

The Impact of Social Cash Transfer on Rural Livelihood in Zambia

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Abstract

The article is focused on the impact that the social cash transfer has on the lives of the rural people. To assess the impact, the study will use processes involving literature reviews and field visits to institutions mandate to manage the scheme. Interviews will also be conducted with the beneficiaries through the help of an interview schedule that the researcher with design. Thus the main objective was to assess the relevance, appropriateness, sustainability, and impact of social cash transfer schemes in Shamwinda Village in Chibombo District, Zambia. It can be concluded that the research was successful because all the objectives that were alluded to in the first research were met. The findings were more positive than negative according to the article title, which is the impact of cash transfers on rural livelihood. Although it has been discovered that a higher percentage of the beneficiaries did not use their money to invest but on food. Therefore, it can be concluded that social cash transfers have played a tremendous change in the diet of the beneficiaries in Shamwinda Village.

Keywords: Interviews, Money, People, Rural, Scheme and Social Cash Transfer.

Introduction

The article is focused on the impact that the social cash transfer has on the lives of the rural people. To assess the impact, the study will use processes involving literature reviews and field visits to institutions mandate to manage the scheme. Interviews will also be conducted with the beneficiaries through the help of an interview schedule that the researcher with design.

The social cash transfer program started as a pilot in Kalomo District through the support of the German Government and has been scaled up to other districts in a phased manner. Until 2013 it was implemented in nineteen realigned districts supporting 62,240 households, of which 23,117 are male, and 39,123 are female-headed households. At the end of 2013, the government made an audacious decision to increase the funding to the program by more than 700 percent, thus from K17.5 million to KK150 million for 2014. With this increment in funding, the Ministry and its co-operating partners embarked on a rapid scale-up in 2014, added thirty-one new districts bringing the total number of districts implementing the program totality with 145,698 beneficiary households comprising 56,527 males and 89,171 female-headed households.

The effect of HIV and AIDS and drought had an impact on the livelihood of many Zambians. Due to long illnesses and persistence, drought lead to the vulnerable and the aged unable or inability to sustain their livelihood. Therefore the introduction of social cash transfer is to reduce the burden of financial support by bread winners in the households.

The loss of a source of income due to the inability to work caused by aging, illness, and drought. As a result, the victims were unable to financially support their household needs.

Thus the main objective was to assess the relevance, appropriateness, sustainability, and impact of social cash transfer schemes in Shamwinda Village in Chibombo District, Zambia. Which had the main question as to What is the impact and sustainability of the social cash transfer scheme on the rural community?

Theoretically, social cash transfer means defining the processes and institutional arrangements by which the policy makers set the mechanisms to assist and reduce poverty among the most social-economically vulnerable or disadvantaged people. The theoretical review of the literature will look at the theories that have been derived by many authors on the concerns of poverty. Note that these theories were based on a research done by Alfandega Estevao Manjoro in 2017 and E Philip Davis and Miguel Sanchez-Martinez in 2014. These theories were Marxian theory of poverty, Cultural theory of poverty, Neo-conservative theory of poverty, The social democratic theory of poverty, The Social Darwinist Theory of Poverty, Programmatic Poverty, Classical Theory, and Behavioural/decision-based theory. The empirical review of the literature looked at some of the countries studied on the impact of cash transfers that were down - countries like Malawi, Zambia, South Africa, Kenya, and Zimbabwe.

To gather relevant data for this report, both primary and secondary sources of information were relied upon. Firstly, secondary data were obtained through a literature review on the theory and practice of social cash transfer and how the programs are implemented. Secondly, primary data was collected using an interview schedule and analysis of the implementer's records. The researcher, therefore, sought to use the descriptive research design as best fit their research topic. A descriptive research design is one help provides answers to the questions of who, what, when, where, and how associated with a particular research problem.

Chibombo district has ten wards, and from all these wards, there are 5705 beneficiaries, and out of these, 511 are people living with disabilities. Due to

a limited time frame, the researcher narrowed the research to a village known as Shamwinda, which has an estimated population of 1000, and out this 300 are the beneficiaries. A sample size of 50 households from Shamwinda Village in Chibombo District was selected. The reason for having such a limited sample size is to have a good response and to make it easy for the researcher to analyze the data. Out of a sample size of 50, the researcher only interviewed 25 beneficiaries and five non-beneficiaries.

Background of the Study

The cash transfer program started as a pilot in Kalomo District through the support of the German Government and has been scaled up to other districts in a phased manner. Until 2013 it was implemented in nineteen realigned districts supporting 62,240 households, of which 23,117 are male, and 39,123 are female-headed households. At the end of 2013, the government made an audacious decision to increase the funding to the program by more than 700 percent, thus from K17.5 million to K150 million for 2014. With this increment in funding, the Ministry and its co-operating partners embarked on a rapid scale-up in 2014, added thirty-one new districts are bringing the total number of districts implementing the program totality with 145, 698 beneficiary households comprising 56, 527 males and 89, 171 female-headed households.

The program is funded by both the government through the Ministry of Community Development and social services and its co-operating partners. The funds are categorized into two as direct transfers to the beneficiaries, and the other goes towards the administration, apportioned as 80 and 20 percent, respectively. In 2015, the total budget allocation to the program was K180 million, out of which K150 million was from the government, and K30 million was from its co-operating partners.

Though the scheme has been seen to be adopted by other players under a different system but using the same conceptual framework, the scheme began as a response to the increasing vulnerability and poverty arising from the effects of HIV and AIDS and drought. Since then, it has become a phenomenon in the political and social sectors. The target groups are vulnerable and the aged in society, especially in

rural areas. Therefore the researcher has embarked on this research to know how the cash transfers are implemented and its impact in the present as well as if the poverty reduction has been achieved from the time the cash transfers were introduced and implemented.

Literature Review

Poverty can be overwhelming, especially if it's caused by something one has no control of. That's why the governments of many countries, just like Zambia, have social protection policies such as social cash transfers among many others put in place to aid the poverty-stricken households and help them reduce poverty out of their lives by aiding them economically. This research will focus on the following; Conceptual Framework: theoretical Review and Empirical Review of the literature.

A series of structural letdowns give rise to an escalation in the number of the poor. Gordon et al. (1982:1) have classified these structural shells as racial, gender perception, and nepotism resulting in a lack of certain clusters of peoples' chances for jobs, education, and social assistance. Albrecht and Mulford (2001:67) contribute to this theory by pointing out that massive rearrangement of economic systems leads to the increased economic and social demotion of an entire group of people. Such groups end up poorer due to the lack of access to opportunities. The Marxist theory recommends poverty mitigation through improved structures of production and increased education and training to those rendered irrelevant by technological improvement to adapt through a change of environment to change of profession. Education also ensures that limited persons embrace change and adapt (Winch, 1987:32-35). The model also links for a kind of government welfare program to aid those who are unable to reengineer themselves through education so that they can get admission straightforward requirements for upkeep such as food rations, health programs, and subsidies (Coser, 1969; Harvey & Reed, 1992:280).

The socialization of developing associations of the bankrupts leads to the appearance of new behavioral personalities to cope with material nonexistence experienced by the groups. Shulman

(1990:1) identifies these traits to include limited time prospects, need for rash satisfaction, low ambitions, and emotional self-doubt. These traits jointly change the world view of the poor and lead to general hopelessness, despair and state of poverty (Lewis, 1968:187; Jones, 1984:253 & Shulman, 1990:1), BacaZinn(1989:67) and Albrecht et al. (2001:508) point out that this faulty culture is passed on to children born and raised in these homes or geographical areas as a result of socialization of low-income families and communities and consequently limit or block such children's successful contribution in majority institutions. The subsequent "underclass" becomes permanent and is "locked into its own unique but adaptive culture."

Oscar Lewis (1968:187) refers to these emerging behavioral traits and norms as a culture of poverty. Since the culture of poverty is only based on material deficiency and not specific to any ethnic or religious marginalization, it is possible for a person to be poor without living in a culture of poverty. Improvements aimed at poverty alleviation should not focus on immediate gains because culture takes a long time to change due to its relative independence. Over the years, the culture of poverty can be changed without necessarily focusing on having the objective of poverty mitigation, as is seen in societies taken over by innovative or patriotic movements where many of the key traits of the culture of poverty are altered ideologically (Lewis, 1968: 190).

Failure of market forces as a result of the capitalist's fear of entrepreneurial risks in periods of economic recession slows production and causes unemployment, as debated by John Maynard Keynes. In such times, market forces miss the mark; the poor get poorer due to increased unemployment or retrenchment and low levels of incomes. Failure of market forces requires the state to step in and ensure constant production and unchanging employment (Sen, 1984:328). Sen (1984:326) debates that in cases where access to resources or income is deprived, personal capabilities of individuals lead to complete deprivation; however, market forces are not capable of correcting the situation. The government must ensure that while citizens who are in political power and are capable of production are not shortened from producing, the government must

also ensure fair distribution of all that is produced to remove poverty. Poverty is a self-inflicted situation according to the social Darwinist theory of poverty, and so it changes over time as a result of social development. An individual's brilliance or patchiness will naturally cause that individual to be poor or otherwise. Poverty is, therefore, "both a final judgment and an emetic by which society selectively removes the weak." Poverty movements in any society are a result of natural selection. Therefore, any human-made attempt to change the course of the trend leads to damage to the natural working of institutions (Harvey & Reed, 1992: 286).

The Statement of the Problem

The effect of HIV and AIDS and drought had an impact on the livelihood of many Zambians. Due to long illnesses and persistence, drought lead to the vulnerable and the aged unable or inability to sustain their livelihood. Therefore the introduction of social cash transfer is to reduce the burden of financial support by bread winners in the households. The loss of a source of income due to the inability to work caused by aging, illness, and drought. As a result, the victims were unable to support their household needs financially.

The Objective of the Study

This research proposal will be driven by the following objectives:

Main Objective: To assess the relevance, appropriateness, sustainability, and impact of the social cash transfer scheme in Shamwinda Village in Chibombo District, Zambia.

Specific Objectives

- To find out the dynamics of social cash transfers.
- To assess the effectiveness and efficiency of the implementation scheme.
- To find out how the beneficiaries are using the funds given to them.
- To assess the criteria used for the identification of beneficiaries.

Research Question(s)

Based on this Knowledge, and the issues listed in status quo, the researcher found the following main

research question (RQ) to best reflect the problem area, and set the direction and focus for the study: What is the impact and sustainability of the social cash transfer scheme on the rural community?

Specific Questions

- Can we attribute a positive change in the beneficiaries' lives from the social cash transfer scheme?
- What institutional arrangements or structures are in place for implementing the scheme?
- How are the beneficiaries using the money given to them?
- What criteria are used to identify the beneficiaries?

Scope of the Study

The scope covers what, how, when, and where the study was done. What data were taken as inputs, what was the outcome of the comparison? It must be smart, specific, measurable, agreed upon, or attainable, realistic, and time bond. It should also include article exclusions.

This study is on social cash transfers and the impact it has on rural livelihood. The study was conducted in Shamwinda Village, Chibombo District. The time frame that allocated for the researcher to draw out the findings in Chibombo District was within a period of two months from July 2018 to September 2018.

The scope of this study looked at the impacts that the social cash transfers have had in Shamwinda Village and how the beneficiaries have benefited from this program. An interview schedule was used to interview the selected households.

Significance of the Study

The article's significance was to inform the planners, the beneficiaries, the funders, and in general, the government on the characteristics and outcomes of the scheme. This article achieved the main purpose that the schemes were put in place for thus to help the vulnerable and to drive them out the poverty line so that they can be able to make a living and sustain their day-to-day needs. Other scholars have already highlighted the impact that the cash transfers have had; the researcher will work towards finding out how the cash transfer has tallied in a specific area of study.

Research Methodology

The main purpose of this research is to discuss the research procedure and selection of the respondents from the population. This research will pinpoint the research design that the researcher will undertake. It will constitute the where, when, who, and how the data will be collected through the design and helping the research know the impact that the cash transfers had on the respondent of Shamwinda Village in Chibombo District.

Restating the Research Questions

- Can we attribute the positive change in the beneficiaries' lives from the social cash transfer scheme?
- What institutional arrangements or structures are in place for implementing the scheme?
- How are the beneficiaries using the money given to them?
- What criteria are used to identify the beneficiaries?

Research Design

The research design has to explain when, why, where, and how the research was carried out. The research was done during six months, the main purpose was to find the impact the social cash transfers have had on the lives of the beneficiaries, it was conducted in Shamwinda Village, and it was the data collection was carryout pout by using a descriptive research design by using an interview schedule. The researcher, therefore, sought to use the descriptive research design, which is described as a scientific method that involves observing and describing the behavior of a subject without influencing it in any way as best fit their research topic. A descriptive research design is one help provides answers to the questions of who, what, when, where, and how associated with a particular research problem.

Sources of Data

The researcher used both primary and secondary sources of data to collect information needed to meet the objectives of the thesis.

Primary Data: Structured interview schedules were administered to the respondents to gather the required data. Interviews were conducted with the selected workers at the Ministry of community development and social services.

Secondary Data: The required data was obtained from published materials such as reports, journals, and some relevant information to the study that was derived from the internet. This kind of data has been put together in the review of the literature.

Characteristics of the Population

Chibombo district has ten wards, and from all these wards, there are 5705 beneficiaries, and out of these, 511 are people living with disabilities. Due to a limited time frame, the researcher narrowed the research to a village known as Shamwinda, which has an estimated population of 1000, and out this 300 are the beneficiaries.

Sample Size

A sample size of 50 households from Shamwinda Village in Chibombo District was selected. The reason for having such a limited sample size is to have a good response and to make it easy for the researcher to analyze the data.

Data Analysis

The interview schedules were edited to correct probable errors and to sort out misconceptions and misunderstandings to ensure the credibility of the research. To collect and organize data in such a manner that must be acceptable, which was later used to conduct the required analysis, the research interview schedules were structured. The data was first put in a topical and chronological order so that it is presented in a descriptive manner. Secondly, data were classified, themes, and theory to allow the use of quantitative methods to be used to analyze some of the data collected. Finally, information from data analysis is summarized. Conclusions and recommendations were made for application by the Ministry of Community Development.

Limitations of the Study

The researcher faced the following limitations;

Time: It was insufficient to carry out a broad perspective of the thesis, so it has to get the full aspect of the information required. Usually, to carry out this Kind of research, one needs ample time. Still, in this case, the researcher only had two months to gather the position of secrecy for an anonymous sampled population of information providers were such a need is necessary to avoid conflict of interest

even as critical analysis will be made with the utmost intellectual degree of competence and outcome reliability.

Resources: The resources were not enough to research many parts of the country (Zambia) because the thesis is not funded by anyone.

The Professional Expertise of the Researcher: The researcher is a student without proper training in this kind of field work of data collections. So the information gathered and put together is that of an amateur learning.

Ethical Consideration

The following are the ethical considerations that this article will adhere to:

Confidentiality: The interviewees will be assured that whatever information they will provide shall be treated as confidential and that it will be used only for the intended purpose. The information collected will be kept confidential by both the student and the university.

Anonymity: The researcher will respect the engaging the prospective interviewees into the study; they were made fully aware of what it was all about. This enables them to decide whether to participate or not.

Findings of the Study

The findings have been affiliated with the objectives. The researcher has described the outcome of the research about the thesis objectives.

To Assess Impact of Social Cash Transfer Scheme:

In research four shows the results of the impacts that the cash transfer has had on the beneficiaries. Thirteen of the interviewed beneficiaries alluded that the cash transfers have had a positive impact on their lives in terms of food consumption. At the same time, six of them said just a little, and the other six said they had seen no change because the money is little. There the researcher found that having the cash transfers only as a means of improving the quality of their food consumption is retrogressive for them as no other aspects of their lives are improved.

Therefore, from this, it can be attributed that there is a positive impact in terms of them having

a balanced diet because they can have all the meals required and the necessary mixture of foods other than having to eat fewer meals.

To Assess the Effectiveness and Efficiency of the Implementation Scheme: According to respondents, the scheme that was put in place to collect the cash transfers was effective and efficient. This is so as collection centers were brought closer to beneficiaries, making it easy for them to collect their funds. Additionally, beneficiaries did not have to queue up (a method of the collection which was time-consuming) as row calls were used as a means of disbursing funds faster.

To Find out How the Beneficiaries are Using the Funds Given to them: According to the findings, 60% of the respondents said that their income from cash transfers is used on food and other personal uses. While only 12% said, they used their income to invest in businesses. These results should have been the other way round, where 60% of the beneficiaries use the money for investing as opposed to food and personal use. In this way, the beneficiaries would have a daily income.

To Assess the Criteria Used for Identification of Beneficiaries: When the researcher had an interview with the ministry of community development, they were told that the beneficiaries were to have a high level of vulnerability to be able to access the cash transfers. And It was found that 95% of the beneficiaries interviewed were very vulnerable, and the money given to them was helping them in one way or another.

Conclusion

It can be concluded that the research is successful because all the objectives that were alluded to in the first research were met. The findings were more positive than negative according to the article title, which is the impact of cash transfers on rural livelihood. Although it has been discovered that a higher percentage of the beneficiaries did not use their money to invest, but they used it on food. Therefore, it can be concluded that social cash transfers have played a tremendous change in the diet of the beneficiaries in Shamwinda Village.

Recommendations

Allocate more money to the beneficiaries. The money that is given to the beneficiaries is little. No wonder a higher percentage of them use it for food and personal use. It would be of much help if they were given a good amount of money so that they can apportion part of it to investments.

More money should be allocated to disabled beneficiaries. The disabled are in the state where they can't fund themselves, so the government is having to come up with the initiative of giving them a bi-monthly income is a well thought out plan. The only issue is that the money is not enough; hence the government should look into that they have enough money to sustain them every month.

Set up Financial literacy seminars on how to use money wisely. The government should employ people in rural areas to sensitize people on how finances work and how best they can be used. These seminars can be held every three months so that the people are kept up to date with the trends of finances.

The government should get to know the beneficiaries. It is important that the government, through the ward counselors, should get to know the beneficiaries and what they need. In doing so, it will help the government know how best they can implement the schemes.

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