report has been submitted for examination with our approval as University Supervisor.

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ABSTRACT

Conditional cash transfers are increasingly becoming a best practice in the social sector for developing countries. In 2004, Orphans and Vulnerable Children Cash Transfer was introduced on pilot basis in Kenya. This was in response to the impact of HIV/Aids on children. A study carried out by Kenya National Bureau of Statistics (2006) show poverty rates tend to be higher among vulnerable groups such as children (53.5%), including orphans and vulnerable children (54.1%). Kenya's Cash Transfer Program for Orphans and Vulnerable Children delivers cash to households, which they can use to pay for food, clothes, and services like education and health. Though the program was not intended to address poverty as a primary objective, the government of Kenya has in the past two decades placed several measures to protect the rights, livelihoods, vulnerability to poverty and self-development of the most vulnerable populations in the country. The purpose of this study was to assess the influence of cash transfer programme on the socio-economic wellbeing of recipient households in Migori County of Kenya. The objectives of the study were to determine the influence of cash transfers on shelter provision of the OVC, to evaluate the effects of cash transfers on livelihoods of households and to evaluate the effects of cash transfers on the food security of households in Migori County. The target population for this study was 1,460 total beneficiaries who are under the cash transfer program. Stratified random sampling was used to divide the target into subgroups and simple random sample taken from each subgroup to select respondents per subgroup. The targeted sample size (of total beneficiaries) was 101 participants, of which 86 responded. The study used descriptive research design to establish the cause-effect relationship among a group of variables. Survey questionnaire, Key Informant Interviews and observation of personal characteristics such as disability of the respondents were used to collect primary data. Quantitative analysis used tools such as percentages, mean, standard deviations and graphs to summarize the data from the questionnaires. The unit of analysis were households. The findings indicated that cash transfers led to households' ability to provide shelter and that vulnerable groups used cash transfers to sustain livelihoods. Households reported that money was used to provide shelter and to pay rent. The beneficiaries spent money on school requirements like books or pens for their dependents, with five household heads reporting to have used the money to buy small livestock like goats and chicken, improving their economic wellbeing. Households reported an increase in the number of meals, though could not always afford balanced meals. The study concluded cash was used to provide housing to OVC households, led to an improvement in food security and improved livelihoods. Consequently, the study recommended in similar modalities, as a practice, an additional focus on nutrition education will further enhance food security. The research also leads to a number of recommendations for operational improvement by practitioners such as improve communication with beneficiaries and non-beneficiaries as well as regular and predictable payments. For policy formulators, the researcher notes that social cash transfers can become a critical instrument of national poverty-reduction and social development strategies across Kenya.

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LIST OF ABBREVIATIONS AND ACRONYMS

BPS	Budget Policy Statement
CCT	Conditional Cash Transfer
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
CTP	Cash Transfer Programming
CWAC	Canadian Women's Army Corps
CB-CCT	Community-Based Conditional Cash transfers
DFID	Department for International Development
HIV	Human immunodeficiency virus
HSNP	Hunger Safety Net Program
IFRC	International Federation of Red Cross
KNBS	Kenya National Bureau of Statistics
MDA	Ministries, Departments and Agencies
MTP	Medium Term Plan
ODI	Overseas Development Institute
OPCT	Older Persons Cash Transfer
PWSD-CT	Persons with Severe Disability Cash Transfer
PEPFAR	The President's Emergency Plan For AIDS Relief
SPSS	Statistical Package for Social Sciences
STI	Sexually transmitted infection
SDG	Sustainable Development Goals
UAE	United Arab Emirates
UCT	Unconditional Cash Transfers
USG	United States Government
UFS-CT	Urban Food Subsidy Cash Transfer
UNDP	United Nations Development Programme

UNHCR	United Nations High Commissioner for Refugees
UNICEF	The United Nations Children's Fund
WFP	World Food Programme

WORKING DEFINITION OF TERMS

Access – This is when households have adequate resources (entitlements) for acquiring appropriate foods for a nutritious diet or education opportunities.

Balanced meal – This meal covers the three core food groups - the balance is a quarter proteins, a quarter carbohydrates and half vegetables.

Cash transfers – this is the direct transfer of money to individuals or households, either as emergency relief intended to meet their basic needs for food and non-food items, or services or to buy assets essential for the recovery of their livelihoods by government.

Effectiveness - This relates to how well outputs are converted to outcomes and impacts (e.g. reduction in poverty gap and inequality, improved nutrition, reduction in school dropout, increased use of health services, asset accumulation by the poor, increased smallholder productivity, social cohesion).

Efficiency - This relates to how well inputs are converted to the output of interest, which is cash transfers delivered to beneficiaries. Cost-efficiency analysis spans both economy and efficiency, focusing on the relationship between the costs of a cash transfer programme and the value of the cash transfers delivered to beneficiaries.

Entitlements - This is the set of all commodity bundles over which a household can establish command given the legal, political, economic and social arrangements of the community in which they live, (including traditional rights such as access to common resources).

Food Security - This, as defined by the United Nations' Committee on World Food Security, means that all people, at all times, have physical and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life.

Implementation medium -It is the agency or means that is used in the execution or carrying out a plan.

Livelihood - This is a means of making a living. It encompasses people's capabilities, assets, income and activities required to secure the necessities of life. A livelihood is sustainable when it enables people to cope with, recover from shocks and stresses (such as natural disasters and economic or social upheavals), and enhance their well-being and that of future generations without undermining the natural environment or resource base.

Poverty - Conventionally, poverty is used to refer to a level of income (or lack of it) of a person in comparison to others. The World Bank perceives poverty as inability to secure minimum standards of living. This kind of conceptualizing is important especially when it is necessary to make valid comparisons across societies.

Stunting, underweight and wasting - The percentage of children who have low weight for age (underweight) can reflect 'wasting' (i.e. low weight for height); indicating acute weight loss. 'Stunting' refers to children with low height for age and can be the result of long term effects of having low weight for height (wasting). Thus, 'underweight' is a composite indicator and may therefore be difficult to interpret.

Socio-Economic Wellbeing - Socio economic wellbeing as used in the study implies the accessibility to educational facilities, availability of food and clothing and improved standards of living because of cash transfer programs.

Targeting Efficiency - This relates to how well inputs are converted to the output of interest, which is the cash transfers delivered to beneficiaries. Cost-efficiency analysis spans both economy and efficiency, focusing on the relationship between the costs of a cash transfer program and the value of the cash.

Vulnerable Groups- Orphans, Persons with Severe Disability (PWSD), and the Elderly in Migori County, Kenya.

CHAPTER ONE: INTRODUCTION

1.1 Background

Studies on Conditional Cash Transfers have been carried out a number of times majoring on the various aspects of economy that could affect poverty. The nature and magnitude of the impacts vary across countries and sectors, due to differences in programme design, implementation and context. Farrington *et al* (2007) noted that analysis on the economic impact of the cash transfer program in the various parts of the globe came up with different results. The study further noted that in some countries cash transfer had a very positive economic impact leading to the reduction of poverty, while in other countries cash transfer was found not to have any impact on poverty reduction. The study however, did not provide the contribution of cash transfer program on shelter provision for the orphaned and vulnerable children (OVC), food security and access to education. The present study will address this gap.

According to Gikaru, et *al* (2010), poverty is a major threat to the existence of humanity in modern times especially in the developing world. Education provides a foundation for eradicating poverty and fostering economic development. Education is the key to increasing economic efficiency and social consistency, by increasing the value and efficiency of the labor force and consequently raises the poor from poverty, (Handa & Davis, 2006). Education increases the overall productivity and intellectual flexibility of the labor force and ensures that a country is competitive in world market now characterized by changing technologies and production methods. Ozturk (2001) described education as one of the fundamental factors of development. No country can achieve sustainable economic development without substantial investment in human capital. He argued that education enriches people's understanding of themselves and world and improves the quality of their lives, raises people's productivity and creativity and promotes entrepreneurship and technological advances; leading to broad social benefits to individuals and society. All this is needed for poverty eradication.

In Kalomo District of Zambia, Wietler (2007) found out that most of the money obtained from the transfer was spent on food as he was doing a study on the impact of social cash transfer on informal safety nets. Wietler also noted that some of the beneficiaries used the money to hire other persons to plough their fields. As noted by

Wietler, half of the beneficiaries spent the money on education like purchasing of stationary and some used the money to buy livestock like sheep, goat and chicken. Wietler (2007) further noted that the buying of livestock was considered a way of saving and multiplying the transfer at hand. In the study carried out by Wietler (2007), he conducted 32 interviews on incapacitated heads of households that had persons with severe disability in three rural and two urban Canadian Women's Army Corps (CWACs). Qualitative interviews were conducted in areas where the scheme did not cover and with beneficiaries of the pilot scheme carried out in Kalomo Zambia in two rural and two urban areas. Quantitative data was obtained from records kept by CWAC members in the study sites while qualitative research methods such as semi structured interviews, focus group discussions, case studies and social relation mapping were used to obtain the qualitative data. The study, however comprehensive, was carried out in Zambia thus creating a contextual gap that will be addressed by the present study.

President George W. Bush on November 8, 2005, signed into law the Assistance for Orphans and Other Vulnerable Children in Developing Countries Act (Public Law 109-95), landmark legislation requiring the U.S. Government (USG) to devise a single, comprehensive strategy for addressing critical needs among the developing world's collective of highly vulnerable children. UNICEF, based on 2016 data, estimates that there are 52 million orphaned children in Africa. This large figure represents not only children who have lost both parents, but also those who have lost a father but have a surviving mother or have lost their mother but have a surviving father. In Kenya, some 47 percent of children are said to be orphaned because of HIV and AIDS and many more remain vulnerable due to several other factors. The OVC population is growing rapidly, it is essential that additional opportunities are made possible to ensure OVC are appropriately prioritized in grant processes (Pfleiderer and Kantai, 2010). The President's Emergency Plan for AIDS Relief (PEPFAR) is working with partner governments to strengthen the capacity of families and communities to provide quality family-based care and support for OVC. PEPFAR is working closely to integrate OVC programming with other USG efforts and multilateral efforts around education, food and nutrition, and livelihood assistance as part of a robust, comprehensive response to the needs of OVC. Congress maintained the requirement to direct 10% of PEPFAR program funds to OVC activities. This 10% earmark reflects the importance of

PEPFAR's role in mitigating the impact of HIV/AIDS for the millions of children and adolescents living in affected communities.

Ottebjer (2005) noted social capital to play a crucial role in functioning of the community life across a variety of domains spanning from prevention of juvenile crime, promotion of successful youth development, the development of labour market attachment norms, the enhancement of schooling and education, the smooth functioning of democracy and political government and advancement of economic development. The study by Ottebjer (2005) did not however provide the contribution of cash transfer programs on economic wellbeing of OVC, a gap that the current study will address. Putnam (2005) noted the networks and the associated norms of reciprocity, which are central to social capital to have value for the people who are in them, and to have demonstrable externalities, with public returns. This means that if cash transfers in Kenya would have negative influences on relations within recipient households, and social networks of the caregivers in the households; this would have negative effects on various aspects of Kenya's social and economic wellbeing. The study however was not specific on the contribution of cash transfer program on access to education, food and shelter.

Tanzania established Community-Based Conditional Cash transfers (CB-CCT) program in 2008 to enable the targeted extremely poor and vulnerable households break intergenerational poverty. This was to be done by investing the transfers in nutrition, health and education, growing the human capital among children less than 18 years, (Kakwani, *et al*, 2005). The program's focus was to empower poor families to increase school enrollment and attendance as well as increase health visits to health centers of vulnerable children 0-5 years, (Muriithi, 2010). As stated earlier, emphasis for both programs, as stressed by other CCTs elsewhere established, has been to improve the wellbeing of poor families with children. However, studies have laid less emphasis on vulnerable children living with poor families.

Though cash transfers have been implemented in Kenya for a long time, the CT-OVC program represents one of the most ambitious and coordinated programs targeting the vulnerable children and households, (Ressler, 2008). By examining experiences of the community about the program's impact on their social relations, this study aims to

contribute to raising the profile of relational impacts and hopefully appreciation of their centrality in the program cycle. As indicators of wellbeing, these impacts are significant and make a convincing case for their specific inclusion in the evaluation of cash transfer programs, (Moore, 2009).

In 2013, the National Gender and Equality Commission conducted an audit of the cash transfer programs for the Orphans and Vulnerable Children (OVC), Persons with Severe Disability (PWSD), and the Elderly in 21 sub-counties of Kenya. The audit was limited to 12 counties; Machakos, Kirinyaga, Marsabit, Nakuru, Vihiga, Siaya, Kajiado, Mombasa, Kilifi, Nyamira, Homabay, and Baringo to provide the national and county governments with a summarised account of the implementation of the cash transfer program and the level of participation of the vulnerable populations in programs designed for them. The results of the audit show that, overall, the three cash transfer programs in Kenya have been successful and have had remarkable achievements. Some of the immediate benefits of the program to recipients include improved household food security, retention of children in schools, access to basic health care, formation of social support networks, and increased self-esteem and dignity among beneficiaries, (Ressler, 2008). A majority of beneficiaries of the OVC cash transfer programs were females. Men constituted the majority of beneficiaries for the PWSD program. Irrespective of the type of cash transfer program, more than 80% of the beneficiaries reported having dependents to support. Over all, the three cash transfer programs targeted the intended segments of population. However, there were cases where some of the beneficiaries enrolled into the program were not eligible, (KNBS, 2010).

Studies that have been carried out in Kenya have mainly focused on the implications of cash transfer programs for social relations (Kirera, 2012) while Ayuku et al (2015) conducted a cross-sectional comparison of household and individual characteristics of those with and without cash transfers in Kenya. Across these studies, there has been no extensive empirical study on how cash transfers can influence household's access to food in relation to factors such as food prices, household income and the asset or resource base. The findings of this study are useful in providing additional information to existing literature on cash transfer programs in Kenya in relation to livelihoods and economic wellbeing. As the trend for rigorous monitoring and impact evaluation

continues, it is expected that the evidence base for cash transfer programs will also grow in coming years.

1.2 Statement of the problem

In spite of a decade of relatively strong economic and political growth, high rates of poverty persist in Kenya. Between 2000 and 2009, economic growth was at an average of 3.9 percent, compared to an average of 1-2% between 1982 and 1990. Higher economic growths were recorded in 2010 and continued increasing to 6 percent in 2013/2014. In a study carried out by Kenya National Bureau of Statistics (2006) poverty incidence remains high at 46.6 percent in 2005/06, having declined from 52.2 percent in 2000. Poverty rates are markedly higher in rural areas (49.7%) than in urban areas (34.4%), although residents of informal urban settlements often experience great deprivation. Poverty rates also tend to be higher among vulnerable groups such as children (53.5%), including orphans and vulnerable children (54.1%), older people (53.2%), and people with disabilities (57.4%). Kenya's Cash Transfer Program for Orphans and Vulnerable Children delivers cash to households, which they can use to pay for food, clothes, and services such as education and health, (Oosterbeek, 2008). The aim of the program is to keep orphans and vulnerable children within their families and communities and to promote their development. It is important to note that the program was not intended to address poverty as a primary objective. Rather, it was designed as a rights-based program whose primary goal is fostering orphans and other vulnerable children and supporting the development of their potential, (Moore, 2009).

Through various national economic, political and social development blue prints and the Constitution of Kenya, the government has in the past two decades placed several measures to protect the rights, social image, livelihoods, vulnerability to poverty and self-development of the most vulnerable populations in the country. The most prominent and successful framework is the social protection where cash transfer program is an integral component.

There is need for empirical data in order to strengthen the case for social cash transfers as a critical instrument of poverty alleviation at the national, regional and global level. The purpose of the study was to evaluate the influence of OVC-CT program on socio-economic wellbeing of households in Migori County, Kenya.

1.3 Research Objectives

The general objective of the study was to assess the influence of Cash Transfer Programmes on socio-economic wellbeing of recipient households in Migori County.

Specific objectives for this study are as follows:

i. To determine the influence of cash transfers on shelter provision of the OVC
ii. To evaluate the effects of cash transfers on the food security of recipient households in Migori County
iii. To evaluate the effects of cash transfers on livelihoods of recipient households in Migori County

1.3.2 Research Questions

i. How are cash transfers used in shelter provision for the OVC?
ii. What are the effects of cash transfers on strengthening the food security status of the community?
iii. How are cash transfers used to improve livelihood opportunities?

1.4 Significance of the Study

This study is necessary because there is no extensive empirical studies on cash transfer programs in Kenya. While there are numerous monitoring and evaluation reports on cash transfers, scholarly research on cash transfer programs is still in its infancy. Stakeholders deem the findings of this study useful in contribution to generation of new knowledge on cash transfer programs in Kenya. Further, findings from the study are expected to spur debate and interest on the place of cash transfer programs as social safety nets in Kenya, and could serve as a springboard for further research in other areas of cash transfer programs not considered under this particular study. Considering the government and other agencies use a lot of money to finance implementation of cash transfer programs in Kenya, the findings from the study provides feedback to the government and other agencies that have provided funds to support cash transfer programs in the country.

European Union, World Bank and UNICEF have launched strategic frameworks and policies; and social protection is now one of the proposed targets under Goal 1 of the Sustainable Development Goals (SDGs). Goal 1 of the SDGs is to “End poverty in all its forms everywhere” and target 1.3 is to “implement nationally appropriate social protection systems and measures for all and by 2030 achieve substantial coverage of

the poor and the vulnerable. Kenya launched the Big Four Plan in which two of the four agenda items are ensuring food security and affordable housing. The budget policy statement (BPS) published by the National Treasury notes that the National Treasury issued guidelines directing Ministries, Departments and Agencies (MDAs) to prioritize public investments geared to the realisation of The Big Four Plan and these are aligned to the third Medium Term Plan (MTP III) 2018-2022, of vision 2030.

The findings from this study will therefore provide insight for policy formulators in developing a functional social protection strategic framework for Kenya, besides providing useful information for relevant departments on improving the design and implementation of cash transfer programs in the country.

1.5 Scope and Limitation of the Study

The researcher carried out the study in Migori County. The researcher selected Migori County because it was in this County where in 2004 cash transfer program was first introduced in the former Nyanza Province of Kenya, before being expanded to cover other districts that formerly formed Nyanza Province. Further, the study involved beneficiaries of cash transfer programs who had been on the program for at least five years. This was because in the program design, the beneficiaries were expected to exit the program after benefiting for five years creating room for enrolment of new beneficiaries. The design envisaged that after five years the beneficiaries had benefited from the program long enough for the influence of the program on the socio-economic wellbeing of the beneficiary households to be evaluated.

One of the anticipated limitations encountered while conducting the research was getting respondents who were interviewed during working hours as many of them were out in the field or otherwise engaged. To overcome this, the researcher built in flexibility and adaptive work plans such as making special appointments to meet the targeted respondents early in the morning before they leave for the office. The study also acknowledged that not all information sought for this research is in the public domain and to overcome this challenge permission was sought to access the organizations documentation, which captured the required information. Further, the researcher anticipated financial constraints incurred through data collection and

travelling. To overcome this, the researcher allocated more resources on logistics to ensure quality data is collected.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter presents the review and critique of pertinent literature related to this study. The literature is reviewed in line with the study objectives that are; to determine the influence of cash transfers on shelter provision of the OVC, to evaluate the effects of cash transfers on livelihoods of households in Migori county and to evaluate the effects of cash transfers on the food security of households in Migori county.

2.1 Influence of cash transfer on shelter provision

The National Gender and Equality Commission (NGEC) is a Constitutional commission established by an Act of Parliament in August 2011. The core mandate of the Commission is to promote gender equality and freedom from discrimination in line with Article 27 of the Constitution of Kenya with special focus to women, youth and children, the elderly, persons with disabilities, minorities, and marginalized groups and communities. Through auditing, facilitation, monitoring and advisory functions, the Commission has this far continued to lay a foundation for state, private and non-state actors in Kenya for the integration of the principles of equality and inclusion in national and county policies, laws and administrative regulations, (Qureshi, 2006).

In a study of the impact of social cash transfers on informal safety nets in Kalomo District of Zambia, Wietler (2007) found that most of transfers were in most cases spent on food. He also noted that half of the beneficiaries were able to invest parts of their money in hiring friends or relatives to plough their fields or build a barn. Half of the beneficiaries spent money on school requirements like books or pens for their dependents, with five household heads reported to have used the transfer money to buy small livestock like goats and chicken. Wietler (2007) further noted that buying livestock was considered a way of saving as well as multiplying the value of the transfers. The study however, did not provide empirical evidence on the influence of cash transfer on shelter provision hence creating a gap that the present study will address.

According to NPA-OVC 2007-2010, it is estimated that between 30–45 percent of orphans have ended up in charitable children's institutions while 200,000 – 300,000 children are estimated to be on the streets of major cities in the country. These children

end up on the streets due to loss of a parent or parents due to AIDS, poverty, family violence, and other factors (Pfleiderer and Kantai, 2010). Referring to earlier studies by Kirera, (2012) and Ayuku et al. (2015), this study lays a foundational stone and possible incentive for supporting OVC within existing relations.

The study by Wietler (2007) involved 32 interviews held with heads of incapacitated households in three rural and two urban CWACs. Quantitative data were obtained from records kept by CWAC members in the study sites, while qualitative research methods including semi-structured interviews, focus group discussions, case studies, and social relations mapping were used to obtain qualitative data. Qualitative interviews were held with head of destitute households in an area, which was not covered by the scheme, and with beneficiaries of the Kalomo Pilot Social Cash Transfer Scheme in two rural and two urban areas. Focus group discussions (FGD) were also conducted with CWAC and community members. The study did not clearly bring out the element of cash transfer programs and its impact on shelter provision to vulnerable groups. The study further only used qualitative interviews. The present study will address this gap by using both qualitative and quantitative data.

Ressler (2008) in the study of beneficiary groups in Kangemi and Homa Bay in Kenya reported that participants in both locations indicated that they most commonly, used the cash payment for school related expenses. Participants reported that the second major use of the cash transfer funds was for food at the household level. Participants in Ressler's (2008) study indicated that the cash had allowed them to have more than one meal a day. They indicated other uses of the cash to include paying for rent and medicines. Ressler's (2008) study was based on interviews with six Kenyan families in Kangemi in Nairobi and in Homa Bay, in Nyanza Province. Participants in Ressler's (2008) study from the Kangemi community had received cash payments for two years, while those in Homa Bay community had just begun. The analysis of the responses from Ressler's (2008) study involved use of interpretative approach.

2.2 The impact of cash transfers on the food security status of recipient household.

In 2013, the government of Kenya through an Act of Parliament approved a more robust social protection framework. This framework, National Social Protection Policy

(NSPP), provided for through Social Assistance Act, 2013 generates positive reforms to social assistance programs in the country. The framework aims to strengthen the delivery of social assistance to poor and vulnerable populations at national and county levels. It promises progressive realization of the rights to social security and protection to persons who are unable to provide food and support themselves and their dependents, (Ressler, 2008). Grounded on Act of Parliament (2013), the policy is expected to raise the social profile of Kenya by 2030, when fully operationalized, (Sadoulet, 2001).

Putname (2005) noted the networks and the associated norms of reciprocity, which are central to social capital to have value for the people who are in them, and to have demonstrable externalities, with public returns. This means that if cash transfers in Kenya would have a negative influence on relations within beneficiary households, and social networks of the caregivers in the households; this would have negative effects on various aspects of Kenya's social and economic wellbeing. The review by Putnam (2005), however, did not capture how vulnerable groups use cash transfers to strengthen/sustain livelihoods; thus leaving a literature gap that was filled by this study.

Qureshi (2006) submits that a first step in the reform agenda on social safety and protection for the vulnerable populations is the establishment of the National Safety Net Program (NSNP). This program aims to strengthen operational systems while expanding the coverage of five cash transfer programs; the Older Persons Cash Transfer (OPCT), the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), the Hunger Safety Net Program (HSNP), the Urban Food Subsidy Cash Transfer (UFS-CT), and the Persons with Severe Disability Cash Transfer (PWSD-CT). The program has attracted attention of development partners as well. In July, 2013, the transformational national social safety net program received significant financial support through the World Bank zero-interest credit of $250million to help fight extreme poverty and together with other initiatives reached up to 3.3 million of the country's poorest people by 2016(Government of Kenya, 2017).

Various studies have been carried out on how CCT influences various aspects of economy that could affect poverty. Farrington et al. (2007) noted such studies analyzing the economic impacts of cash transfer programs in different parts of the

world to have come up with different results. Farrington et al. noted that in some countries, the studies found cash transfers to have had positive economic impacts, contributing to poverty reduction, while in other countries cash transfers were found not have an impact on poverty reduction.

Ahmed, et al., (2007) indicated that poor families are vulnerable to shocks (such as natural disasters or crop failure) that cause transitory food insecurity. Improved food availability and access do not necessarily mean better nutrition since persistent malnutrition may lie in the complex interaction between food intakes and illness, affecting the food utilization by the body, which in turn is influenced by the overall health and caring environment. This is often called the "leaking bucket effect". Improvements in availability and access to the foods that are important for good nutritional status may be offset by poor access to non-food inputs, such as high-quality health care facilities and services, education, sanitation and clean water or by ineffective mechanisms for delivering these services. Cash transfer might increase household food intake through increased expenditure on food, as well as preventing negative responses to food insecurity, for instance skipping meals. This could include improved quality and/or quantity of food and more frequent meals – all factors in an 'adequate diet'. Households might spend cash on seeds to grow more food, or a goat to provide milk, which the household can consume or sell for additional income.

To date, the majority of humanitarian cash transfers have aimed to meet basic needs, primarily food needs. Indeed, donors increasingly consider cash as a form of food assistance (Harvey et al., 2010). This is positive in that donors are thinking beyond food aid as a way of helping households to meet food needs. Yet it is also limiting in that there is a tendency to see cash and vouchers only as a substitute for food aid, when they can replace and complement almost any form of assistance. While multiple stakeholders have enthusiastically piloted cash transfers to replace in-kind food distributions, cash programming can influence nutrition in other ways.

Kenya's draft National Social Protection Strategy estimates that the country can escalate the Cash Transfer Programme nationally to cover all the extremely poor. The extremely poor consists of People with Disabilities (PWD), Orphans and Vulnerable Children (OVC), and Households with Older Persons above 65 years, at a total cost of

approximately KES 12 billion annually (about 0.05% of the 2017/2018 national budget), at a monthly cash "transfer" of KES 1,000 per household. The majority of human resources of the Department of Children's Services are dedicated to the CTP, which is attempting to provide systematic support for OVC by strengthening households to take care of OVC. The government gives each family $20 per child, which households may use for whatever needs including food, shelter, education, and health services. The pilot program was evaluated in 2010, (Pfleiderer and Kantai, 2013).

2.3 Influence of cash transfers on livelihoods of recipient households

A study carried out in Zambia showed that 75% of non-orphaned children in urban areas enrolled in school compared to 68% of orphaned children (Richter, 2001). A report on National Program Guidelines on Orphans and Other Children made Vulnerable by HIV/AIDS in Kenya observes that children are often compelled to drop out of schools to care for their ailing parents or due to diminished resources to keep them in school. Those who remain in school are notable to concentrate fully on their education as they constantly worry about what would befall their parents (GOK, 2003). The report further states that illness affects children's education; no matter who is ill.

Zezza, De la Brière and Davis (2010) observed that there was evidence to suggest that social cash transfer programs may foster broader economic development impacts through changes in household behavior and through impacts on the local economy of the communities. Zezza et al. (2010), argues that positive impacts of cash transfer on households result from changes in labor supply of different household members, investments in productive activities that increase the beneficiary household's revenue generation capacity, and prevention of detrimental risk-coping strategies. Davis (2011) noted cash transfers to have positive impacts on recipients of emergency relief, being able to inject cash into local markets, which has multiplier effects that can stimulate the local economy and help it recover.

Researchers have carried out some studies to establish the impact of cash transfers on economy in different countries. A study in Free State Province of South Africa using a purposive sample of 351 HIV-affected households found that the Child Support Grant had reduced the incidence of poverty among HIV affected households by 8%, the

poverty gap by 15% and the severity of poverty by 20% (Adato and Bassett, 2008). Miller, (2009) conducted another study in Malawi that showed cash transfers helped influence economic development by enabling the poor to protect themselves against shocks, increasing the productive capacity and asset base of poor and vulnerable households. This encouraged investment by reducing risk through the predictability of transfers. Miller (2009) further reported that the cash transfer influenced economic development in Malawi by stimulating demand for local goods and services and supporting enterprises in rural areas. The study in the Malawi Social Cash Transfer (SCT) found that compared to non-recipients at the same economic level at baseline, after one year, SCT households experienced dramatic improvements in food security, with fewer days without food and more food stores (Miller, 2009). The studies however, were carried out in different countries and contexts thus creating a contextual gap that will be addressed by the present study.

The OVCCT program was launched in 2004 with a broad objective to strengthen households' capacities to provide a social protection system through regular cash transfers to families with OVCs. This was designed in order to encourage fostering and retention of OVC in their families within the communities and to promote their human capital development. OVC-CT is currently the largest CT program in the country. Kenya has an estimated over 2.4 million orphans and vulnerable children half of which have resulted from death of parents due to HIV and AIDS crisis. Kenya's OVC-CT program started as a pre-pilot project covering 500 OVC households in three districts (Kisumu, Garissa and Kwale). By 2009, the government funding to the program increased to US $9 million from USD US$800,000 allocated in 2005 and coverage increased to 47districts. Every year since then, the program has received increased budget allocations from the government. For example, in 2011/2012 the program was allocated KES 2.8billion, and in 2012/2013 KES4.4 billion. In 2013/2014, the program received a lion share of KES 8 billion. The programme has progressively scaled up with the support of the Government, UNICEF, DFID and World Bank. It is currently (FY 2016/17) supporting 246,000 Households in all 47 counties, (Ministry of State for Planning, 2018)

Although cash transfers are accepted as an instrument of social protection, various negative perceptions exist about the role it should play in the society. While Son (2008)

observed that CCT programs were increasingly perceived as an effective tool for poverty alleviation, Hilou and Soares (2008) noted that Sub-Saharan African countries still exhibited a deeply entrenched belief that SCTs and CCTs are handouts that would divert resources from investment in infrastructure, health and education. Farrington et al. (2007) noted that discussions around cash transfers in Sierra Leone were immediately met with fears of dependency, highlighting examples of negative attitudes towards CCT. Similarly, it has been observed that policy-makers frequently raise the concern that social cash transfers will create "dependency".

Todd, Winters and Hertz (2010) also noted negative attitudes to exist towards cash transfers. Todd et al. noted that CCT programs have been criticized for tending to focus on avoiding the intergenerational transmission of poverty by investing in the children of the poor rather than improving the productivity of poor adults. Todd et al. observed that this criticism of CCTs focus on avoiding the intergenerational transmission of poverty rather than improving the productivity of poor adults is promised on the argument that while the cash provided may help alleviate poverty, it does not, at least in the short-run, provide an exit out of poverty.

2.4 Conceptual Framework

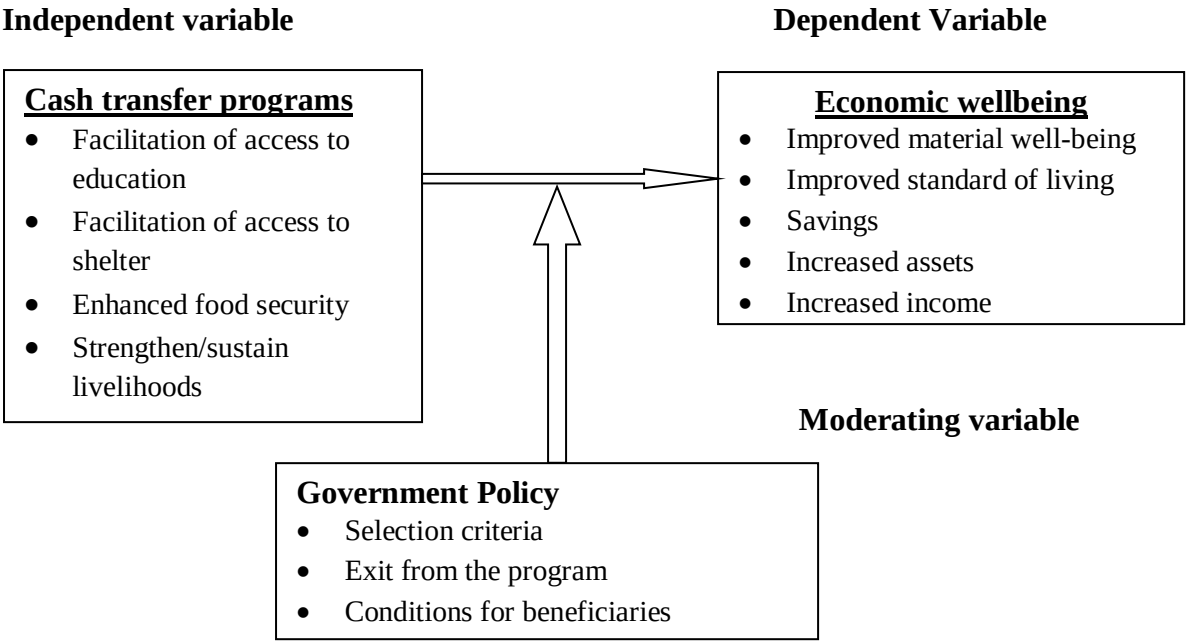

Figure 2.1: Conceptual Framework Showing Influence of Cash Transfer on Socio- Economic Wellbeing

Source**:** Inspired by the conceptual frameworks for the evaluations of the Zambia Child Grant Programme (CGP) and the Malawi SCT.

The study sought to establish the influence of cash transfer program on the socio-economic wellbeing of the recipient household in Migori County. The independent variable in the study was cash transfer programs and the dependent variable was economic wellbeing. Cash transfer programs as an independent variable were analyzed in terms of facilitation of access to education, enhanced food security and strengthened/sustained livelihoods. Economic wellbeing as a dependent variable was measured in terms of reduced poverty levels, improved standard of living and savings. Government policy as a moderating variable was considered in terms of the beneficiary selection and exit criteria in and out of the program as well as the conditions for beneficiaries.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was adopted by the researcher in the study. These include study area, research design, target population, sampling design and data collection and data presentation.

3.2 Study Area

The study was carried out in Migori County. Migori County was selected for the study because this is where cash transfer program was first introduced in the former Nyanza Province of Kenya, before being expanded to other geographical areas.

Figure 3.1 Map of Migori County, Kenya

Source: opencountry.org

3.3 Research Design

The study applied a descriptive survey research design. The decision to adopt a descriptive research design was guided by the observation by Mugenda (2008) that descriptive research designs are commonly used when examining social issues that exist in communities. Mugenda (2008) noted descriptive studies, because of their exploratory nature to be easier and simpler to conduct, yet quite important for providing foundation upon which correlational and experimental studies emerge.

3.4 Study population and Sampling

3.4.1 Target population

The target population for this study was 1,460 total households, represented by one respondent per household, who were under cash transfer program, (GoK, 2013). The study collected data from three groups under the cash transfer program: women, the elderly (men and women), and persons with disability as indicated below.

Table 3.1 Target Population

Target respondents	**Population**
The Elderly	259
Persons with disability	704
Women	497
Total	**1460**

3.4.2 Sampling Design

Mugenda (2003) refers to a sample as a smaller group obtained from the accessible population. In this study, stratified sampling was used. Under this sampling methodology, the target population is divided into smaller mutually exclusive groups from which samples are drawn. The samples are drawn proportional to the size of each stratum. This sampling scheme ensures all groups are represented in the sample, hence increasing validity of the survey exercise. The sample size was determined statistically using the equation shown below as described by Fisher (1954)

$$N=p \times q\ [z/e]^2$$

Where:

N= was minimum sample size required

p = the proportion belonging to the specified category

q = the proportion not belonging to the specified category

z = the value corresponding to the level of confidence required (90% certain=1.65, 95% certain= 1.96 and 99% certain=2.57)

e = the degree of variability in the sample (0.5 is maximum and lowest risk)

e% = the margin of error required.

When the population is less than 10,000 the sample need to be adjusted according to minimum sample size formula as shown below:

$n.' = n./(1+n/N)^2$ where

n.' = the adjusted minimum sample size

n. = the minimum sample size (as calculated)

N = the total population

Using;

p=50%, q=50%, z=1.96 (95% certain) e= 5% (i.e. within plus or minus 5% of the true percentage, the margin of error that can be tolerated), N=1460

$n. = 50x50x [1.96/5]^2$

$= 2500x 0.153664$

$= 384$

Adjusted sample size

$n.' = 384/ [1+ (384/1460)]$

$= 384/3.8$

$= 101$

Approx. = 101

Table 3.2 Sample size

Target respondents	**Population**	**Proportion**	**Sample size**
The Elderly	259	259/1460*101	18
Persons with disability	704	704/1460*101	48
Women	497	497/1460*101	35
Total	**1460**	**1460/1460*101**	**101**

3.4.3 Response Rate

The targeted sample size was 101 participants who comprised of women, the elderly and people with disability. The questionnaires filled and returned by research assistants were 86 respondents making a response rate of 85.1%. Mugenda and Mugenda (1999) explain that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. This means that the response rate for this study which was established to be 85.1% was excellent and therefore enough for data analysis and interpretation.

Table 3.3: Response rate

Questionnaires	**Frequency**	**Percent (%)**
Response	86	85%
Non-response	15	15%
Total	**101**	**100.00%**

Source: Author, 2018

3.5 Data Collection Tools

The below tools were used to collect the data:

- Questionnaires
- Observation lists

3.6 Data Collection Methods

3.61 Questionnaires

Survey questionnaire was used as the primary tool for data collection. The questionnaire was drafted with the subject matter question and administered by research assistants to respondents through a face-to-face interaction. The questionnaire had both open ended and closed ended questions. The use of questionnaire in this study was advantageous due to its simplicity and its ability to be administered to multiple respondents.

3.5.2 Observation List

The researcher visited the respondents' residence and observed the respondents in their daily activities. The researcher observed personal characteristics such as disability of the respondents as well as other factors such as possible assets within the household.

3.6 Data analysis and Results

The Statistical Package for Social Sciences (SPSS) and MS-Excel software were used for data analysis. After data collection, the data was cleaned up. Data cleanup involved editing, coding and tabulating data with a view of detecting any omissions, repetitions or errors that would result into erroneous analysis results. The final data was analyzed using quantitative methods including proportions, frequencies, mean, standard deviations and graphs to summarize the data from the questionnaires. Frequencies, proportions and graphs were used for descriptive analyses while means and standard deviations were used for analysis in relation to the 3 study objectives.

Qualitative analysis and interpretation (KIIs) adopted thematic and content analysis to interpret meaning from the text data and arrive at naturalistic paradigm emanating from the findings. Interview notes were consolidated and synthesized into one document, using analysis sheets (well structured to have information into themes and subthemes). Thematic and content analysis involving the grouping of data into themes helped answer the research questions, thus identifying patterned meaning and themes across dataset to provide answer to the study objectives. Qualitative findings were presented in combination with quantitative data.

3.7 Reliability and Validity

Validity is the degree to which the researcher has measured what he/she has set out to measure (Kumar, 2005). The researcher sought to determine the content validity of the questionnaires as a way of ensuring the data collected using this tool adequately measure the variables. Kumar (2005) noted that validity is the judgement of the degree to which an instrument is measuring what it is supposed to measure and is primarily based upon the logical link between questions on the research instrument and objectives of the study. This method to determine validity was adopted by the researcher because its easy to apply as observed by Kumar (2005).

The questionnaire was given to two experts experienced in implementing CTP in contexts similar to Migori County in Kenya. The experts evaluated the relevance of each item in the questionnaire in relation to the objectives. The same were rated on the scale of 1 (very relevant) to 4 (not very relevant). Validity was determined by use of content validity index (CVI). CVI was obtained by adding up the items rated 3 and 4 by the experts and dividing this sum by the total number of items in the questionnaire, obtaining a CVI of 0.747. Oso and Onen (2009), state that a validity coefficient of at least 0.70 is acceptable, hence the adoption of the research instrument for this study.

The questionnaires used had Likert scale items to which respondents answered. For reliability analysis, Cronbach's alpha was computed. The value of the alpha coefficient ranges from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multi-point formatted questionnaires or scales (i.e., rating scale: 1 = poor, 5 = excellent).

A higher value shows a more reliable generated scale. Cooper & Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient. The study involved questionnaires from 7 respondents, who were selected to participate in the pilot study. Since, the alpha coefficients were all greater than 0.7, a conclusion was drawn that the instruments had an acceptable reliability coefficient and were appropriate for the study.

Table 3.4: Reliability Results

Variable	Cronbach's Alpha	Items
Strengthen/sustain livelihoods	.71	2
Food security status	.73	1
Access to education	.75	2

Source: Author, 2018

3.8 Research Ethics

The researcher followed due process in seeking prior consent from the respondents before administering the questionnaire. To avoid breaching confidentiality, the researcher did not disclose names of individuals that participated in the study. The researcher also conformed to the principle of voluntary consent where respondents willingly participated in the research.

CHAPTER FOUR: RESULTS AND ANALYSIS

4.1 Introduction

This chapter presents the findings of the three objectives. The objectives are to determine the influence of cash transfers on shelter provision of the OVC; to assess the effects of cash transfers on strengthening/sustaining livelihoods and; to assess the effects of cash transfers on the food security.

4.1.1 Demographic Characteristics of the Population

This section explores socio-demographic factors related to recipient families in Migori County, Kenya. This information entailed the age of the respondents, gender and education level.

4.1.1.1 Age

The study sought to establish the age of the respondents. The results are presented in figure 4.1 below.

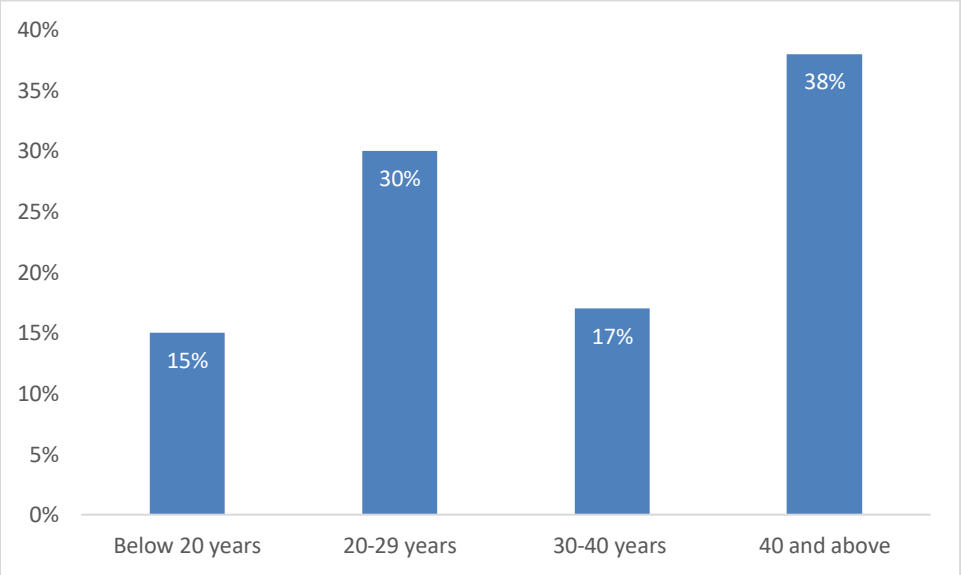

Figure 4.1 Age of Respondents

The results from figure 4.1 shows that 15% of the respondents were aged below 20 years, 30% were aged between 20 and 29 years, 17% were aged between 30-40 years while 38% were aged above 40 years. This finding suggests that persons aged 20-29 years comprise the highest proportion among age categories targeted by OVC-CT programs. Additionally, according to the 2009 population census and population projections, more than 70% of persons are aged below 35 years and hence this could explain the high proportion of persons aged between 20-29 years.

The study shows that majority of the respondents were aged above 40 years. This indicates that the majority was elderly and hence this group should be given special consideration in any discussion involving cash transfers.

4.1.1.2 Gender

The study sought to establish the gender of the respondents. The results were recorded in figure 4.2 below.

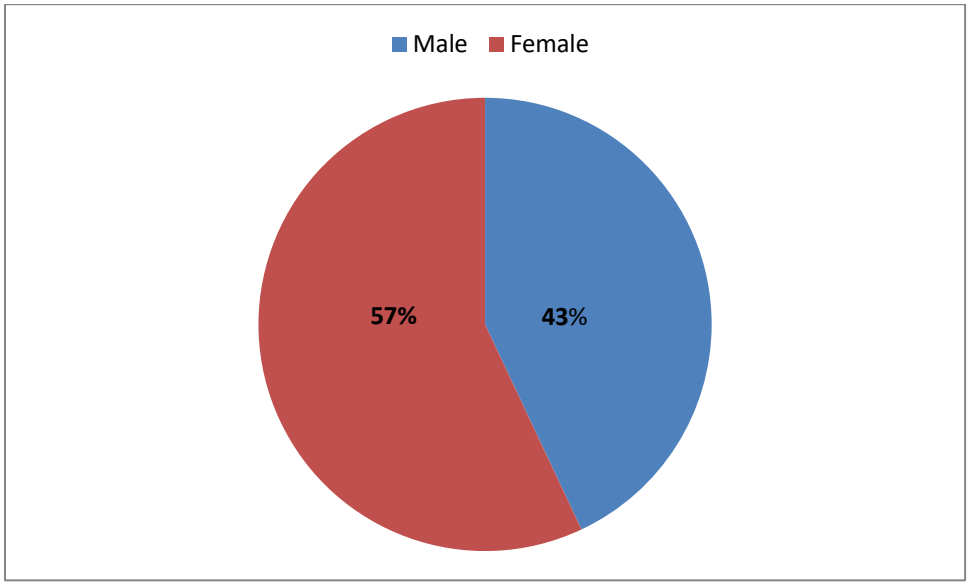

Figure 4.2 Gender of Respondents

The results from figure 4.2 indicate that 57% of the respondents were female while 43% were male. Gender disaggregation in data was a proxy way the researcher used to deduce that the program had some considerations for females or males. The results indicate both genders were included in the sample and hence the sample can be considered representative of the population.

4.1.1.3 Education

The study sought to establish the education level of the respondents. The results are presented in figure 4.3 below.

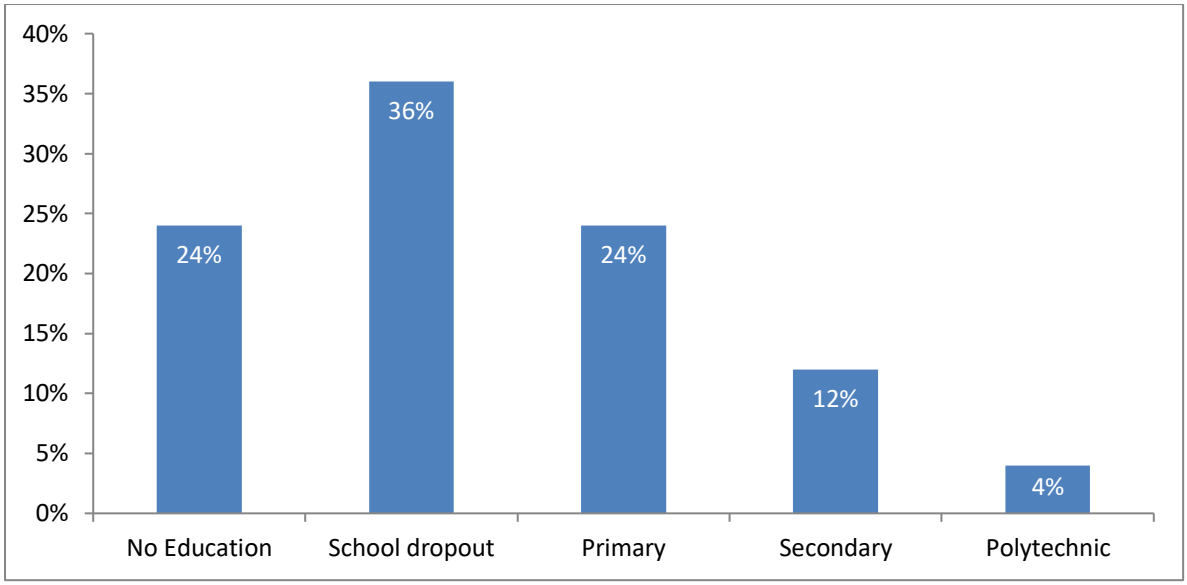

Figure 4.3 Education Levels of Respondents

Due to the correlation between income and education level, and in extension the cash transfer program, the study analyzed education levels among respondents.

Results from the analysis indicate that 36% had dropped out of school, 24% had primary education, 12% had secondary, 4% had polytechnic while 24% had no formal education. Generally, only 16% of the targeted population has attained at least secondary education. Additionally, 60% of respondents either have dropped out of school or do not have any education at all. The least educated had limited access to opportunities hence qualified for cash transfer programs.

4.1.1.4 Number of Children

Descriptive statistics on the number of children per household is shown below:

Table 4.1 Number of Children

Children living in household	Number of Households	Percentage
One	3	4%
Two	8	9%
Three	19	22%
Four	23	27%
Five	17	20%
Six	10	12%
Eight	3	3%
Nine	3	3%

Results indicate 69 households (80%) have between 3 and 6 children, with a median of 4. Analysis of education status had shown most respondents had low educational attainments. Comparing the education attainment metric and the number of children per household indicates that without some

form of aid, most of the households would hardly be able to offer necessities to OVCs. Additionally, it recommended that funds offered through cash transfer programs should take into account household characteristics including the number of children per household.

4.1.1.5 Gender and Disability

The study targeted persons with disability that had been part of beneficiaries of the OVC programme. 39 questionnaires out the targeted 48 respondents were filled and deemed to be valid data. The summary statistics are shown below:

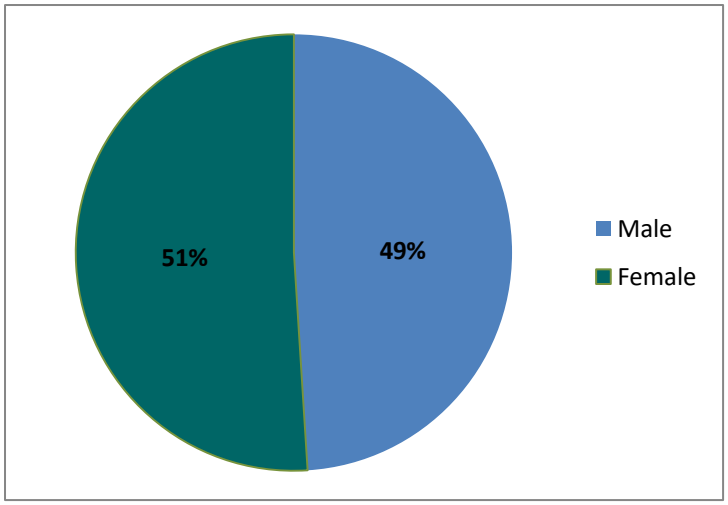

Figure 4.4: Gender of Respondents with Disability

The table above shows that the proportion of males and females among disabled persons was almost equal with 51% being females and 49% being males. Compared with the general population, the proportion of males is slightly lower at 43% while females comprise 57% of the population.

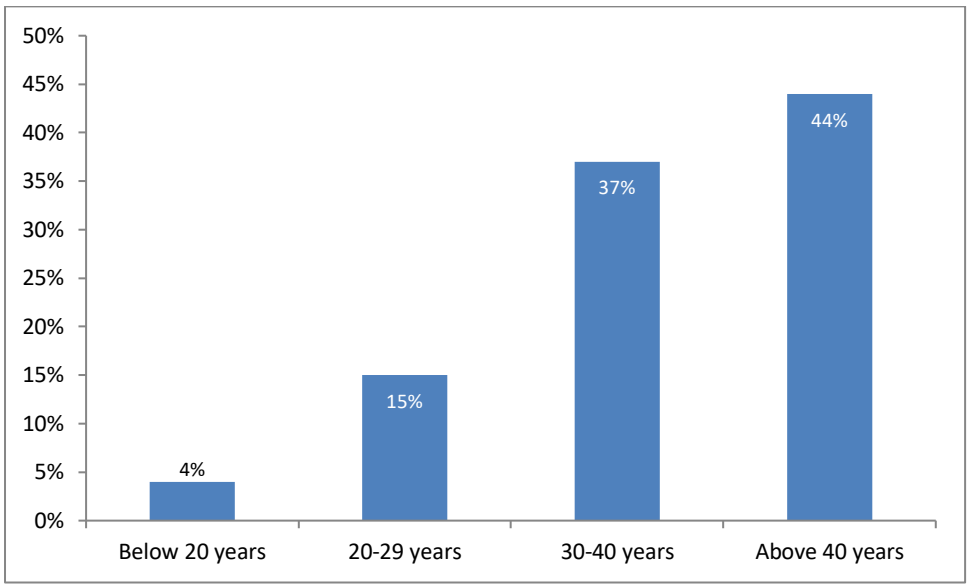

Figure 4.5: Age of Respondents with Disability

The data shows that the highest proportion of disabled persons is aged above 40 years followed by the group aged 30-40 years. The age dynamics among persons with disability differs from that of the general population. The latter shows a lower proportion among persons aged 30-40 years and a higher proportion among persons. Generally, persons with disability that were part of the cash transfer programme have a higher mean age compared to the general population thus should be treated differently.

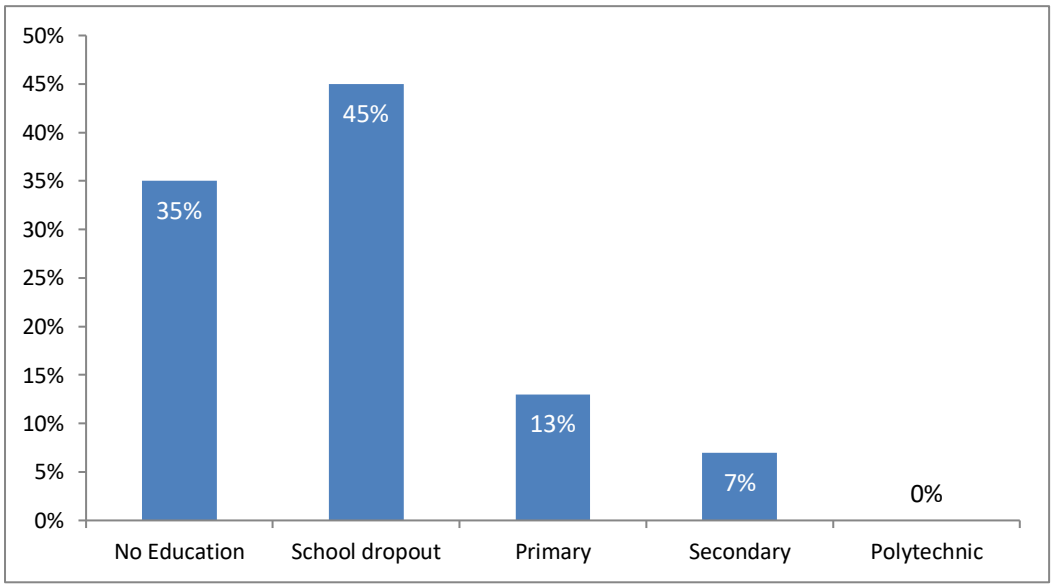

Figure 4.6 Education Levels of Respondents with Disability

The graph above shows that persons with disability have lower education attainments relative to the rest of the beneficiaries. None of the respondents have gone beyond secondary education while 80% of respondents have not completed primary education. The results indicate that in relation to the general population, persons with disability have lower educational achievements and cash disbursements programmes must consider these disparities.

4.2. Influence of cash transfer on shelter provision of the OVC

The researcher sought to establish the influence of cash transfer programs on the provision of shelter to OVCs. This section used a Likert-scale questions where 1= strongly disagree and 5 = strongly agree.

Table 4.2 Influence of cash transfer on shelter provision of the OVC

Statement	Mean	Std.Dev.
The money is used to pay rent and provide shelter	4.9278	0.4574
The monitoring and evaluation team ensures the houses provided befits the status of quality shelter for	4.7093	0.5172
The cash transfer program money carries a regular monitoring and evaluation to ensure the money disbursed is used for shelter	4.7145	0.3444
The cash transfer program money is used to renovate houses	4.6021	0.4641
The cash transfer program money is used by the OVC household to build new houses	4.3547	0.8054
The cash transfer program money is used to put OVC in children's home	1.2714	0.4674

The results above indicate that cash transfers led to households' ability to provide shelter. Majorly, households mentioned that money obtained from the cash transfer program was used to provide shelter and to pay rent (mean average rating of 4.9/5). The program had also enabled beneficiaries to have decent housing which was made possible through regular monitoring and evaluation (M&E) activities implemented (mean average rating of 4.7/5). The program also ensured that the funds were used for providing shelter through M&E (mean average rating of 4.7/5). Generally, a large proportion of households agreed that money from the program was used to renovate houses while a slightly smaller proportion agreed that the money was used to build new houses (mean average rating of 4.6/5 and 4.4/5.0 respectively). Finally, households strongly disagreed that money from the program was used to put OVC in children's home (mean average rating of 1.3/5.0).

Previous studies have looked at both the risks and benefits of cash transfers as pertain to the broad area of shelter provision. Some researchers have criticized what they refer to as "cash evangelism",

i.e. promoting cash as a panacea for all shelter programs (Bauer, 2013). Much of the skepticism has revolved around unconditional cash transfers and self-built reconstruction for which the authors argue that without technical advice and support, households may default to poor and unsafe housing designs. To avoid such instances, cash transfers aimed at improving shelter must be accompanied by technical advice, conditional transfers and cash distributed in a phased approach. The cash transfer program examined in this study adopted robust monitoring and evaluation methodologies to prevent the pitfalls outlined in Bauer's study. Indeed, most households strongly agree the cash transfer program money conducted regular monitoring and evaluation to ensure the households use the money disbursed for shelter provision. Additionally, this ensures the houses are constructed/ repaired up to high standards.

4.3 The impact of cash transfers on the food security status of the household.

The researcher sought to establish the effects of cash transfers on the food security status of the households. The results are presented in table 4.4 below.

Table 4.3 impact of cash transfers on the food security status of the household

Statement	Mean	Std. Dev.
Households are able to access basic necessities	4.454	0.541
The programs have led to food security among benefitting households	4.233	0.342
Beneficiaries have acquired livestock through this program	4.101	0.511
Many are able to acquire registration documents since they are needed for identification and payment	3.531	0.224
I am able to engage in small scale farming to generate food for our families	3.465	0.396
The number of meals per day has increased since the introduction of cash transfer program	3.214	0.521
Cash transfers programs have positively affected the livelihoods of beneficiaries	3.212	0.364
Our ability to pay water and electricity bills has been boosted through this program	3.124	0.32
Cash transfer beneficiary can now afford a balanced meal	2.347	0.585

From the findings in table 4.3 above, respondents agreed that because of the cash transfer program, they were able to access basic necessities (mean of 4.5/5.0). Regarding food security, the program had resulted into food security among households that benefited from the program (average rating of 4.2/5.0). Most households were also able to buy livestock using money from the program as well as engage in economic activities such as small scale farming to generate food (both with a mean rating of 3.5/5.0).

Findings were mixed regarding households' access to food materials. The question on whether they increased food consumption per day received a neutral rating (3.2/5.0), when asked to give a rating on whether they were able to afford a balanced meal, they registered a mean rating of 2.3/5.0 (equivalent to a 'not sure' response). This could imply that while households were able to have access to necessities because of the cash transfer program, the nutritional value of food consumed was not according to recommended standards. Other measures that scored poorly were households' ability to pay bills such as water and electricity (average rating of 3.2) and cash transfers positively affecting households (average rating of 3.2). Generally, it is seen that although households were able to have access to basic necessities as a result of the cash transfer, this benefit was not enough to result into significant improvements in areas like intake of food containing the recommended nutritional requirements or paying of routine bills.

The findings are in line with Harvey et al. (2010) who found that that poor communities are very sensitive and vulnerable to shocks (such as natural disasters or crop failure) that cause transitory food insecurity and these can be in the form of sudden increases in food prices which lowers their real income and hence, eroding their purchasing power. Good nutrition is a continuum, often the result of a complex interaction between food intakes and illness, affecting the food utilization by the body, which in turn is influenced by the overall health and caring environment. This is why improved food availability and access do not necessarily mean better nutrition. Improvements in availability and access to the foods that are important for good nutritional status may be offset by poor access to non-food inputs, such as high-quality health care facilities and services, education, sanitation and clean water or by ineffective mechanisms for delivering these services.

Studies indicate a cash transfer could increase household food intake through increased expenditure on food, as well as preventing negative responses to food insecurity, for instance skipping meals. This could include improved quality and/or quantity of food and more frequent meals – all factors in an 'adequate diet'. Cash might be spent on seeds to grow more food, or a goat to provide milk that can be consumed or sold for additional income.

4.4 Influence of Cash Transfer on Economic Well Being of Households

The researcher sought to establish the influence of cash transfer on economic well-being of households. This section used a Likert-scale questions where 1= strongly disagree and 5 = strongly agree.

Table 4.4 Influence of Cash Transfer on Economic Well Being of Households

Statement	Mean	Std. Dev.
There is steady and reliable source of income that can have significant effects upon the capacity of households to invest in human and physical capital, and overcome the threat of a long term, persistent poverty	4.654	0.652
Receipt of cash transfers provide small amounts of capital to start small businesses	4.358	0.574
There is savings which can help you if an emergency situation developed	4.354	0.641
The cash is used on children's education	4.347	0.6854
No longer rely on borrowed funds from friends and family	4.225	0.4644
Food, education and shelter respectively were placed high by majority household	4.214	0.674
There is enhanced access to goods and services on credit	4.206	0.541
The family is able to afford at least two meals per day	4.201	0.5411
Members of your households engage in any wage employment	4.165	0.244
Investments e.g. purchase of goats, cows, chicken	3.984	0.3204
Some amount of money is used on health	3.968	0.3964
Since the inception of this program, there is social inclusion and household micro-investments	3.862	0.3212
The economic wellbeing of your household improved since you were enrolled on cash transfer program	3.841	0.218
There has been a change in participation in labor market by members of your household	3.734	0.524

Primarily, cash transfers are aimed at empowering households and communities in general. This can be in form of social protection, poverty reduction, improving educational outcomes, enabling participation in labor markets and social inclusion. This study examined these impact areas and the findings are shown in Table 4.4.

From the table above, cash transfers recipients strongly agreed that the program enabled them to have a stable and reliable source of income that could be invested in various forms and thus help them overcome poverty (average rating of 4.7/5.0). Households also agreed that the CTP could enable them to start a small business and to enable them address emergency cases adequately (both with an average rating of 4.4/5.0). The analysis also shows that cash transfer programs could also lead to better educational outcomes as respondents agreed that money from the program was used on children's education (average rating of 4.3/5.0). Additionally, the program also reduces households' dependence on debts and increased household ability to access credit facilities (average rating of 4.2/5.0). Beneficiaries also contend that some money was used on health-related expenditures. However, despite households mentioning that they were able to afford at least two meals a day, they admitted that food security was still a challenge (average rating of 3.5/5.0).

Comparatively, food security received the lowest average rating among all measures of CTP impacts. Regarding social inclusion, which aims at increasing women's decision-making power within households, households reported that the program had led to more social inclusion and household micro-investments (average rating of 3.9/5.0). Household were also empowered to make investments such as purchase of live animals (average rating of 4.0/5.0).

The results demonstrate how different households used the cash transfers to strengthen/sustain livelihoods. These findings were in line with Wietler (2007) that most of transfers were spent on food. However, Wietler noted that half of the beneficiaries were able to invest parts of their money in hiring friends or relatives to plough their fields or build a barn; this was not necessarily the case in this study. According to Wietler, half of the beneficiaries spend money on school requirements like books or pens for their dependents, with five household heads reporting to have used the transfer money to buy small livestock like goats and chicken. As noted by Wietler, buying livestock was considered a way of saving as well as multiplying the value of the transfers.

Ressler (2008) in the study of beneficiary groups in Kangemi and Homa Bay in Kenya reported that participants in both locations indicated that the cash payment was most commonly used for school related expenses. Participants reported that the second major use of the cash transfer funds was for household food. Participants in Ressler's study indicated that the cash had allowed them to have more than one meal a day that they did not have to sleep hungry. They indicated other uses of the cash to include paying for rent and medicines. Ressler's study was based on interviews with six Kenyan families in Kangemi in Nairobi and in Homa Bay, in Nyanza Province.

The study also examined the impact of cash transfers on social inclusion, which in this case refers to women participation in making decisions in areas such as household expenditure, investments, and generally to participate in meaningful economic activities. Most households 'agreed' that cash transfers had led to greater social inclusion in households as compared to the period before start of the program. Findings from previous studies have been mixed finding no relation between cash transfers and social inclusion (Bonilla, Zarzur, & Handa et al, 2016). In fact, some studies report that cash transfers could actually reinforce traditional gender roles. However, a review of available quantitative and qualitative evidence indicates that only in the case of conditional cash transfers is there strong support of the claim of women empowerment (Den Bold, Quisumbing &Gillespie, 2013). This fact notwithstanding, a review of a cash transfer program in Zambia (Child Grant

Program) shows that when transfers were done through women, there was significant improvement in their participation in decision-making, albeit negligible.

Numerous studies have pointed to the effectiveness of cash transfer programs towards eliminating poverty and improving economic well-being. For instance, Zezza, de la Briere and Davis (2010) have observed that cash transfer programs may foster greater economic growth in household expenditure. The authors mention that these changes come in the form of labor participation among different members of the household, investment in various ventures that improve a household's income, and giving households an emergency relief against emergencies and risks. The Food and Agriculture Organization (2011) has also added its voice to the topic by highlighting five areas in which cash transfers have made an impact as listed below:

a) Households making investments in income-generating activities including crop farming and purchase of live animals
b) Risk management that includes investment into more profitable ventures thus enhancing households' resilience against calamities and emergencies
c) Increased labor participating among household members
d) Investments that enhance natural resource utilization such as sustainable land use and use of improved farming methods
e) Reduction of investments in risky ventures

Findings from this study are consistent with previous findings and more specifically that cash transfer lead to strengthening and sustaining of households.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The preceding chapter entails the summary, conclusions and recommendations of the findings.

5.2 Summary

Preliminary analysis of the data shows that more than half of the respondents were aged above 30 years. Other demographic measure included sex (57% female and 43% male). The near close balance between males and females indicate both genders were equally likely to be included in the sample hence reducing study biases. The rest, dropped out of school, never attended school or completed primary education. Summaries of findings on each of the objectives are outlined below.

The study focused on the influence of cash transfers on households in Migori County with particular focus on three objectives:

i. To determine the influence of cash transfers on shelter provision of the OVC
ii. To evaluate the effects of cash transfers on the food security of recipient households in Migori County
iii. To evaluate the effects of cash transfers on livelihoods of recipient households in Migori County

5.2.1 Influence of cash transfers on shelter provision of the OVC

The study has found out that cash transfers had a positive impact on shelter provision among OVC families. Apart from using the funds to pay rent, households also to provide decent housing, construct new housing units and renovate existing ones. The program ensured houses constructed or renovated were of set standards as pertains to safety and housing design. The study also shows that funds obtained from the program were not used to put OVCs in children's home.

5.2.2 Effects of cash transfers on the food security of recipient households in Migori County

The current study examined the role of cash transfer programs on food security. Findings from the study point to strong improvement of households' capacity to access necessities. Household agreed that cash transfer programs had resulted into improved food security besides being able to improve their asset position by purchasing livestock. However, households were neutral on whether the program had led to increased food intake while also disagreeing that they were able to afford balanced meals. Studies have shown that CTPs could increase household food intake through increased expenditure on food thus improve households' food security situation. The study also shows that CTPs result in improved quality and/or quantity of meals.

5.2.3 Effects of cash transfers on livelihoods of recipient households in Migori County

Cash transfers programs recipients strongly agreed that the program has enabled them to have a stable and reliable source of income that can be invested in various forms and thus help them overcome poverty. Evidence further shows CTPs strengthen livelihoods by enabling families start small businesses, have access to credit facilities, and set aside some savings for use during emergencies. Members of a household could also have increased engagement in labor activities and depend less on debts. The analysis also shows cash transfers can enhance health outcomes as households reportedly spent more money on healthcare costs. Generally, beneficiaries of the program reported that the economic well-being of their households had improved through increased household income, increased access to healthcare, and relief against emergency and social inclusion.

5.3 Suggestions to Improve Cash Based Program Delivery

The program sought to identify its weaknesses and strengths towards disbursement of cash transfer funds and to optimize the impacts of such programs. The most common themes are outlined as follows:

a) The government/ local stakeholders should strengthen the functionality of local community and sub-county level committees to optimize the impacts of social cash transfer programs
b) The government/ local stakeholders should address significant issues concerning beneficiary wellbeing and livelihoods.
c) There is need to improve communication with beneficiaries, non-beneficiaries, local committees and authorities to promote greater awareness of social cash transfer programs.
d) Enable case management, and strengthen monitoring and grievance mechanisms.
e) Cash disbursements should be regular and more predictable to help with budgeting and planning.
f) The government/ local stakeholders should promote stronger linkages and better integration and complementarity among social and development programs and services

5.4 Conclusion

Based on the findings from this study, the study makes the following conclusions:

Regarding the first objective on the influence of CTPs on shelter provision of the OVC, the study found evidence that funds obtained from cash transfer programs were used to provide shelter and housing to OVC households. To reduce the number of households constructing unsafe or poorly

designed houses, the program adopted routine monitoring and evaluation activities and released cash in tranches.

Regarding the second objective on the influence of CTPs on food security, the study found out that CTPs increased households' ability to access necessities. While households were able to increase the number of meals per day, they reported that they could not afford balanced meals. The study also showed a correlation between expenditure on food and participation in small-scale farming to generate food for the family.

Regarding the third objective on the influence of cash transfer on livelihoods of recipient households, the study shows that cash transfers indeed led to improved livelihoods as shown by high rating of the various metrics that measure household socioeconomic status. Specifically, the study found out that because of the cash transfer, there was an increased participation in income-generating activities, increased accumulation of assets and generally households cushioned against economic shocks.

5.5 Recommendations

Based on the finding, the author makes the following recommendations:

The researcher observed that because of CTPs, families were able to have a higher number of meals per day. However, they reported that they could not afford balanced meals. Consequently, the study recommends that in addition to creating financial awareness to ensure funds are spent in priority areas, CTP practitioners should focus on nutrition education in order to enable families make informed decisions on food choices and other food and nutrition-related behaviors conducive to the health and well-being of OVCs.

To ensure compliance on the use of cash transfer funds and reduce misuse, the study recommends additional controls be placed on household expenditure of moneys particularly targeting OVCs. Although most sectors consider conditional cash transfers just as effective as unconditional cash transfers, the former could lead to better results among the OVC. The researcher therefore recommended cash transfers should be conditional, in such circumstances. Organizations involved in cash transfer should implement more robust monitoring and evaluation activities to ensure financial compliance.

The study further recommended a change in design of the program to take into consideration household characteristics so that amount paid to beneficiaries is based on number of children in the households, and the level of education of the children which affects demands on the household.

The research leads to a number of recommendations for operational improvement by practitioners: strengthen the functionality of community and sub-county level committees to optimize the impacts of social cash transfer programs and address significant issues concerning beneficiary wellbeing and livelihoods. Improve communication with beneficiaries, non-beneficiaries, local committees and authorities, to promote greater awareness of social cash transfer programs, enable case management, and strengthen monitoring and grievance mechanisms. Assure regular and predictable payments.

5.5.1 **Areas of further research**

On the question of social inclusion, areas of further research include conducting case control studies to understand further the impacts of cash transfers and the role of gender in cash transfers. This could look at whether the modality of disbursing funds (conditional vs unconditional) through women leads to more women participation in household decision-making, or they could actually reinforce traditional gender roles.

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APPENDIX I: QUESTIONNAIRE

Section A:

Background Information

1. Gender of the participant

Male ☐ Female ☐

2. Age (years)

Below 20 ☐ 20 – 29 ☐ 30-39 ☐ 40 and above ☐

3. Education level attained (Select one)

Secondary	
Middle Level College	
University	
None	

4. Number of children in household ____

Section B:
OBJECTIVE I: TO DETERMINE THE INFLUENCE OF CASH TRANSFERS ON SHELTER PROVISION OF THE OVC.

On a scale of 1-5 where; 1- strongly disagree, 2- disagree, 3- not sure, 4- agree, 5- strongly agree, indicate appropriately by ticking the extent to which you agree with the following regarding how cash transfers shelter provision to vulnerable groups.

Description	**1**	**2**	**3**	**4**	**5**
The money is used to pay rent and provide shelter					
The cash transfer program money is used to put OVC in children's home					
The cash transfer program money is used to renovate houses					
The cash transfer program money is used to OVC build new houses					
The cash transfer program money carries a regular monitoring and evaluation to ensure the money disbursed is used for shelter provision					
The monitoring and evaluation team ensures the houses provided befits the status of quality shelter for OVCs					

OBJECTIVE II: TO EVALUATE THE EFFECT OF CASH TRANSFERS ON THE FOOD SECURITY OF RECIPIENT HOUSEHOLDS WITH OVCs

On a scale of 1-5 where; 1- strongly disagree, 2- disagree, 3- not sure, 4- agree, 5- strongly agree, indicate appropriately by ticking the extent to which you agree with the following regarding the effects of cash transfers on the food security status of the households

Statement	**1**	**2**	**3**	**4**	**5**
Beneficiaries have acquired livestock through this program					
Cash transfer beneficiary can now afford a balanced meal					
Cash transfers programs have positively affected the livelihoods of beneficiaries					
Households are able to access basic necessities					
I am able to engage in small scale farming to generate food for our families					
Many are able to acquire registration documents since they are needed for identification and payment					
Our ability to pay water and electricity bills has been boosted through this program					
The number of meals per day has increased since the introduction of cash transfer program					
The programs have led to food security among benefitting households					

OBJECTIVE III: TO EVALUATE THE EFFECTS OF CASH TRANSFERS ON LIVELIHOODS OF RECIPIENT HOUSEHOLDS.

1. Has the economic wellbeing of your household improved since you were enrolled on cash transfer program?

   Yes [ ] No [ ]

2. Is your spouse involved in deciding how the money from cash transfer program is used?

   Yes [ ] No [ ]

3. Do the children in your household have a say in how the money you receive from cash transfer program is used?

   Yes [ ] No [ ]

On a scale of 1-5 where; 1- strongly disagree, 2- disagree, 3- not sure, 4- agree, 5- strongly agree, indicate appropriately by ticking the extent to which you agree with the following regarding how cash transfers are used to strengthen/sustain livelihoods

Statement	1	2	3	4	5
Food, education and shelter respectively were placed high by majority household					
Investments e.g. purchase of goats, cows, chicken					
Members of your households engage in any wage employment					

No longer rely on borrowed funds from friends and family					
Receipt of cash transfers provide small amounts of capital to start small businesses					
Since the inception of this program, there is social inclusion and household micro-investments					
Some amount of money is used on health					
The cash is used on children's education					
The economic wellbeing of your household improved since you were enrolled on cash transfer program					
The family is able to afford at least two meals per day					
There has been a change in participation in labor market by members of your household					
There is enhanced access to goods and services on credit					
There is savings which can help you if an emergency situation developed					
There is steady and reliable source of income that can have significant effects upon the capacity of households to invest in human and physical capital, and overcome the threat of a long term, persistent poverty					

SUGGESTIONS FOR IMPROVEMENT

In order to improve cash delivery and to improve overall program management, what would you advise the organization?

Section C: Observation Checklist

Observe the main housing structure used by the household and record the following:

Material used on roof _____

Type of floor _____

Material used on walls _____

Housing unit is connected to electricity grid

Yes [ ] No [ ]

APPENDIX II: Local Authority Key Informant Interview Guide

Introduction

Good morning/afternoon, my name is _____ I am a student from Maseno University conducting a research study to learn about the influence of cash transfer programmes on socio-economic wellbeing of recipient households in Migori County. The research findings will inform future programme decisions on assisting Cash Transfer Programmes. The purpose of this interview is to learn your experiences during the implementation of the CTP.

If you agree to participate, we would like to ask you some questions. The interview will last for approximately 40 minutes. Participation is voluntary and if you decide to participate, you can decline to respond to a question or leave the session at any time with no consequence. The opinions you share in the discussion will remain confidential and your name will not be recorded or linked to your responses. The information we collect will help understand how to best design and implement cash transfer programmes.

1. GENERAL INFORMATION		
1.1	**Name of Interviewer:**	
1.3	**Role of Informant**	
1.2	**Gender of Informant:**	**1. Male** **2. Female**
1.4	**Date of interview:**	

1. What was your role in the OVC cash transfer programme implemented through the Government of Kenya? What was the Local authority's role in the cash transfer programme?
2. Who was targeted to benefit from the cash transfer programme? Why? How? Was this targeting appropriate for the context? Were the most vulnerable people targeted?
3. What aspects of the cash transfer program have worked well for orphaned and vulnerable children? And what can be improved?
4. Based on your experience, what was the role of male and female in the implementation of cash transfer programme in Migori County? Probe for who was in charge of how cash was utilised at the household level.
5. What changes have you noted in community members' well-being especially households with OVC that can be attributed to cash transfer programming? In the short-term and long-term?
6. What have been some of the challenges you have experienced or witnessed during the cash transfer interventions? Probe for security related challenges on the food supply. How were these challenges resolved?
7. What feedback from beneficiaries are you aware of with regards to the design and implementation of the cash transfer programme? Are you aware of any harm the program may have created on the communities?
8. Is there anything else you think we should know?

Thanks for your time

Explain what will happen to the information e.g. analysed and written in a report which will be used in decision making regarding other cash transfer programmes.