

**An analysis of the efficacy of cash transfers in addressing food insecurity for Mutare urban communities of Zimbabwe**

**By Mr J.Handina, Ms A.Ncube &Mr A.J.Jordaan**

**University of Free State**

**Disaster management Training and EDUCATION Centre for Africa (DiMTEC)**

**Abstract**

The need for social protection initiatives to protect vulnerable groups in Zimbabwe led to this study. Few studies have focused on cash transfers and those that did concentrated on the forms of cash transfers. No study conducted on Zimbabwean cash transfer projects focused on evaluating the impact and effectiveness of the initiatives on food security. This study determined the impact and efficacy of a Catholic Relief Services food security guided cash transfer program in Mutare, Zimbabwe. The effectiveness of the targeting process, the community's progression in food security, and the associated coping strategies were determined. The changes in food consumption scores were recorded and the impact of cash transfers on the food security status / levels of the community determined. The results showed that the cash transfer program targeted the vulnerable groups in the community, which included the elderly, chronically ill, widows, disabled, and destitute. Most (76%) of the money borrowed by non-beneficiaries was spent on food and this led to the conclusion that the targeted area was highly food insecure. With the introduction of the program, a large difference in the food consumption score was noted (18 for non-beneficiaries [poor food consumption] compared to 54.5 for beneficiaries [above acceptable food consumption]).

Key words: Food security, cash transfer program, food consumption

## **Introduction**

Zimbabwe has numerous socio-economic challenges and the country had a negative economic growth, an estimated GDP growth of -14.1% for 2009, and a high unemployment rate of 94% (Central Emergency Response Fund [CERF] 2010). Inflation ranging from an annual average of -7,7% in December 2009 to -4,8%, month-on-month inflation rose to 1% in February 2010 from 0,7% in January 2010 (Muronzi and Mpofu 2010). Approximately 80% of the population lives below the poverty datum line - US\$552 (United States Department of State, 2010). The economic situation has worsened by recurrent droughts that have reduced agricultural productivity and forced the government to direct its resources towards mitigating the ravaging effects of the drought. The HIV and AIDS pandemic have further aggravated the situation in the country. According to UNAIDS (2004), Africa has the highest infection rates (70% of all infections) with a subsequent increase in the number of orphans and vulnerable children (Watts et al. 2005).

Some Zimbabwean government departments and non-governmental development aid agencies have developed social protection initiatives in order to mitigate the effects of hazards such as drought, cholera outbreaks, HIV/AIDS and flooding. The prevailing socio-economic conditions necessitate social protection strategies that target the most vulnerable groups of society (elderly, widows, chronically ill, orphans and vulnerable children). The challenge is to identify locally appropriate, flexible and sustainable social protection initiatives that aid these vulnerable groups.

One such protection initiative is to improve the vulnerable groups' food security. Food security is defined as sufficient access to food by all people at all times in order to meet their dietary needs for a healthy and productive life (World Food Summit 1996; Ahmed et al. 2007).

Two types of food insecurity exist and these are chronic and transitory food insecurity. Chronic food insecurity is the continual inability of households to acquire needed food (von Braun et al. 1992). Transitory food insecurity is the temporary decrease of access to food, caused by instability in food prices, production or incomes. Exacerbated transitory food insecurity leads to famine and the chronic food insecure households are most affected.

Cash or in-kind transfer programs are a means to provide relief to food insecure households. In theory, cash is preferable to in-kind transfers because it is economically more efficient (Tabor 2002). Cash transfers provide freedom of choice and a higher level of satisfaction compared to food or in-kind transfer. According to Schubert (2005) households receiving grants use them for food, health care, education, and investments in physical capital that can provide a future source of income. By contrast, in-kind transfers are often used as a means of controlling, modifying, or otherwise influencing the behaviour of recipients (Tabor 2002).

Even though cash transfers provide relief, certain issues require attention so that beneficiaries become self-sufficient. Most cash transfer programs have no clearly defined exit strategies. According to Britto (2006) two strategic exit factors exist which require attention: use existing data for systematic identification of beneficiaries, and the performance of the economy in creating employment and expanding the labour market. One has to

satisfy these in order to develop clear, valid and helpful exit strategies. Cash transfer programs should be “safety nets and springboards” from which communities start their own long-term projects. According to Britto (2006) cash transfers do not affect structural poverty and it is necessary also to promote access, supply and quality of services like education, health, vocational training and micro-credits.

Most cash transfer programs have not been assessed and evaluated in terms of their impact on the intended beneficiaries and beyond. Programs need to be evaluated to determine their outcome, learn what works, enhance cooperation and exchange of ideas, and to improve their efficacy (Britto 2006).

The Zimbabwean Government has initiated cash transfer programmes that provided both cash and non-cash support to the disabled and the elderly. The government in collaboration with UNICEF resuscitated the Basic Education Assistance Module in 2010, which will pay school fees for disadvantaged children in communities. World Food Programme in partnership with Concern Worldwide piloted cash transfers in three districts in 2009 as a way to substitute direct food distributions to vulnerable communities (Roman 2010). Although all these social programmes have assisted thousands of people, programme outcomes have not been systematically assessed and scientifically evaluated (World Bank 2006).

Diocese Of Mutare Community Care Program (DOMCCP) (a local Mutare Catholic Church development arm) implemented a pilot cash transfer program in The Zimbabwe city of Mutare, targeting the suburbs Sakubva and parts of Danganvura. These communities were used to direct food distributions and not to cash transfers. The City of Mutare has a population of 1.6 million and is located on the border between Zimbabwe and Mozambique. Due to the current economic hardships and high unemployment rate, approximately 8000 registered people are involved in informal business activities. The city was also affected by cholera in 2009 with 12,704 cases reported and 420 deaths by March 2009 (Waterkeyn et al. 2009).

The aim of this study was to determine the impact and efficacy of cash transfers in addressing acute food shortages in Sakubva high-density suburb of Mutare. The target group for the cash transfers, progression to food insecurity, and the associated coping strategies were identified. The changes in food security levels after the introduction of the cash transfers were determined.

## **Methodology**

### ***Cash transfer program***

The program was designed to provide households with a full unconditional cash transfer. Beneficiaries were to spend the cash the way they would want, though they were cautioned against using the money for beer and other unproductive errands. The cash transfer program made provision for a maximum of five dependents and additional dependents were left without access.

### ***Data collection***

The Sakubva suburb, in the city of Mutare (Zimbabwe) was divided into 5 cluster zones namely Otiyesi, Matida, Muchena, Zororo and Old Chisamba. From each cluster zone, 20 households were randomly selected to form an aggregate sample size of 100 households for the 5 clusters. In each cluster zone, 20 household heads were

interviewed of which 15 household heads were beneficiaries of the cash transfer program and 5 households were non-beneficiaries (control). Where household heads were not present only family members above 18 years were eligible to answer on behalf of the household head. In cases where the household had relocated, another household was randomly selected from the list for the study. All respondents answered the same questionnaire.

Qualitative and quantitative data were collected, thus increasing the analytical power (Ahmed et al. 2007). Quantitative indicators were captured through semi-structured household interviews. In order to determine the level of food security for a household, a proxy indicator food consumption score was computed and formed the core of the questionnaires. Demographic, nutrition and socio-economic indicators were also included to gauge food security in terms of food availability, food access and food utilization (Jonsson and Akerman 2009).

For qualitative data collection, 5 food group discussions and 5 key informant interviews were conducted. Beneficiary household heads were randomly selected from the database of all beneficiaries. Open-ended questions were asked during key informant interviews and focus group discussions to gather information on preference of cash or food transfers and how the cash transfer program improved respondents' food security status (i.e. whether the transfers had made any difference in their livelihoods, how, and why).

Written informed consent for all interviews was sought in advance where possible/appropriate. All interviews were administered in either Shona (local language) or English, depending on the respondent's choice of language.

### ***Food Consumption Score***

Food consumption scores were used to measure the level of food security by taking into account dietary diversity, food frequency and relative nutritional importance of different food groups (Jonsson and Akerman 2009). The food consumption score was calculated using a seven-day recall method, which recorded the number of days food items were consumed during the previous seven days. The inherent risk of bias was minimized by limiting the number of food groups to eight and the food frequency of each food group to seven (Wiesmann et al. 2009). The eight food groups included cereals and tubers (considered one group), pulses, vegetables, fruits, meat, dairy products, sugar and oil. Food groups were analyzed weighted according to the adjusted WFP food consumption score (WFP 2008a; WFP 2008b) where <28 denotes poor food consumption, 28 to 42 borderline food consumption, and >42 acceptable food consumption.

### ***Statistical Data Management***

The Predictive Analytics Software, formerly SPSS version 17, was used to enter and analyze quantitative data collected.

### ***Findings and Discussion***

More than half of the sampled population had male-headed households (58%) with 48% female-headed households. The average age was 59.3 years, which concurred with the cash transfer project to target the elderly. Most of the respondents had able-bodied household heads (78%), 15% were physically handicapped, 4% mentally handicapped and 3% both physically and mentally handicapped. Of the 78% able-bodied respondents,

25% were non-beneficiaries. Few respondents (8%) had a tertiary education, 58% a secondary education, 20% a primary education and 14% had no education.

The beneficiary respondents' income sources (excluding cash transfer) and reasons for borrowing money are listed in Table 1. Most income was earned from petty trading (31%), followed by informal diamond mining (25%) and casual labour (19%). The non-beneficiary respondents' income source was mainly informal diamond mining (28%), followed by petty trading (25%) and casual labour (22%). Approximately a quarter of all respondents supplemented their income with informal diamond mining in the Chiadzwa diamond area, which is patrolled by the army and police. Few respondents were earning a formal income (7% for benefiting households and 3% for non-benefiting), which reflects the 94% unemployment rate reported by the Central Emergency Response Fund (CERF 2010).

Most respondents (76%) who were not benefiting from the cash transfer program spent their borrowed money on food compared to very few (1.3%) beneficiaries of the cash transfer program. As expected, 69% of the beneficiaries did not borrow any money since they had enough money for their needs. Beneficiaries borrowed money mainly for transportation (25.3%). The cash transfer program managed to address food provision issues and reduced borrowing for the purchase of food.

#### *Use of Cash Transfer funds*

The cash was subsequently used in the following ways: food (57%), education (18%) health (16%), rentals (5%) and savings (4%). Thus, the program targeted the appropriate households, mainly those with no food and with health and educational challenges.

The Zimbabwe Emergency Cash Transfer Pilot Programme through Concern Worldwide reported similar results (Roman 2010) with food accounting for 70% of the cash spent. Cash transfer money given to recipients in Lagodekhi village (capital Tbilisi of Georgia) was also mainly spent on food (55%) and health care (29%) (Jonsson and Akerman 2009).

The high percentage of the money spent on health in this study, indicates that the Zimbabwean government still has shortfalls in providing health for all. The 16% spent on health or on hygienic items further reinforced the positive effects on food security of the community and this was achieved through improved health status and food safety, which implies ameliorated food utilization (Jonsson and Akerman 2010). When the health status of the community is improved then their intake and food utilization is enhanced and this ultimately lead to improve food security since there will be reduced food wastage caused by luxury consumption.

Cash transfers also played an important role in education. Expenses included school fees and purchase of educational requirements such as uniforms, textbooks and stationery. According to Vincent and Cull (2009), education is accepted as a critical means of reducing inter-generational poverty and promoting development, but access to it is often impeded by costs.

Besides the avoiding the de-capitalisation of assets during times of extreme food insecurity, the cash transfer program contributed 4% of the cash to savings and small investments. These were mainly production activities, which included purchases of small livestock, fertilizers and seeds, and agricultural implements and tools. During the focus group discussions it became evident that these small investments gave beneficiaries the opportunity to protect and improve their economic wellbeing. Similarly, 29% of recipients from Kalomo social cash transfer scheme in Zambia invested in purchases of livestock, farming inputs, or informal enterprise (MCDSS/PWAS/GTZ 2005).

### ***Food Consumption Scores***

Food consumption scores were used to determine the levels of food security within a population and from Table 2, beneficiaries recorded a score of 54.5 while non-beneficiaries recorded a score of 18. This showed that cash transfer led to increased consumption levels. Schubert (2007) also found that cash transfer beneficiaries in Malawi and Zambia had higher consumption levels, shorter hunger periods and improved nutritional indicators. The beneficiaries score of 54.5 denoted acceptable food consumption. Non-beneficiaries' score of 18, however, denoted poor food consumption. Jonsson and Akerman (2009) recorded similar results (score of 55 for beneficiaries) for the cash transfer program in Georgia. The results signified a considerable improvement of the food security for beneficiaries of the cash transfer program. Beneficiaries consumed more pulses (beans, peas and nuts) and meat (meat, fish and eggs), compared to non-beneficiaries who consumed none of these products. Thus, the beneficiaries improved their nutrient uptake and observed a more balanced diet.

Out of the 54.5 food consumption scores for beneficiaries, 26.5 points (49%) were derived from the food groups, cereals and tubers, pulses, sugar and oils while 8 points (15%) was from consumption of vegetables and fruits (Table 2). This, according to Jonsson and Akerman (2009), implied improved dietary diversity as the cash assistance enabled purchases of food items not previously consumed. Beneficiaries consumed more meat and dairy products, which are normally considered luxuries in times of extreme food insecurity.

Beneficiaries consumed more meals compared to non-beneficiaries (Table 2). This is in agreement with Devereux et al. (2006) who conducted a before-after comparison of cash transfers beneficiaries in Malawi and found an increased number of meals per day and less evidence of households using coping mechanisms such as food rationing or premature harvesting.

### ***Food security***

Improved dietary diversity means improved food utilisation and health for the households. When asked whether the household's food security improved, 25% were not beneficiaries, 7% of beneficiaries answered "no" and 68% of beneficiaries answered "yes". This signifies maximum satisfaction of the cereals requirements and ultimately shows improved food security.

Approximately 91% of the respondents concurred with the hypothesis that cash transfers help in improving food security. Those who differed were from larger families of six or more members (Figure 1). The cash transfer program provides for five members, thus additional members were not provided for.

The respondents (95%) were easily able to identify the vulnerable food insecure groups (elderly, orphans and vulnerable children, chronically ill, widows and the destitute). Only 1% was ignorant and had no knowledge of the target groups (Figure 2).

### ***Recommendations***

Cash transfers should be continued in all food insecure communities provided the markets are freely functioning and food availability is not an issue. Cash transfers improve food security in the immediate and long term through food purchases, savings and investments.

### **Conclusions**

The cash transfer program targeted the food insecure highly vulnerable groups of the community, which included the elderly, chronically ill, widows, disabled, and destitute. Most non-beneficiaries borrowed money for food, thus the targeted area was highly food insecure. The introduction of the cash transfer program enabled beneficiaries to buy food and use some money for health and education. There was a remarkable improvement in beneficiaries' food consumption. The cash transfer program enabled beneficiaries to eat a more diverse diet. Enhanced food consumption scores signified improved food security for the cash transfer beneficiary households in Sakubva suburb.

## References

- Ahmed, A. U., Quisumbing, A. R., & Hoddinott, J.F. (2007). *Relative efficacy of food and cash transfers in improving food security and livelihoods of the ultra-poor in Bangladesh*. Washington, DC: International Food Policy Research Institute.
- Britto, T. (2006). Conditional cash transfers in Latin America. *Social protection: The role of cash transfers. Poverty in Focus*, June 2006, 15-17.
- Central Emergency Response Fund (CERF). (2010). *Zimbabwe 2010*. United Nations.
- Devereux, S., Mvula, P., & Solomon, C. (2006). *After the FACT : An evaluation of concern worldwide's food and cash transfer project in three districts of Malawi, 2006*. Institute of Development Studies, UK.
- Jönsson, E., & Åkerman, E. (2009). *Direct cash transfer and food security in Georgia*. Minor Field Series No. 195. Lund: Department of Economics at the University of Lund.
- MCDSS/PWAS/GTZ. (2005). *External monitoring and evaluation report of the pilot social cash transfer scheme, Kalomo district, Zambia*. Lusaka: MCDSS/GTZ.
- Muronzi, C., & Mpofu, B. (2010). *Inflation surges under threat*. The Zimbabwe Independent, 15 April 2010.
- Schubert, B. (2007). *The impact of social cash transfers on children affected by HIV and AIDS – Empirical evidence from Zambia, Malawi and South Africa*. New York: UNICEF. <http://www.socialcashertransfers-malawi.org/Publications.htm> Accessed 31 July 2010.
- Schubert, B. (2005). *Social cash transfers- reaching the poorest: a contribution to the international debate based on experience in Zambia*. Eschborn: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ).
- Standing, G. (2008). *How cash transfers boost work and economic security*. Department of Economic and Social Affairs Working Paper No. 58. New York: United Nations. <http://ideas.repec.org/p/une/wpaper/58.html> Accessed 31 July 2010.
- UNAIDS, (2004). *Report on the global AIDS epidemic*. 4<sup>th</sup> Global report, Switzerland.
- Bureau of Economic, Energy and Business Affairs. (2010). *Investment climate statements 2010 – Zimbabwe*. United States Department of State.
- Vincent, K., & Cull, T. (2009). *Impacts of social cash transfers: case study evidence from across southern Africa*. Conference paper No. 47, II Conferencia do IESE “Dinamicas da Pobreza e Padrões de Acumulação em Moçambique”, Maputo, 22 and 23 April 2009.
- von Braun, J. V., Bouis, H. E., Kumar, S. K., & Pandya-Lorch, R. (1992). *Improving food security of the poor: concept, policy and programmes*. Washington, DC: International Food Policy Research Institute.
- Waterkeyn, J., Matimati, R., & Muringaniza, A. (2009). *ZOD for all - Scaling up the community health club Model to meet the MDGs for sanitation in rural and urban areas: case studies from Zimbabwe and Uganda*. International Water Association Conference, Mexico City.

Watts, H., Lopman, B., Nyamukapa, C., & Gregson, S. (2005). Rising incidence and prevalence of orphanhood in Manicaland, Zimbabwe, 1998 to 2003. *AIDS*, 19, 717-725.

World Food Program (WFP). (2008a). Vouchers and cash transfers as food assistance instruments: opportunities and challenges. *Policy Issues*. Rome: World Food Programme.

WFP. (2008b). Food consumption analysis: calculation and use of food consumption score in food security analysis. In: *Technical guidance sheet*. Rome: World Food Programme.

Wiesmann, D., Bassett, L., Benson, T., & Hoddinott, J. (2009). Validation of the World Food Programme's food consumption score and alternative indicators of household food security. In: *International Food Policy Research Institute discussion paper 870*. Washington DC.

Table 1. Respondents' sources of income (excluding cash transfer) and reasons for borrowing money

<b>Sources of income</b>	<b>Non-beneficiary respondents (n=20)</b>	<b>Beneficiary respondents (n=80)</b>
<b>Sources of income</b>		
Informal diamond mining	28%	25%
Petty trade (buying and selling)	25%	31%
Casual labour	22%	19%
Vegetable production or sales	9%	12%
Food crop production or sales	6%	6%
Formal salary/wages	7%	3%
Commercial sex work	4%	4%
<b>Reasons for borrowing money</b>		
Did not borrow	4%	69.3%
Buy food	76%	1.3%
Transport	16%	25.3%
Social expenses	4%	4%

Table 2. Respondents' seven-day recall food consumption scores

<b>Food Group</b>	<b>Food Item</b>	<b>Weight</b>	<b>Beneficiaries food consumption (n=80)</b>		<b>Non Beneficiaries food consumption (n=20)</b>	
			<b>Frequency (Days)</b>	<b>Score*</b>	<b>Frequency (Days)</b>	<b>Score*</b>
Cereals and tubers	Bread, cereals, potatoes, pasta	2	4	8	2	4
Pulses	Beans, peas, nuts	3	4	12	0	0
Vegetables	Vegetables, herbs	1	7	7	6	6
Fruits	Fruits	1	1	1	0	0
Meat	Meat, fish, eggs	4	3	12	0	0
Dairy products	Cheese, milk, Yoghurt	4	2	8	1	4
Sugar	Sugar and sweets	0.5	7	3.5	4	2
Oil	Oil and fats	0.5	6	3	4	2
<b>Summed food consumption score**</b>				<b>54.5</b>	<b>18</b>	

\*Score = Frequency x Weight

\*\*Food groups were analyzed weighted according to the adjusted WFP food consumption score (WFP 2008a; WFP 2008b) where <28 denotes poor food consumption, 28 to 42 borderline food consumption, and >42 acceptable food consumption.

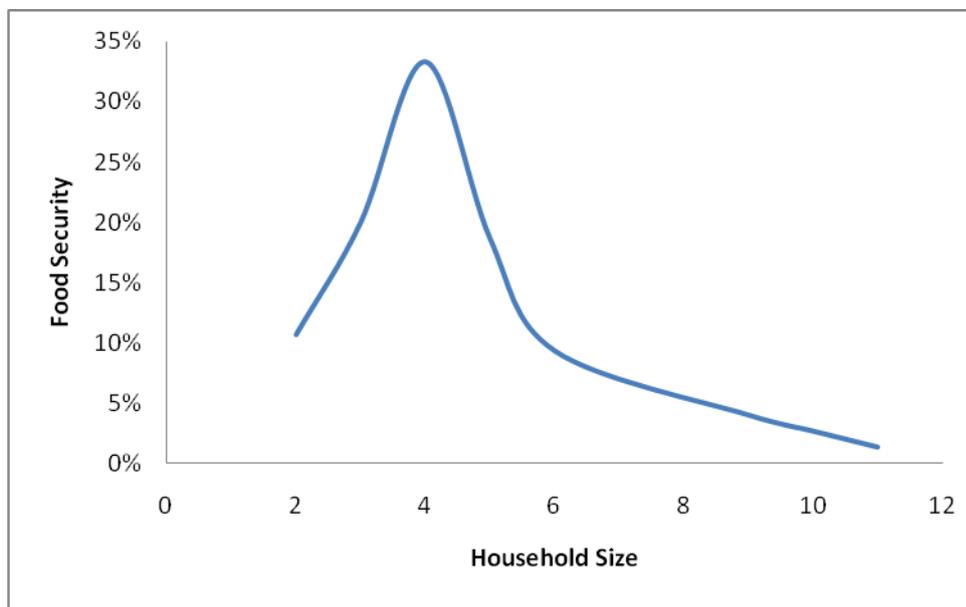


Figure 1. Respondents' perception of whether the cash transfer program improved their food security

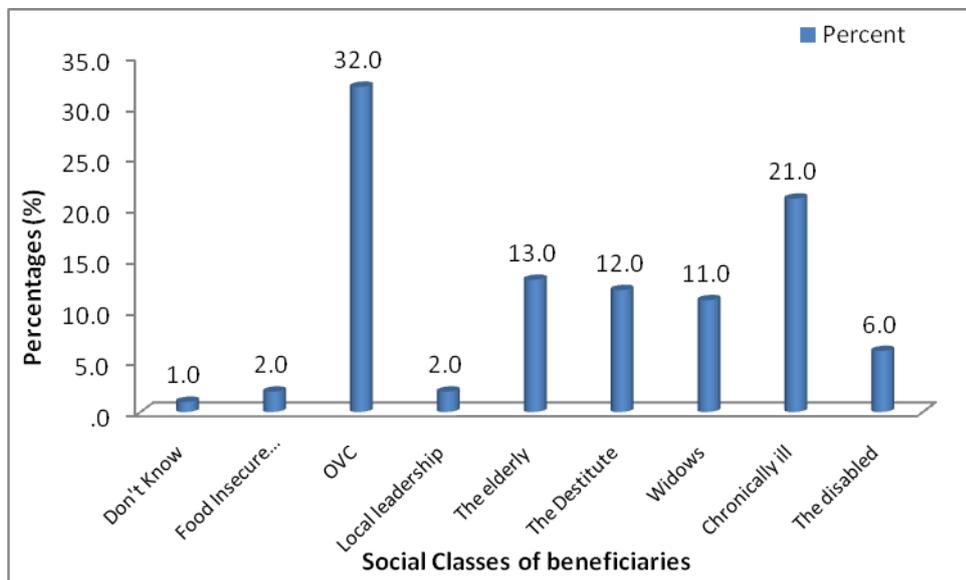


Figure 2. Respondents' perception on who benefited the most from cash transfer programs (OVC: orphans and vulnerable children)