

**ASSESSING THE EFFECTIVENESS AND EFFICIENCY OF
TARGETING METHODS IN PUBLIC WORKS PROGRAMMES IN
MALAWI:**

**The Case of MASAF and CARE managed programmes
in the Central Region of Malawi.**

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Declaration

I, the undersigned, hereby declare that this mini-thesis is my own work that I have not previously submitted at any other University for a degree. All sources that I have quoted have been indicated and acknowledged by means of references.

Signature: _____ Date: _____



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Abbreviations

AIDS	Acquired Immuno-Deficiency Syndrome
CBF	Community Based Facilitator
CBT	Community Based Targeting
DA	District Assembly
EGS	Employment Guarantee Scheme
FGD	Focus Group Discussion
HDI	Human Development Index
HIV	Human Immuno-deficiency Virus
ICRISAT	International Crop Research Institute for Semi-Arid Tropics
ILTPWP	Improving Livelihoods Through Public Works Programme
MASAF	Malawi Social Action Fund
MPRSP	Malawi Poverty Reduction Strategy Paper
NGO	Non Governmental Organization
OR	Odds Ratio
PRA	Participatory Rural Appraisal
PWP	Public Works Programme
PIC	Project Implementation Committee
RA	Research Assistant
SADC	Southern Africa Development Cooperation
TIP	Targeted Input Programme
UNDP	United Nations Development Programme



CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the study

This research is aimed at assessing the effectiveness and efficiency of Community Based Targeting and self-targeting methods in the selection of beneficiaries in safety nets programmes in Malawi. Safety nets interventions have recently gained significant importance in most developing countries due to the increasing poverty levels. According to World Bank, safety nets are “mechanisms that mitigate the effects of poverty and other risks on vulnerable households”.¹ Conning and Kevane indicate that safety nets can serve the purpose of alleviating poverty and promote long-term growth by providing households with the protection that markets and informal networks may not supply.²

Despite the importance attached to these programmes, they have generally been short-term and therefore not able to fulfil their aims. Safety nets have mostly been relief in nature and responded to emergencies³ such as droughts, floods, earthquakes and others. Food aid programmes have been more common compared to any other programmes because food distribution fits well in emergency situations as a basic necessity of life. Apart from the short-term nature of the programmes, they have also faced difficulties in effectively reaching and engaging the poor who desperately require these services.⁴ This challenge is partly due to the approaches that have been used in reaching out to these people.⁵

1.2 Malawi’s Poverty and Socio-Economic Situation

The poverty situation in Malawi is said to be rampant, deep and severe.⁶ This situation has not changed for some time as the 1993 Situation analysis of Poverty

¹ Blomquist, John, 2003

² Conning, Jonathan and Kevane, Michael, 2000:1

³ Stefan, Dercon and Pramila, Krishnan, 2003:1

⁴ Conning, Jonathan and Kevane, Michael, 2000:1

⁵ Ibid

⁶ Malawi Poverty Reduction Strategy Paper (MPRSP), 2002:5

study portrays the same picture.⁷ According to the United Nations Development Programme (UNDP) Human Development Index (HDI) for 1992, 1995 and 2000, Malawi's trend went down from number 157 to 163 out of 174 countries. The HDI is a measure of life expectancy, literacy and per capita income in a country. Similarly, among the Southern African Development Cooperation (SADC) countries, Malawi ranks number 13 in its HDI out of 14 countries.⁸ This indicates that Malawi is one of the poorest countries in the world as well as among the SADC countries.

The main causes of poverty include limited access to land, low education, poor health status, limited off-farm employment and lack of access to credit.⁹ This situation is manifested through the indicators such as life expectancy, which is as low as 39 years as of 2000, high infant and under-five mortality rate of 104 and 189 deaths per 1000 live births respectively and maternal mortality rate of 1200 deaths per 100,000 live births.¹⁰ In the same year (2000), the literacy rate was 58% while education attainment was only 11.2% where education is defined as completion of standard 8. Literacy refers to one's ability to read and write.¹¹ Due to limited off-farm employment especially in the rural areas, the household's major source of income is subsistence agriculture, which contributes 63.7% of their income. Looking at different development indicators in Malawi, there is no outstanding evidence to suggest that Malawi has developed since 1994.¹² Nthara says that the gains registered in some indicators were offset by the regression in others.¹³ Table 1 below presents a summary of these indicators in terms of how the country performed between 1994 and 2001.

⁷ Situation Analysis of Poverty in Malawi, 1993:xi

⁸ Breytenbach, Willie, 2003: 81

⁹ MPRSP, 2002: 6

¹⁰ Ibid

¹¹ Ibid

¹² Nthara, Khwima, 2003: 114

¹³ Ibid

Table 1: Evolution of Selected Social Indicators in Malawi

Indicator	1994	2001
Life expectancy at birth (years)	44	38.2
Infant mortality rate (per 1,000 live births)	134	114
Access to safe water (percentage of population)	(1993-95) 37	(2000) 57
Adult literacy rate (percentage of population aged 15+)	(1995) 44.1	(2000) 39.9
Primary school gross enrolment ratio (percent)	(1995) 133.5	(2000) 136.9
Girls enrolment share in primary school (percent)	47.1	48.9
Pupil-teacher ratio in primary school	61	(1998) 71

Source: Nthara, K (2003): *Malawi's Economic Development since 1994: Implications for Democratisation*. In Immink, B, et al, (Eds.): *From Freedom to Empowerment: Ten Years of Democratisation in Malawi*, pp. 112.

As noted from the social economic status of Malawi, the need for safety net interventions is very pertinent as the poverty situation is worsening due to recurrent droughts and increasing soil infertility. This is because rural Malawians heavily depend on subsistence farming for their food requirements and income (accounting for 63.7% of their total income).¹⁴ In the past, people in rural Malawi used to have their own social support systems that could sustain their livelihoods. However, the situation has changed tremendously as households have become more individualistic in their conduct due to deterioration of resources as a result of these droughts and soil infertility. This has led to a break down of the social support system that existed before and most households can no longer cope with the pressures and the immensity of needs that have overwhelmingly overtaken them.

¹⁴ MPRSP, 2002: 8

For example, according to the researchers personal experience, the 2002/2003 drought season that affected Malawi claimed a lot of lives before government started responding to the crisis. Those who had some food could not share for fear that they could also run short of food. Incidences of theft were very common and continue to be so because people are not willing to share what they have if someone is asking for help. This has resulted into stealing as one of the solutions.

However, this is still not enough to sustain people's needs as such they have now tended to look for external support to alleviate their predicament. Chinsinga et al also found out that generally people in rural Malawi feel that there has been a decline in traditional support systems with the emergency of the "table culture" and use of money.¹⁵ They claim that these two factors are responsible for the deterioration of the extended family support system in that tables are only meant for a few people (family members only to eat from there).¹⁶ The whole village cannot eat from the table because previously people used to eat together as a whole village communally in the open square. Each household could prepare their meal and bring it to share with the rest of the village members. This is no longer the case because every household eats on its own in their house on tables.¹⁷

In the case of money, it is felt that life revolves around the use of money these days than before. For example, for someone to harvest enough maize, it requires fertilizer, which has to be bought with money and be applied to the crop. As such, people prefer to sell their surplus to recover their input costs and make a profit to afford more inputs for the following growing season than to share their maize freely and suffer as well.¹⁸

The Malawi Poverty Reduction Strategy Paper (MPRSP) also highlights the same point that informal safety nets have been overpowered and become vulnerable to shocks due to increased poverty and the HIV/AIDS pandemic.¹⁹ This situation has

¹⁵ Chinsinga, Blessings et al, 2001: 26

¹⁶ Ibid

¹⁷ Ibid

¹⁸ Ibid: 27

¹⁹ MPRSP, 2002: 65

increasingly called for more need for outside support in form of social safety nets.²⁰ The government is trying to fill this gap. With limited resources, it is inevitable that the relief meets the needs of only a few of the destitute individuals who are identified to be most deserving. This has not been easy to accomplish in practice. It has become a growing concern among development practitioners to critically look at this issue in terms of which methods can be used to identify these people.

1.3 Problem Statement

Since the mid 1990s, safety nets in Malawi have been a key strategy to alleviating poverty. However their impact has been undermined by several factors such as poor targeting (identification of the poor), poor coordination among implementing agencies and short-lived benefits, among others.²¹ The MPRSP identifies safety nets as one among the four critical pillars to achieve its goal of sustainable poverty reduction through the empowerment of the poor.²² This pillar is aimed at reaching out to approximately 30% of the population living in extreme poverty to ensure that their quality of life is improved and maintained at a reasonable level by providing them with social safety nets.²³

However, the total number of the poor in Malawi is estimated at 65.3%.²⁴ This poses the challenge of identifying, who these extreme poor are, mainly due to lack of a clear proxy indicators of poverty.²⁵ This paper therefore discusses the problem of targeting in terms of its severity and the major contributing factors to this challenge by comparing two targeting methods: Community-Based Targeting (CBT) and self-Targeting. These methods have been chosen because they have been largely used for selecting beneficiaries in Safety net programmes.²⁶ The focus is on assessing the effectiveness and efficiency of these methods where effectiveness refers to the ability of the methodology to reach out to the poorest

²⁰ Chinsinga, Blessings et al, 2001: 23

²¹ MPRSP, 2002: 65

²² Ibid: xvi

²³ Ibid: 65

²⁴ Ibid: xv

²⁵ Barahona, Carlos and Levy, Sarah, 2001a: 2

²⁶ MPRSP, 2002:67

while efficiency is a measure of the costs that are associated with the identification of these people. In order to objectively assess the challenges associated with these methods, the study concentrated on Public Works Programmes (PWPs), which targets relatively high numbers of people compared to the other programmes and have used both methods for identifying beneficiaries. The other safety net programmes include the targeted input programme, the targeted nutrition programme and the direct-welfare transfers.²⁷

1.4 Research Aims and Questions

The research has two main objectives:

1. To compare the effectiveness and efficiency of the two methods in targeting the poor.
2. To identify major contributing factors to the problem of poor targeting in Malawi and the challenges associated with each method.

To achieve these objectives, the research answers the question “*Does it matter which method is used for targeting the poor*”? The specific questions include the following:

- How effective and efficient have the methods been in targeting the poor?
- What are the major contributing factors to the problem of targeting the poor?
- What have been the major challenges in using these methods?

The rest of the paper proceeds as follows. The next section is an overview of literature related to the research topic and the theoretic approach that has been used to analyse the problem at hand. This is followed by a presentation of the methodology used for empirical research and then, the detailed segment of the research findings. The last section presents a conclusion of the main findings. References of literature sources consulted and relevant annexes are listed in the last part of the document.

²⁷ MPRSP: xix

CHAPTER TWO

2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Theory of Targeting

The literature on targeting is said to date back “as far as Akerlof (1978), and has concerned itself with the design of tax and transfer programmes for poverty alleviation in the presence of limited information on who the poor are”.²⁸ In recent years, a lot of research has been conducted to examine the various problems related to targeting mainly concentrating on the effectiveness of the methods used in targeting.²⁹ Yosef Gebrehiwot citing Devereux defines targeting as identifying needy individuals and screening out the non-needy for purposes of transferring resources, by defining selection criteria.³⁰ Coady et al state that the overall poverty impact of a programme depends both on the numbers of the poor households covered and the level of benefits they receive and that with a fixed budget, the opportunity cost of transfers “leaking” to the non-poor households is a lower impact in terms of poverty reduction.³¹ They add that targeting is a means of increasing programme efficiency by increasing the benefits that the poor can get within a fixed programme budget.³² This is further verified through a research they conducted in 122-targeted anti-poverty interventions in 48 countries worldwide. It was found out that on average, targeted programmes are progressive in that they transfer 25% more to the poor individuals found in the bottom quintiles than would be in the case of no targeting at all.³³

Hoddinott states that targeting lies at the centre of attempts to reach the poorest of the poor, however, it is not as easy and straightforward as is often thought.³⁴ He adds that it is possible for a targeted intervention to be more costly and less

²⁸ Haddad, Lawrence and Kanbur, Ravi 1991:1

²⁹ Barret, Christopher, 2002: 1, Gebrehiwot, Yosef, 2001:3, Imai, Katsushi, 2004:3

³⁰ Gebrehiwot, Yosef, 2001:13.

³¹ Coady, David et al, 2003:4

³² Ibid

³³ Coady, David et al, 2004:6

³⁴ Hoddinott, John, 1999:1

effective than one provided universally or randomly.³⁵ This entails that development practitioners need to have a good understanding of the principles and practice of targeting.³⁶ Mkandawire also asserts that the most important argument for targeting comes in because of serious budget constraints. He says that it is crucial to allocate resources to the most needy to ensure that the social impact for a given level of transfers are higher for individuals or households at the lower end of the income distribution compared to those at the upper end.³⁷ With this introduction and enlightenment on the theory of targeting, the following sections discuss in details some important aspects that relate to targeting.

2.2 Information Asymmetries

Information gap is the major factor that influences development practitioners to pay special attention to the issue of targeting. This happens due to the problem of information asymmetries. Information asymmetry has been defined as a “distortion of traditional market power models due to differences in the availability of information to different players.”³⁸ The players have the incentives to distort the information to their favour. These information differences are said to refer to either hidden attributes of the goods or agent (adverse selection) or hidden behaviours of the players (moral hazard).

In terms of targeting, adverse selection would refer to the hidden attributes of the people that are being targeted. Adverse selection refers to a situation where one party seeking services (principal) from another party (agent) has very little or completely no knowledge about the agent. In this case, the development worker is the principal and the beneficiaries are the agents. Since the development worker does not have information about the beneficiaries, this scenario is said to give chance to the agent to engage in ex-ante opportunistic behaviour.

³⁵ Hoddinott, John, 1999:1

³⁶ Ibid

³⁷ Mkandawire, Thandika, 2005: 1

³⁸ Sloan School of Management, 2004: 1

On the other hand, moral hazard is an information setback that occurs after the two parties have already engaged in a contract owing to monitoring or observation problems. In this case, the principal is not able to monitor the situation and environment under which the agent is operating due to various reasons including costs that may arise to do so.³⁹ The agent may take advantage of this and engage in ex-post opportunistic behaviour. Both of these problems of information asymmetries have implications in the business world. In relation to targeting, it is clear that development workers do not have all the information about their target group (the poor). As such, the non-poor have incentives to provide inaccurate information about their status so that they can benefit from the programme.⁴⁰ After their recruitment into the programme the development worker may still not be able to monitor the situation and understand the wealth status of these beneficiaries and therefore the non-poor will continue benefiting from the programme. However, this will reduce the impact of the programme's goal, which is to reach out to the poor and reduce poverty.

In contractual terms, it is believed that both pre-contractual and post-contractual opportunism are inevitable due to asymmetrical information.⁴¹ Opportunism has been defined as a selfish and cunning way of obtaining something through lying, stealing and cheating.⁴² It is further described to refer to the misrepresentation of facts with the aim of misinforming and twisting information so that the other party gets confused and misled.⁴³ This happens because, in trade for example, one party (the seller) usually knows more about his/her merchandise than the other party (the buyer) does.⁴⁴ The solution to this problem in the economic world has been to use signalling. Signalling can be described as an approach that is used to determine the quality of a product by providing special specifications, which will give a hint on the quality of the product. Furubotn and Richter indicate that all signalling devices entail self-selection and that if the signal is to be effective, it

³⁹ Furubotn, Eirik and Richter, Rudolf, 1998: 483, 449

⁴⁰ Imai, Katsushi, 2004:3

⁴¹ Furubotn, Eirik and Richter, Rudolf, 1998: 129

⁴² Ibid

⁴³ Ibid

⁴⁴ Ibid: 130

has to be unprofitable for sellers providing low quality products to imitate it.⁴⁵ This sends a message, which will either attract or deter buyers. For example, high price of a product may signal high quality and more durable to the buyers just like high education qualification is an indication of high productivity to employers.

In targeting, information is at the nerve centre of the whole process as it is the basis of eligibility or non-eligibility of an individual into a programme. The above illustration on signalling is also used in targeting where government workers design programmes in such a way that they are supposed to attract the poor only. This is usually applied in PWPs where Self-targeting mechanisms are used. In this case, the benefits associated with the programmes are made so inferior that only the poor can be attracted. More details on this are discussed later in this chapter.

Another way of working around information asymmetries can be by resorting to the use of community expertise to identify the poor as it is assumed that they are better placed to possess information about all the people within their communities. Conning and Kevane highlight that community groups may have better information for identification of needs and therefore, households in turn may have less incentive and opportunity to provide false information.⁴⁶ They further give some modern and historical examples where large-scale community based targeting have been used like in England before the 1834 reforms. In this case, the responsibility of identifying the poor was given to the parishes as the agents.⁴⁷

Other examples of community targeting include the French and British in administering the African and other colonies and recently, the cases of Uzbekistan, Albania, Armenia and China have been cited as well.⁴⁸ Another dimension is that information is costly to get in a timely and precise manner and yet proper targeting requires detailed information on individuals in order to exclude those above the poverty line. However, it is argued that such detailed information and the administrative capacity to use it does not exist in most

⁴⁵ Furubotn, Eirik and Richter, Rudolf, 1998: 30

⁴⁶ Conning, Jonathan and Kevane, Michael, 2000:2

⁴⁷ Ibid: 3

⁴⁸ Ibid: 3-4

developing countries, and, in certain cases, even in developed countries.⁴⁹ In such situations, targeting really becomes an issue of debate by looking at the costs versus benefits and seeing the trade-offs.

Apart from information asymmetries, a related problem is lack of information on the existence of the programme to potential beneficiaries. Micklewright et al discuss the relationship between knowledge and claims on a self-targeted social assistance scheme from Uzbekistan of the former Soviet Central Asian Republics. In this scheme, only those who had the knowledge about the programme would be in a position to make a claim. Luckily, the study discovered that twice as many households in the top quintile did not know about the scheme as those in the bottom two quintiles. In the bottom fifth however, it was found out that about 14% of the households were ignorant about the scheme, which means they would not make any claims. This is a good illustration on information gaps to beneficiaries, which can lead to less coverage of the needy.⁵⁰

2.3 Benefits and Costs of Targeting

The broad benefit of targeting that has been highlighted by most researchers is its ability to increase programme efficiency by increasing the benefit that the poor can get within a fixed programme budget.⁵¹ Coady et al also identify three specific benefits of targeting a) maximises the reduction in poverty and the increase in social welfare b) helps in situations of limited poverty alleviation budget, and c) provides a trade-off between the number of beneficiaries reached by the intervention and the level of transfers.⁵² They have further illustrated this concept in a graphical presentation as follows:⁵³

⁴⁹ Haddad, Lawrence and Kanbur, Ravi, 1991: 4

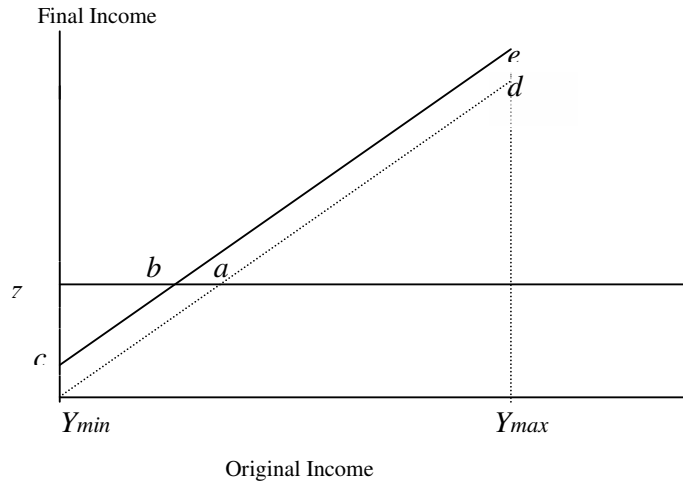
⁵⁰ Micklewright, John et al, 2004: 1-8

⁵¹ Coady, David, et al, 2004:5

⁵² Ibid

⁵³ Ibid: 6

Figure 1: Targeting Poverty Alleviation Transfer



Source: Coady, David et al, 2004: 6

The figure above shows the benefits of targeting compared to universal coverage in a situation of a fixed budget just sufficient enough to move all the poor to the poverty line in terms of consumption. This has been done using household survey data to graph individual household consumption levels before any transfer was made, by ordering them from worst to best off. This is represented on the X-axis as original income while household income after the transfer is represented on the Y-axis as final income. Y_{min} and Y_{max} represent minimum and maximum incomes respectively and z is the poverty line. The line dY_{min} shows that before the transfer programme is in place, households' final incomes are equal to their original incomes. The best transfer scheme is the one that transfers to all poor households only (those with income less than z). The transfers to each household are equal to their "poverty gaps", that is the distance between their original income and the poverty line, za . This kind of transfer brings all poor households up to the poverty line while the non-poor maintain their status quo (i.e. their final and original incomes are the same).

The poverty budget is represented by the area zaY_{min} and is the minimum budget required to eliminate poverty. In the case of a universal transfer with same amounts of transfer to both the poor and non-poor, the transfer to the poor households will no longer be sufficient to eliminate their poverty because of

leakage to the non-poor. This results into less impact on poverty by the area zcb , while total leakage of the budget to the non-poor is given by the area $bade$.

With this illustration, it is clear that with perfect targeting, it is possible to eliminate poverty if the costs associated with this kind of targeting are minimal. In real world however, it is almost impossible to achieve this without investing in substantial resources. Katsushi asserts that with government's budgetary constraints, directing resources to the poorest leads to the most efficient policy, but this 'first-best' world is not easy to accomplish in the actual world. This is due to the various costs associated with targeting.⁵⁴ Coady et al identify such costs as administrative, private, incentive, social and political costs.⁵⁵

Administrative costs are said to be those costs related to collecting information on who is poor and that these costs directly affect the actual budget allocation to beneficiaries. This is one of major constraints to targeting.⁵⁶ In addition to this, Alderman also asserts that one of the important hindrances to improving targeting services and transfers to the poor is the high costs involved in getting accurate information on their incomes and needs.⁵⁷ As for *private costs*, these only concern the community members who have to forego certain income opportunities as they attend to the process of targeting which demand their time/presence. In some cases, they might be required to produce certificates of identity as a proof of their citizenship, which might also cost them something.⁵⁸

Incentive costs, on the other hand, are basically about people deliberately reducing their earning capacities so that they should be included in the group of beneficiaries. This would be in form of reducing their labour supply so that they earn less and qualify for the benefits.⁵⁹ Since targeting of the poor is normally associated with stigma, it becomes a *social cost* to those who have been identified as being poor such that sometimes they may not be willing to participate in the

⁵⁴ Imai, Katsushi, 2004:3

⁵⁵ Coady, David et al, 2004:7-9

⁵⁶ Ibid: 7

⁵⁷ Alderman, Harold, 2000:1

⁵⁸ Coady, David et al, 2004:8

⁵⁹ Ibid

programme.⁶⁰ This may reduce the effectiveness of the program. Sometimes, the type of benefits are so inferior especially for self-targeted public works programmes that the beneficiaries are ridiculed and they end up dropping from the programme. This increases inefficiencies in the programme and yield undesired results.⁶¹

Finally, *political costs* mainly affect those who are in leadership positions because those who are left out of the programme may feel frustrated and withhold their votes. This could especially happen where community representatives have been used for targeting and most people may feel left out because they are not connected to a certain grouping of people who have political power.⁶² All these costs affect the efficiency of the programmes in one way or another. These costs are further aggravated by the type of targeting method that has been used in identifying the poor. For example, CBT is more likely to impose incentive and political costs compared to self-targeting. This is because people are selected by community members to participate in the programme so people may deliberately opt to reduce their earnings so that they look poor to be selected.

In terms of political costs, they are inevitable because community leaders cannot run away from the responsibility of identifying needy people in their communities whenever they have been asked to do so. Private costs can also be experienced in CBT especially where all community members are supposed to meet to discuss and agree on the people that have to be selected. Time spent on this exercise is a cost to them or they would have been doing something productive at that particular time. This also applies to self-targeting, as people have to queue up and register their names. On the other hand, social costs mostly affect Self-targeted programmes because those who register especially when the benefits are so inferior are ridiculed. This can make them feel embarrassed and deregister their names.

⁶⁰ Coady, David et al, 2004: 9

⁶¹ Ibid

⁶² Ibid

Finally, administrative costs, which affect the programme budget directly, are a concern to development workers who design the programmes and therefore have an idea of how much will be required to do targeting. The overall effects of these costs are also different and therefore have to be considered differently. To ensure that targeting costs are minimised, development practitioners tend to use targeting methods that are relatively better at reducing some of these costs especially the administrative cost, which requires a lot of resources from the programme budget. Self-targeting and CBT have been identified to be among the more cost-effective methods.⁶³ These methods are discussed in the next section.

2.4 Community Based Targeting.

Community-Based Targeting (CBT) has recently gained a lot of popularity due to the community participation elements, which have been key to the implementation of development projects to ensure ownership and sustainability of development initiatives. Community participation in programme design and implementation in recent times has also been seen as a means of relieving information constraints.⁶⁴ Ravallion however states that the major worry with this approach has been the abuse by the local elite. As such, the informational advantage of CBT may well be outweighed by an accountability disadvantage, but substantial evidence on its performance is still inadequate.⁶⁵ For example, in the Uzbekistan scheme, it is believed that the highly decentralised and flexible nature of the scheme utilises local knowledge of household conditions, which minimises problems of information asymmetries between administrators and potential clients, and lessen chances for households to hide their real situations.⁶⁶

On the other hand, they feel that the discretion given to the Mahallas (local community groups who administer the scheme) means that biasness and unpredictability of negative kind can set in.⁶⁷ Other research findings also confirm

⁶³ Barret, Christopher, 2002: 9-10

⁶⁴ Ravallion, Martin, 2003: 22

⁶⁵ Ibid

⁶⁶ Micklewright, John et al, 2004: 6

⁶⁷ Ibid

that CBT exploits local information advantages and has shown to be effective for example in Albania.⁶⁸ Barret also mentions that in communities where significant cleavages exist for example along religious, ethnic or caste lines, discretionary resource allocation can reinforce pre-existing social problems.⁶⁹

Conning and Kevane also state that a recent survey of country experiences with social safety nets revealed that programmes that engage communities, local groups and Non Governmental Organisations (NGOs) can produce better targeting results.⁷⁰ Some of the advantages of CBT they highlight include lowering of administrative costs, better screening, monitoring and accountability. It further provides better information for identification of needs, provide a local definition of poverty, which may be more adaptable to local conditions and culture than rigid technical national formulas, and strengthens social capital and community organisations.⁷¹ Finally, CBT can confer legitimacy on programmes that in turn may help to build political support for targeted approaches.⁷² Conning and Kevane further highlight some shortfalls associated with this method. These include: chances of increasing conflict and divisions within the community, a potentially high opportunity costs on community leaders and the risk that the process may be subverted to serve the interests of the elite. In addition, CBT may fail to take into account important externalities across communities, which may lead, for example, to population movements and may also undermine political support for targeted approaches.⁷³

Barahona and Levy in their 2000-2001 Targeted Input Programme (TIP) evaluation report reveal that the Village Task Force members who were given the mandate to target beneficiaries using a set of guidelines still failed to target the poor. This was due to reasons such as a difficulty to identify poorest households, as there is no simple proxy indicator of poverty in Malawi as the guidelines given were not comprehensive enough to cover all the categories of the poor. The other

⁶⁸ Barret, Christopher, 2002: 10

⁶⁹ Ibid: 10-11

⁷⁰ Conning, Jonathan and Kevane, Michael, 2000:1

⁷¹ Ibid

⁷² Ibid: 2

⁷³ Ibid

reason was unwillingness for the community members to single out the poorest families because differentiation among the poor was seen to be culturally unacceptable (people insisted that everyone was poor). Finally, there were incidences of task force members favouring their families, relatives and friends.⁷⁴ The issue of favouritism was so serious that it distorted social cohesion in some villages such that some villagers stopped participating in any development programme that came into the community later.⁷⁵

2.5 Self-Targeting

Self-targeting is a mechanism that relies on an announced scheme that permits anyone to participate, but it is designed in such a way that only members of the target group find it worthwhile to participate.⁷⁶ The classic case for self-targeting is the workfare type, in which work requirements are made compulsory on welfare beneficiaries as a way of creating incentives to encourage participation by the poor and decrease their over reliance on the programme.⁷⁷ An example is given on the famous Employment Guarantee Scheme (EGS) in Maharashtra, India, which aims at ensuring income support in rural areas by providing unskilled manual employment at low wages to anyone who wants it.⁷⁸ In addition these programmes impose time cost by making attendance in meetings compulsory or providing crops or livestock that are only important to the poor people.⁷⁹

All researchers emphasise that this method requires careful programme design because if the conditions are too bad, no one might be attracted to the programme (costs of participation outweigh the benefits) and also if conditions are too good, it may also attract the non-poor. However they fail to bring out clear-cut answers on what would be the optimal design. The problem is that if the programmes are aimed at reducing poverty, and yet the poor are still exposed to these low quality benefits, then the whole purpose of reducing poverty is negated. Coady et al have

⁷⁴ Barahona, Carlos and Levy, Sarah, 2001b: 29

⁷⁵ Ibid: 30-31

⁷⁶ Haddad, Lawrence and Kanbur, Ravi 1991: 5

⁷⁷ Ravallion, Martin, 2003:23

⁷⁸ Ibid

⁷⁹ Hoddinott, John, 1999:21

highlighted this point as well and the need to find other means of working around this problem.⁸⁰

It should also be noted that this is also context-specific. In countries where poverty is very high like Malawi, self-targeting might still not be the best method because many people than required would want to participate in the programme. In such cases, the only alternative solution has been to rotate beneficiaries due to high demand. Instead of one group of people receiving benefits, the periods are shortened to cater for more people.⁸¹ As such, the benefits have been inadequate and unsustainable. The Maharashtra EGS for example, was miss-targeted due to the hiking of wages at some point, which attracted the non-poor.

Other reasons given for this miss-targeting are the deficiencies in the design and implementation of the scheme such as the registration procedures, a long waiting time and the inappropriate choice of work site, which was very far in some cases.⁸² In addition, Self-targeting favours the able-bodied⁸³ and those with labour. Deshingkar and Johnson cite Barrett and Clay that Food For Work programmes cannot efficiently use self-targeting in developing countries due to imperfect factor markets for land, labour and capital. Their argument is based on the fact that it is wrong to assume that poor households always have more labour and therefore can participate in these programmes and that rich households are labour constrained.⁸⁴

2.6 Other targeting methods

Apart from the two targeting methods that have been discussed which are the core for this study, there are other targeting methods that are used depending on the

⁸⁰ Coady, David et al 2004: 77

⁸¹ MPRSP, 2002: 67

⁸² Imai, Katsushi, 2004: 7

⁸³ Deshingkar, Priya and Johnson, Craig, 2003:4

⁸⁴ Ibid

context and nature of programme. These include; individual/household assessment, simple means test, proxy means test and categorical targeting. *Individual/Household Assessment* method requires a social worker to do an individual-by-individual or household-by-household assessment set on specific standard criteria set based on income against a minimum amount. This method is the most objective and accurate but also most difficult and expensive to accomplish in practice.⁸⁵

Simple means test is a simplified version of the individual/household assessment. In this approach, a social worker goes out to households and collects qualitative information by simply looking at the visible living standards through mere observation.⁸⁶ With this assessment, a conclusion is reached whether the household can be categorised as poor or non-poor. *Proxy means tests* use certain household characteristics for eligibility, such as location and quality of dwelling, ownership of durable assets, demographic structure of the household, education and sometimes occupation of adult household members.⁸⁷

Finally, *categorical targeting* is regarded as the simplest targeting method of all as it focuses on specific groups of people for eligibility, for example, age, gender, ethnicity and land ownership. These are relatively difficult to manipulate and fairly easy to observe. However, the method is often blended with other methods, as these indicators alone may be insufficient basis for good targeting results.⁸⁸

2.7 Targeting Indicators

Targeting methods can be assessed by measuring their effectiveness and efficiency in identifying the poor. Effectiveness is defined as the accuracy and completeness with which users achieve certain goals, while efficiency is the relationship between the accuracy and completeness with which users achieve goals and the resources expended in achieving them.⁸⁹ Indicators of effectiveness

⁸⁵ Gebrehiwot, Yosef, 2001: 17, Coady, David et al, 2004:13

⁸⁶ Coady, David et al, 2004: 13

⁸⁷ Ibid: 14

⁸⁸ Ibid

⁸⁹ FrØkjaer, Erik et al, 2000: 345

include quality of solution and error rates and those for efficiency include completion time and costs incurred.⁹⁰

In this research error rates are used as indicators to measure effectiveness. These are called *under-coverage* and *leakage rates*. Costs incurred are used as indicators for measuring efficiency. Under-coverage is described as the proportion of poor people that have not been included in the programme. This is also known as error of exclusion.⁹¹ On the other hand, leakage rate is the proportion of non-poor people who have been included in the programme.⁹² This is also known as error of inclusion.⁹³

These errors arise due to the limitations of the methodologies that are used in the process of targeting. Some under-coverage is said to exist due to factors such as lack of knowledge that an intervention exists like in the Uzbekistan scheme, presence of certain constraints such as illness or sudden deaths which might reduce household labour supply, costs outweighing benefits and simply because of faulty programme design and implementation.⁹⁴ However, all other things being equal, the point is that lower leakage (inclusion error) is always preferred to higher leakage and likewise, lower under-coverage is preferred to higher under-coverage.⁹⁵

Conversely, one of the critical contributing factors to these leakages and under-coverage problems is the use of indicators for the identification of beneficiaries. Sarah Levy writes that it is common to use \$US1 per day to measure poverty but many people see this approach as being over-simplistic. The reasons given are that in most communities it is difficult to measure poverty using money because many transactions do not involve money and also that human poverty is not only a question of income. It involves many other livelihood issues such as insecurity, vulnerability, deprivation, exclusion, lack of access to basic services and many

⁹⁰ FrØkjaer, Erik et al, 2000: 345

⁹¹ Coady, David et al, 2004: 10

⁹² Ibid

⁹³ Ibid

⁹⁴ Haddinott, John, 1999:7

⁹⁵ Ibid

other factors.⁹⁶ This is directly linked to the issue of information gaps discussed earlier. Poverty may mean different things to different people as a result it becomes quite complicated to measure success of targeting unless clear indicators for targeting have been established. A lot has been written about definitions of poverty but there has been no consensus so far on which one is the best definition as each one has got its own demerits and policy implications.⁹⁷

Most research that has been conducted in trying to find the effectiveness of targeting, have used food as a proxy indicator for defining and identifying the poor in order to determine the leakage and under-coverage rates.⁹⁸ Imai in evaluating the EGS in Maharashtra in India used data from International Crop Research in Semi-Arid Tropics (ICRISAT) to analyse miss-targeting and used land as a proxy indicator. In this case, landlessness was associated with being poor.⁹⁹ He discovered that a lower percentage of those with less land participated in the program implying that less poor people participated in the programme.

Although this criterion was used, it might not be the most appropriate in other contexts where land distribution policies are completely different. For example, in Malawi there are some poor households with bigger land holding sizes compared to the non-poor but this land is not under profitable use. Thus, some of the poor households may have big land allotments but cannot use it productively due to lack of inputs, which leads to food insecurity. Therefore, it would be more appropriate to use the food security indicator than land.

In terms of efficiency, only administrative costs have been measured in this study, as it was considered to be more practical to get this information. The other costs are mostly based on people's perceptions and therefore would require more time and resources, which is beyond the scope of this research. In addition, administrative costs are critical because they affect the actual budget allocation to

⁹⁶ Levy, Sarah, 2003: 19

⁹⁷ Laderch, Ruggeri, et al, 2003: 1

⁹⁸ Levy, Sarah, 2003: 20-23; Schubert, Bernd, 2005:1

⁹⁹ Imai, Katsushi, 2004:7-8

beneficiaries. It is because of these two factors that administrative costs have been selected.

2.8 Research Hypothesis

From the literature, it is apparent that one of the major challenges with targeting is lack of information on the part of the development practitioners, which gives chance to the beneficiaries to give false information in order to receive benefits. This normally leads to problems of adverse selection and moral hazards. CBT has been identified as one way of overcoming this constraint, as community members know each other so well that they are in a better position to define eligibility criteria about who the poor are. On the other hand, self-targeting is not able to solve this problem as it works on the basis of individual assessment and their willingness to participate in a programme without considering their poverty status. Barret states that recent studies have found evidence that a large number of the non-poor participate in self-targeted food for work programmes mostly because wages are set too high. In other instances, it is due to “imperfect or missing local labour, land and finance markets, which distort incentives, leading the poor to opt out of the programme and the rich to self-select into them.”¹⁰⁰

Given the Malawian situation with its rampant poverty levels, there is also high probability of having inclusion errors using self-targeted approach as there are limited economic opportunities and this is especially exacerbated by seasonality. If the programme is offered during peak farming period, the non-poor are not willing to participate as they would rather concentrate on farming. However, if the programme coincides with an off-peak farming period, then the non-poor will opt to participate. In addition, self-targeting favours only those who have the information about the existence of the programme as eligibility is on first come first serve basis. This means that those who learn about the programme late have a lower chance of participating in the programme.

¹⁰⁰ Barret, Christopher, 2002:10

Although Levy and Barahona identified favouritisms towards relatives and friends by Village Task Force Members in the TIP as one of the major challenge of CBT, this nonetheless is not a serious problem in the PWP. This is due to the fact that the CBT that was used by CARE in the Improving Livelihoods Through Public Works Programmes (ILTPWP) which was evaluated in this study involve all community members to select among themselves who they think is most in need. Its merit is that no specific group of the community members decides on their own regarding who should participate. This eliminates the problem of favouritism on any individual as a facilitator leads the discussions in the process of beneficiary selection. In the case of self-targeting, incidences of favouritism towards relatives and friends have been common because the one in charge of the registration process has all the liberty to reject or accept anyone. Further, the process is susceptible to incidences of bribery especially by the non-poor as they are better resourced compared to the poor who are resource-constrained. Chirwa et al have also confirmed this in their evaluation of the Improving Livelihoods Through Public Works Programme (ILTPWP). Their results established that only 27% of the respondents felt that the self –targeting method used by MASAF considers poverty as criterion for targeting beneficiaries, while 50% reported that this targeting is based on “first come first served” basis, favouritism and physical fitness as the major criteria. All these criteria are likely to marginalise the poor.¹⁰¹ On the other hand, 98.8% of respondents indicated that the CBT employed by ILTPWP exclusively uses poverty as a criterion for targeting beneficiaries.¹⁰² As such, it is able to target the poor and minimises leakages. They also echo that this type of targeting is very transparent compared to self-targeting where only one person is responsible for registering beneficiaries.¹⁰³

The design of self-targeting approach is such that anyone can participate, but the actual intention is that only the poor should be attracted due to the conditions and incentives attached. If the incentives are set appropriately, the non-poor should opt out voluntarily, hence from this theoretical understanding, these kinds of

¹⁰¹ Chirwa, Ephraim, et al, 2004: 55

¹⁰² Ibid

¹⁰³ Chirwa, Ephraim, et al, 2004:56

situations should not be expected. In reality however, these scenarios are occurring thereby rendering this approach less effective in reaching out to the poor.

In view of the foregoing arguments, it can be concluded that CBT would be a better way of targeting the poor compared to self-targeting despite the inherent weaknesses outlined concerning this method. This is because CBT minimises both leakages and undercoverages as it manages to capture the poor only, unlike self-targeting, which is susceptible to increasing leakages and undercoverages as eligibility criteria is not based on poverty status. Therefore the research hypothesis for effectiveness is that *Community-Based Targeting is more effective in identifying the poor to participate in PWP safety nets programmes compared to self-Targeting*. This will be verified by measuring the leakage and under-coverage rates that these methods have so far presented in the communities where they have been employed for selecting beneficiaries. With a limited budget, the efficiency of both methods matters a lot as resources have to be maximised so that they benefit more people.

In this regard, the efficiency of these methods is measured to assess which one is more efficient in terms of administrative costs. So far these targeting methods seem to be associated with very low administrative costs. Coady et al state that CBT usually has, or appears to have low administrative costs because community members are normally not paid for the work and may not even receive assistance for travel, stationary or communication costs.¹⁰⁴ They add that these costs exist, but they may be passed on to communities rather than appear on the programme's budget.¹⁰⁵ In certain instances however, community representatives are paid for such kind of expenses. In the ILTPWP for example, Community Based Facilitators (CBFs) were used for targeting beneficiaries and they were paid a monthly honorarium of MK1000.00 (approximately US\$8.00) which catered for the work they did on targeting as well as other activities of the programme.

¹⁰⁴ Coady, David et al, 2004: 16

¹⁰⁵ Ibid

Self-targeting has also been said to reduce administrative costs to almost zero,¹⁰⁶ as there may not be much work involved since participants just register their names. It therefore takes less time to get beneficiaries and hence less costs while with CBT, it takes relatively much longer time as the community members have to meet and discuss who they think is most deserving using some form of criteria.

In this study, the CBT that has been assessed is the one that was used by CARE and Malawi Social Action Fund (MASAF) in the ILTPWP, as such it is expected that CBT will be more costly compared to self-targeting. The self-targeting is used by MASAF through the District Assembly (DA) and they either use the road foreman or any responsible people in the community such as the chief and a committee to register names of those who would like to participate in the programme until the required number is reached. The road foreman is usually paid for managing the whole project and ensuring that the technical standards are met. If community members are used, they are not paid anything for doing this work. In this case, the hypothesis for efficiency is that *self-targeting is likely to be more efficient compared to CBT in terms of administrative costs in PWPs in Malawi.*

It should be indicated that when CBT is used and the community facilitators are not paid anything, problems such as favouritism towards family members and friends and accepting bribes arise. This happens because these people do not have any incentives to behave in a responsible manner. These actions serve as a form of payment to them for the work they are doing. This was the case with the TIP as mentioned earlier on. Therefore, for CBT to be effective there must be some administrative costs involved to ensure that a proper process has been followed in selecting the beneficiaries who are most deserving. It should be up to the development experts to work out a trade –off between efficiency and effectiveness in targeting beneficiaries in safety net programmes.

The operationalisation of the research hypotheses can be diagrammatically presented as follows:

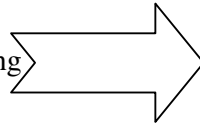
¹⁰⁶ Imai, Katsushi, 2004: 4

Independent variable

Dependent variable

Targeting method

- ◆ Community Based Targeting
- ◆ Self-Targeting



Effectiveness
Efficiency

Having developed the hypotheses, which had to be empirically proved, the next chapter presents the research design and methodology, which discusses the approaches and tools that were used to gather data and how the data has been processed.

2.9 Conclusion

In summary this chapter has outlined the necessary theoretical background that surrounds the research topic. The discussion is mainly focusing on the definitions of the concepts that are used in this research, previous research finding related to the topic and finally the chapter has presented the framework under which the research has been carried and the expected outcomes in the form of hypothesis conceptualisation.

The major issues include; the background of targeting which has been linked to the theory of asymmetric information, the benefit and costs of targeting, an in depth discussion of CBT and self-targeting followed by a brief outline of the other targeting methods. The chapter has also elaborated on the indicators of targeting that have been used to measure effectiveness and efficiency of the two targeting methods.

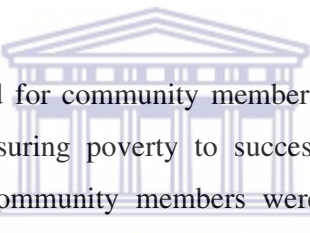
Finally the research hypothesis puts across arguments related to the expected outcomes of the research and the reasons for this presentation. The hypothesis states that CBT is likely to be more effective than self-targeting while in terms of efficiency it argues that self-targeting is likely to be more efficient than CBT.

CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The study used both quantitative and qualitative research methods to collect data on comparing the effectiveness of CBT and self-targeting. Quantitative method was used because the research wanted to get specific numbers of inclusion and exclusion errors in order to compare the effectiveness of the two targeting methods. Qualitative method was also used because some of the data required peoples input first to come up with concepts that could enrich the research. For example, the reasons for the problems of poor targeting were only realised in the process of data collection because this information was not available before going out to the field.



In addition, there was need for community members to discuss and agree on a common indicator of measuring poverty to successfully go through the data collection exercise. The community members were to objectively assess the poverty levels of each household in their community. This process was done by conducting community meetings in the form of Focus Group Discussions (FGDs), comprising a total of about 10-15 men and women from all sections of the community. This ensured adequate representation of the whole community so that the information is not biased.

The study was done at village level because this is a well-defined unit for ease of collecting all the required information. Normally, a village is governed by a village chief who would easily be contacted to organise a meeting with his people. These people also know each other very well and most of them are relations. These villages were selected randomly from each area where either CBT or Self-targeting had been used for beneficiary selection in a PWP managed by MASAF or/and CARE. This was done with the assistance of CARE and District Assembly (DA) staff.

The information was collected from a total of 21 villages from 6 districts in the Central Region of Malawi. These districts were Lilongwe, Dowa, Ntchisi, Nkhonkhotakota, Salima, and Mchinji. The six districts were selected because that is where CARE and MASAF had implemented the PWP under study through the ILTPWP. In four of the six districts (Lilongwe, Dowa, Ntchisi and Salima) CBT was used for targeting beneficiaries while Mchinji and Nkhonkhotakota were left out as control districts. This means that these two districts used Self-targeting which has been the conventional way of identifying PWP beneficiaries. More villages were visited in Lilongwe due to availability of transport from CARE so that it was possible to visit as many villages as possible while for the other districts less villages were visited due to transport limitations. In Salima too, there is data for more villages because in some areas that were visited there were several villages that came to the meeting with the expectation that they were going to receive certain benefits. Therefore, each village had to be considered separately.

3.2 Discussion and data collection process

Firstly, the community members were asked to mention the indicators of poverty in their community and then identify the most important one according to their assessment. In all communities visited, food security emerged the major indicator. This was in line with what the study had proposed to use for measuring poverty. Secondly, the community members were asked to come up with categories that could be used to group households using the food security indicator. In most cases three categories were identified and these were: the Very poor, the Poor and the Better-off.

The next step was to draw a social map of the village and then transfer all households present on that map into cards. Thereafter a wealth ranking exercise followed where each household was assessed and the group would agree as to which category that particular household belonged. Finally the group was asked to tick out all households that participated in the programme.

After going through this process, there was a general discussion on what the community felt about the way the selection of beneficiaries into programme was done. This discussion raised issues on problems encountered during the selection process and even during implementation of the programme. After pre-testing the whole process, it was found necessary to do one to one interviews using the same guiding questions as a way of triangulating the information. This was done because it was discovered that during FGDs some people were not free to speak as the chief or other dominant people would take control and intimidate others so that they could not say the whole truth especially in cases where there were anomalies during the targeting process.

It was therefore decided that at least ten individual interviews should be conducted in each district by randomly selecting people who were present in the FGD. Some were identified as leakages, others were undercoverages and another group included those who participated but were not leakages and those who did not participate in the programme and were not undercoverages. Annex 2 presents a questionnaire that was used to interview these people. This helped to get more information in terms of why some people did not participate in the programme and yet they deserved to. This exercise was conducted after going through the process of identifying the participants and non-participants in the project. To avoid biases, the interviews were running concurrently with the FGDs on the discussion of problems related to targeting. This was possible with the assistance of two Research Assistants (RAs) who were hired to assist in data collection. These RAs were well trained before going to the field and while in the field and they also had previous experience in similar work.

3.3 Data processing and analysis

As noted from the preceding discussion, two sets of data were collected: First, the number of households belonging to different poverty categories in each of the 21 villages. Second, interviews with a sample of individuals in these villages to get triangulated views on how the targeting process was done in these communities.

The first set of data has been analysed by simply calculating the proportions of the poor who did not participate in the programmes (undercoverage rates) and proportions of the non-poor who participated in the programmes (leakage rates). These calculations have been done at village as well as aggregated level for the two targeting methods. This information has further been subjected to various tests to find the statistical significance of the proportions. These tests include the Chi-square and the Z-test.

The second set of data has been analysed by using the Statistical Package for Social Sciences (SPSS) and then further imported to Microsoft Excel to create graphs and in word to summarise data in tables.

3.4 Challenges of the Research

The major challenge of this research was that in most places where the study was conducted, the number of people that were allowed to participate in the programme was far too small compared to the number of poor people who deserved to participate. This makes analysis of the results more difficult than expected because the undercoverage rates have been affected by this factor and not the targeting methods. The other problem is that in certain cases, people refused to be classified as better off. Instead they insisted they were poor especially those who were present at the FGD. They still thought that the research was aimed at selecting poor people to give them some benefits even though it was made very clear from the beginning of the discussion that the research was aimed at gathering information on how targeting was done in their communities. In most cases however, it was possible to identify these people and put them in the right categories after the discussion was over.

Another challenge was that since some of the programmes that were visited had been implemented two or three years ago, some people who were categorised as better-off were not in that category at the time of implementation. Some had actually moved from a lower category to a higher category due to their

participation in the programme. However, these cases were very minimal. It is considered that the impact of this on the results is insignificant judging from the field assessments.

Finally, the number of poor people may be exaggerated due to the fact that Malawi experienced a drought this year (2004/2005 growing season), as a result most people did not produce good harvest. This meant that some of them based their categorisation on this year's harvests. This challenge was partly mitigated by repeated pleas that they should not only consider this year's harvest but rather look at a general trend from the previous years as well. However, this might affect the calculation of undercoverage rate, especially compounded with the first challenge narrated above concerning the limited number of people that were allowed to participate in the programme.



CHAPTER FOUR

4.0 RESEARCH FINDINGS

4.1 Defining Poverty indicator and Categorisation of households

The research firstly sought to find out the definition of poverty that would be used to identify wealth categories of people in the community for data collection. This was the basis for identifying the poor and non-poor, this is the information that is used for the calculation of leakage and undercoverage rates in the two methodologies under study. As already observed in the literature review, poverty has got various definitions depending on different factors and reasons. Some use income indicators while others concentrate on livelihood indicators.

In this research, community members were asked to come up with a list of indicators that they normally use to differentiate households in their communities. Each community came up with various indicators but most of them were similar. The following is a comprehensive list of all the indicators that were mentioned by all the communities that were visited.

- Income
- Food
- Keeping orphans
- Old people
- The widows
- Clothes
- The chronically ill
- Livestock
- Land
- Housing

When they were asked what they considered to be the main deciding indicator for poverty, they all mentioned food as the most critical. This made the researcher's work much simpler because the study had planned to use food security as the

indicator to measure poverty after going through literature. However, the approach was not to impose the indicator on the community but rather to discuss with them and reach a consensus. If the communities had come up with a different indicator as the main measurement indicator for poverty, the researcher would still have had the task of convincing the communities to use the food security indicator for the purpose of the study. After agreeing on the use of food security as the major indicator, they would then generate definitions of food security and create various wealth categories.

This categorisation of households using the food security indicator revealed three main categories, which came out of all the sites where the study was conducted. These categories are the Very poor, the Poor and the Better-off. Table 2 below presents a description of each of these categories.

Table 2: Description of the Poverty Categories Using the Food Security Indicators¹⁰⁷

Category	Description
Very poor	Those who do not harvest any food or if they do, then it is very little e.g. 3 baskets of maize. They have no own food stocks by the month of May.
Poor	Those who harvest a little bit of food. They can manage to harvest 1-2 oxcart of maize. Their food stocks last by the month of September.
Better off	Those who have better harvest. They can get 4-5 oxcart of maize. Their food can reach up to the month of January the following year. They only struggle for 2-3 months and then they have another harvest. In some places, it was indicated that by this time they start eating maize from the wet lands and so they do not run short of food at all.

Source: Author's empirical results

¹⁰⁷ Food in Malawi is normally referred to maize and therefore the categories are describing the maize availability status of the households. The harvest period in Malawi is April and May

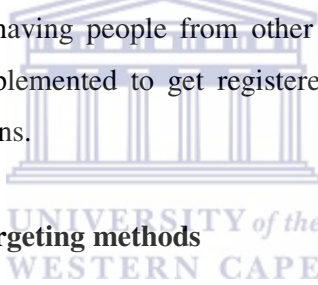
4.2 How CBT and Self-targeting are administered

There are three ways in which CBT is carried out in Malawi. The first one is where all community members come together under the guidance of Community-Based Facilitators (CBFs) who facilitate the whole process as in the case of the ILTPWP. In this type of CBT, Participatory Rural Appraisal (PRA) tools such as social mapping and wealth ranking are used to select beneficiaries. The process is very procedural, elaborate and transparent as it gives chance to everybody to be involved in the selection process.

The second approach is where the chief only or the chief and a few people decide who they think deserves to participate in the programme. This process is deemed not to be transparent enough because the chief may favor his/her relatives. Finally, there is another approach, which is similar to the first one except that they do not use a CBF. In this case it is the chief that facilitates the process but all the villagers are present and they decide together as a whole village on who they think should participate in the programme. This too is said to be transparent except that it is not as procedural as the first one. The first one is very objective because the community members have to develop criteria for selection and classify all the households in the village into different wealth categories before selecting beneficiaries. On the other hand this one does not go through all the steps. Instead, they suggest a name of a person and if the community agrees then it passes. It was noted that where this type of CBT was used, they mostly based their selection on availability of orphans in the household. They have a feeling that a household that is taking care of orphans deserves special support compared to the other households. In some cases, they could also consider households that are caring for the chronically ill people. As such it was discovered that some people who participated from these villages were from slightly better off category while some from very poor category were left because they were not keeping orphans or chronically ill people in their households.

Just like CBT, there are also several ways of administering self-targeting method in Malawi. In other cases, the chief and the Project Implementation Committee (PIC) are put in charge of the registration while in certain cases it is the foreman who is responsible for the project at hand who does the registration as well. At times, it is both the foreman and the PIC doing it together to ensure transparency. When the DA staff that are responsible for managing these programmes were asked about how the registration is done, they explained that they train the PIC which is supposed to do the registration in coordination with the foreman. The foreman is the one that has all the details in terms of how many people are required to finish up the work within the given period. As such, he is supposed to advise the committee in terms of how many people should be registered.

It is clear from the empirical findings that in most cases, it was the foreman alone who did the registration. He did this without even consulting the committee. This often led to problems of having people from other areas other than where the programme was being implemented to get registered. More details on this are discussed in the later sections.



4.3 Effectiveness of the targeting methods

The aim of measuring the effectiveness of these two targeting methods is to assess and compare how well these methods are performing in reaching out to the poor who are the beneficiaries of safety net programmes. This has been achieved by looking at the undercoverage and leakage rates in each of the methods. Nevertheless, considering that in most places the number of poor people permitted to participate in the project was far too small compared with the number of people belonging to the poor category and deserved to participate, the undercoverage rate in the analysis will be distorted and may be misleading in some cases. As seen from tables 3 and 4 below, the undercoverage rates are very high in both targeting methods and this high rate is not a result of the targeting methods used per se. Rather, it is due to the very limited number of beneficiaries that were allowed to participate in the programmes. This situation has been exacerbated by the fact that in over 80% of the villages visited, the Very Poor consisted of 50% or more of the

whole village population. This is one challenge that has already been highlighted in the methodology chapter.

Most people may have been categorised as Very Poor due to drought related poor harvest in 2004/2005 growing season. The other reason would be that the number of Extreme Poor has increased since the poverty figures that the MPRSP uses are as of 1998. The situation may have changed substantially for the worse in the last seven years, but there is no reliable data that exists to reflect such changes. On average the very poor should have comprised about 30% of the village population according to the 1998 poverty statistics.

It should also be noted that the data has been analysed at two levels. This is so because the data collected contained three categories of people (Very poor, Poor and Better off),¹⁰⁸ but the calculation of leakage and undercoverage requires only two groups of people to be compared (poor and non-poor).¹⁰⁹ Level one analysis is where the Very poor category has been considered as one category and then the Poor and Better-off have been combined to form another category. The reasoning behind this is that Safety nets in Malawi are supposed to reach out to 30% of the Extreme Poor population who are capable of moving out of poverty.¹¹⁰ By taking the Very Poor in one group would be appropriate, as they would be covering most people in the Very Poor category who are estimated at 28.7%.¹¹¹ However it is not only PWPs that are supposed to cover this figure, the other safety nets programmes mentioned in the introduction chapter are also contributing to the same 30%. The second level is where the Very Poor and Poor categories are combined and the Better-off are considered as another category on its own. This assessment would reveal outcomes of the general pattern of the Poor versus the Non-Poor in general terms. The two scenarios provide very interesting results as discussed later in this chapter.

¹⁰⁸ Refer Annex 3

¹⁰⁹ Hoddinott, John, 1999: 6-10

¹¹⁰ MPRSP, 2002: 65

¹¹¹ Ibid: xv

Leakage is calculated by looking at the proportion of people who participated in the programme from the Non-Poor category out of the total number of participants. In other words, inclusion error divided by total number of participants multiplied by one hundred.¹¹²

$$\text{Leakage rate} = (\text{Inclusion error} / \text{Total number of beneficiaries}) * 100^{113}$$

Undercoverage is calculated by looking at the proportion of poor people who did not participate out of the total number of the poor. In this case, it is the exclusion error divided by total number of the poor multiplied by one hundred.¹¹⁴

$$\text{Undercoverage rate} = (\text{Exclusion error} / \text{Total number of the poor}) * 100.^{115}$$

Below are the tables providing information on leakage and undercoverage rates from all the villages where the study was conducted. Table 3 illustrates level one analysis results: a situation where the Very Poor are kept as one category while the Poor and the Better-off are combined. Table 4 on the hand presents level two analysis results: a scenario where the Very Poor and the Poor have been combined while the better off is another category on its own. Tables 5, 6, 7 and 8 below present the aggregated data from the targeting methods at the two levels of analysis. In these tables all data from Self-targeted villages were added together and the same was done for Community-Based targeted villages. After aggregating this data, calculations for leakage and undercoverage rates were done to provide the overall picture. This information is presented in table 9.

¹¹² Hoddinott, John, 1999: 7

¹¹³ Refer annexes 4 and 5 for the data

¹¹⁴ Hoddinott, John, 1999: 7

¹¹⁵ Refer annexes 4 and 5 for the data

Table 3: Leakage and Undercoverage Rates by Targeting Method ('Very Poor' One Group while 'Poor' and 'Better off' are Combined)

Level one Analysis

Targeting Method used and village	Leakage rate (Percent)	Undercoverage rate (Percent)
Community-Based Targeting		
Chapwala – Lilongwe	31	79
Kachule 1- Lilongwe	15	62
Kachule 2 – Lilongwe	22	50
Kantchenembe – Salima	13	78
Kapichila – Salima	30	79
Koche – Salima	25	93
Malomo – Ntchisi	14	48
Mulande – Dowa	20	76
Tanga – Lilongwe	8	23
Tsoka – Salima	50	98
Self-targeting		
Changunda – Dowa	72	64
Chibothera – Nkhotakota	75	84
Chikulumba – Mchinji	22	74
Chithumbwi – Lilongwe	55	50
Juni – Lilongwe	60	88
Kalirangwe – Nkhotakota	52	66
Kanyendera – Ntchisi	63	87
Mkomba – Lilongwe	30	24
Mkozomba – Lilongwe	56	79

Namulera – Lilongwe	33	49
Phalazi – Lilongwe	14	75

Table 4: Leakage and Undercoverage rates by Targeting Method ('Very Poor' and 'Poor' Categories are Combined while 'Better Off' is Another Group)

Targeting Method used and village	Leakage rate (Percent)	Undercoverage rate (Percent)
Community-Based Targeting		
Chapwala – Lilongwe	0	78
Kachule 1- Lilongwe	0	69
Kachule 2 – Lilongwe	0	54
Kantchenembe – Salima	0	85
Kapichila – Salima	30	84
Koche – Salima	0	93
Malomo – Ntchisi	0	63
Mulande – Dowa	0	78
Tanga – Lilongwe	0	35
Tsoka – Salima	50	98
Self-targeting		
Changunda – Dowa	34	54
Chibothera – Nkhotakota	20	80
Chikulumba – Mchinji	0	79
Chithumbwi – Lilongwe	0	36
Juni – Lilongwe	0	81
Kalirangwe – Nkhotakota	19	61
Kanyendera – Ntchisi	0	90

Mkomba – Lilongwe	0	18
Mkozomba – Lilongwe	6	76
Namulera – Lilongwe	0	49
Phalazi – Lilongwe	14	82

Aggregated Data

In order to test the significance of the leakage and undercoverage rates from the two targeting methods, this data was first aggregated to allow for this process.

Level one Analysis

Table 5: Aggregated Data from Villages that Used CBT

	Very Poor	Poor + Better off	Total
Participate	161	34	195
Did not participate	368	207	575
Total	529	241	770

Table 6: Aggregated data from villages that used Self-targeting

	Very Poor	Poor + Better off	Total
Participate	117	121	238
Did not participate	220	328	548
Total	337	449	786

Level Two Analysis

Table 7: Aggregated Data from all Villages that Used CBT

	Very Poor + Poor	Better off	Total
Participate	190	5	195
Did not participate	511	64	575
Total	701	69	770

Table 8: Aggregated Data from all Villages that used Self-targeting

	Very Poor +Poor	Better off	Total
Participate	207	31	238
Did not participate	405	143	548
Total	612	174	786

With the above data sets it was possible to calculate the aggregated leakage and undercoverage rates for the two methods and compare them at both levels of analysis. However this information still had to be tested for significance in order to make the right conclusions in comparing the effectiveness of these methods to answer the research hypothesis, which states: “CBT is more effective than Self-targeting”.

Table 9: Leakage and Undercoverage Rates for Aggregated Data by Targeting Method and Level of Analysis

Level of analysis	CBT		Self-targeting	
	Leakage (Percent)	Undercoverage (Percent)	Leakage (Percent)	Undercoverage (Percent)
Level one	17.4	69.6	50.8	65.3
Level two	2.6	72.9	13.0	66.2

Testing of the hypothesis

Chi-square test was used to understand the relationship between participation in the programme and one’s poverty category in each of the two targeting methods. Aggregated data from the two methods at both levels of analysis was used to perform the tests. Refer tables 5, 6, 7 and 8 for these data sets.

The following hypotheses were developed for testing the data.¹¹⁶

Null Hypothesis (H0)

¹¹⁶ Wegner, Trevor, 2000: 255

There is no difference in the population proportion between those who did participate and those who did not participate in the programme from the poor and non-poor categories.

Alternative hypothesis (H1)

There is a difference in population proportion between those who did participate and those who did not participate in the programme from the poor and non-poor categories.

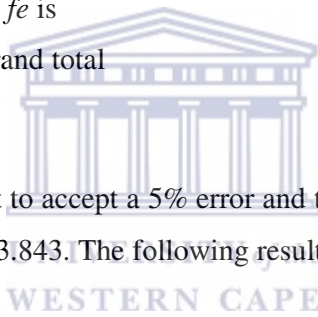
Chi-square formula is as follows;

$$\sum (fo-fe)^2 / fe^{117}$$

Where *fo* stands for observed values while *fe* stands for expected values

The formula for calculating *fe* is

Row total x column total / grand total



Test results

The Chi-square test was set to accept a 5% error and the critical value for this at 1 (one) degree of freedom is 3.843. The following results were obtained.

Level One Analysis

For CBT the value for the test was 22.374. This means that the null hypothesis is rejected and the alternative hypothesis is accepted implying that there is a difference in the population proportion between participants and non-participants in the programme from the poor and non-poor categories. In other words, there is a relationship between being poor or not poor and participation in the programme. As for self-targeting, the value for the test was 4.674. In this case the null hypothesis is rejected as well and therefore the alternative hypothesis is adopted. This also means that there is a difference in the population proportion between participants and non-participants in the programme from the poor and non-poor categories.

¹¹⁷Wegner, Trevor, 2000: 256

Level Two Analysis

At this level of analysis, CBT produced a value of 12.324. This also means that the null hypothesis is rejected and the alternative hypothesis is adopted. Therefore, there is a difference in the population proportion between participants and non-participants in the programme from the poor and non-poor categories. Self-targeting also rejected the null hypothesis because the chi-square value was 16.882. In this case as well there is a difference in the population proportion between participants and non-participants in the programme from the poor and non-poor categories.

In summary, this data shows that participation in the programme depends on one's poverty status. In this case, according to the information coming out in terms of the proportions of the participants and non-participants from all the categories in relation to the poverty categories, it indicates that there is a higher proportion of non-participants in the Non-Poor category compared to the Poor category. This is observed in both targeting methods. However, the chi-square value of 4.674 for self-targeting at level one analysis is very close to the critical value of 3.843, which indicates that there is not much difference in the proportion of people from the Poor and Non-Poor category participating in the programme. Meaning, there is almost an equal chance of the Non-poor participating in the programme as is for the Poor. This can be verified by the high leakage rate of 50.8% that was experienced in this method as presented in table 9 above.

When calculations on the proportions of participants are made, the results are that at level one analysis for CBT, 30.4% of the poor participated and only 14.1% of the non-poor did participate. For level two analysis, the results also follow the same pattern as 27.1% of the poor did participate and only 7.2% of the non-poor also did participate. Similarly, in terms of Self-targeting at level one analysis, 34.7% of the poor did participate while 26.9% of the non-poor also did participate. At level two analysis, 33.8% of the poor did participate and 17.8% of the non-poor did participate. In general these proportions reveal that poor people

are more likely to participate in the programmes. However, the percentage of the non-poor participating in the programmes is higher in self-targeting than in CBT.

In addition to this information, the Odds Ratio (OR) was used to get precise details on the level of this relationship. This information helps to answer the research question: “Does it matter which targeting method is used for identifying beneficiaries in safety nets programmes”?

The formula for the OR is

$$AD/BC^{118}$$

Where A is the value in cell 1, B is the value in cell 2, C is the value in cell 3 and D is the value in cell 4 in a two by two matrix table.

For illustration purposes, here is an example of a table presenting this information

	Very Poor	Poor + Better off	Total
Participate	161 A	34 B	195
Did not participate	368 C	207 D	575
Total	529	241	770

The OR was calculated for both targeting methods and also at the two levels of analysis.

The results for this analysis are as follows;

For CBT

At level one analysis = 2.66

At level two analysis = 4.76

For Self-targeting

At level one analysis = 1.44

At level two analysis = 2.38

¹¹⁸ Szklo, Moyses, and Nieto, Javier, 2000: 87

The interpretation of these results is as follows;

At level one analysis, for villages where CBT was used for targeting beneficiaries, the Poor were 2.66 times more likely to participate in the programme than the Non-Poor while for villages where self-targeting was used the Poor were only 1.44 times more likely to participate in the programme than the Non-Poor. On the other hand, at level two of analysis, the pattern is the same but the likelihood of participation for the two categories of poverty changes slightly. For the villages that used CBT, the Poor were 4.76 times more likely to participate in the programme than the Non-Poor, while for those villages that used self-targeting the Poor were 2.38 times more likely to participate than the Non-Poor.

From this information two patterns are coming out clearly. First, the results indicate that there is a higher (almost twice as much) chance for the Poor to participate in the programme in communities where CBT is used for targeting beneficiaries compared to where self-targeting is used. Second, the results also reveal that at second level analysis (where the Very Poor and Poor are combined) there is an even higher chance of the Poor participating in the programme compared to level one (a situation where the Very Poor are a category on its own). This shows that the methodology would be considered slightly more effective if the safety nets programmes were simply focusing on the Poor in general, but in the circumstance that the Extreme Poor are the main centre of attention, then these methods are not effectively fulfilling their mandate of targeting the poorest.

In addition to the Chi-square test and the OR, this data has also been tested using Z test to find out whether there are any statistical significant differences between the leakage and undercoverage rates from the two targeting methods to suggest the effectiveness of either of these methods.

The hypotheses for performing the Z-test were set as follows:

Null hypothesis

There is no difference in the leakage and undercoverage rates between villages that used self-targeting method and those that used Community Based Targeting.

Alternative hypothesis

There is a difference in the leakage and undercoverage rates between villages that used self-targeting method and those that used Community Based Targeting.

Data for testing the hypothesis

The data was arranged as follows to allow for the testing of the hypothesis using the Z- test.

Table 10: Data for Testing Leakage Rates at Level One Analysis

	Inclusion errors	Total No. of Participants
Self-targeting	121	238
CBT	34	195

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Table 11: Data for Testing Undercoverage Rates at Level One Analysis

	Exclusion errors	Total No. of poor people/households
Self-targeting	220	337
CBT	368	529

Table 12: Data for Testing Leakage Rates at Level Two Analysis

	Inclusion errors	Total No. of Participants
Self-targeting	31	238
CBT	5	195

Table 13: Data for Testing for Undercoverage Rates at Level Two Analysis

	Exclusion errors	Total No. of poor people/households
Self-targeting	405	612
CBT	511	701

The above data sets were tested for statistical significance by using the Z-test.

Formula for Z Test is

$$Z = \frac{p_1 - p_2}{SE} \text{ }^{119}$$

Where **p1** and **p2** are the proportions of inclusions and exclusions from the samples

For example data from table 13 above, $p_1 = 405/612$ and $p_2 = 511/701$

$$SE = \sqrt{p(1-p)(1/n_1 + 1/n_2)}$$

SE is the standard error

$$p = \frac{x_1 + x_2}{n_1 + n_2}$$

p is the pooled estimate because it combines data from both samples¹²⁰

x1 and **x2** are the numbers for inclusion and exclusion errors in the samples

n1 and **n2** stand for number of observations in the samples

To exemplify this, the table below (contains data from table 13 above) presents this information.

	Exclusion errors	Total No. of poor people/households
Self-targeting	405 = x1	612 = n1
CBT	511 = x2	701 = n2

The results from the Z significance tests were as follows:

The Z test used the 5% significance level to accept or reject the hypothesis. At this level of significance, the critical Z value were:

Reject null hypothesis if $Z \geq 1.96$ or $Z < -1.96$ (2 sided)

¹¹⁹ Moore, David and McCabe, George, 1998: 605

¹²⁰ Ibid: 604

This formula has been used for the rejection of the hypothesis because the alternative hypothesis states that there is a difference between the leakage and undercoverage rates from the two targeting methods.¹²¹

1. Level One Analysis

Testing the Leakage rates

The Z value for this was found to be 7.23. Therefore the null hypothesis was rejected because the Z value was greater than 1.96, which is the critical point at 5% significant level. This means that the alternative hypothesis is adopted, which states that there is a difference in the leakage rates in the two targeting methods.

Testing Undercoverage Rates

The Z value for this was found to be -1.27. Therefore the null hypothesis is accepted as the Z value is smaller than 1.96. This means that there is no significant difference between the undercoverage rates observed from the two targeting methods.

2. Level Two analysis

Testing Leakage Rates

The Z value for this was calculated to be 3.94. Therefore the null hypothesis is rejected because the Z value was bigger than 1.96 and the alternative hypothesis is adopted implying that there is a significance difference between the leakage rates observed in the two targeting methods.

Testing Undercoverage Rates

The Z value for this was found to be -1.96. In this case, the null hypothesis is accepted because the Z value is within the acceptance range of the null hypothesis, which means that there is no significant difference in the undercoverage rates in these two methodologies.

¹²¹ Moore, David and McCabe, George, 1998: 605

4.3.1 Effectiveness of Community Based Targeting Method

Looking at the results from the various calculations above, it can be noted that in general, CBT is producing better results in terms of targeting the poor compared to self-targeting. This can be noted through the lower leakage rates observed in this method compared to self-targeting, which have been statistically proven to be significant using the Z-test. However, there are no significant differences in the undercoverage rates for CBT and self-targeting. In fact, these undercoverage rates are higher for CBT than self-targeting method. The explanation for this is that from the data collected more people were allowed to participate in self-targeted programmes compared to communities where CBT was used as it can be noted in tables 5 and 6. It was apparent in the communities for people to complain that the programme only allowed very few people to participate. This contributed the high undercoverage rates in both methods.

Even in a situation where targeting was perfect, for example, free of exclusion errors, undercoverage would still be high due to this factor. Hence, the difference in the undercoverage rate between self-targeting and CBT is not much.

As it can be seen from tables 3 and 4, the village level undercoverage and leakage information also provide a very good perspective. The villages show that CBT is more effective at targeting the Poor as the leakage rates in most villages are quite low compared to those under Self-targeting. In fact, from individual interviews it was further uncovered that some of those who belonged to the leakage category, were not really leakages but since the programme was implemented some time back, at that time they belonged to the Poor category and the community had selected them to participate in the programme but now their wealth status had improved and that is why they were categorised as Better-off. However, it was not possible to know how many cases were of this nature. It is hoped that these cases are not big enough to distort the data.

When the data is looked at the two levels of analysis, the pattern changes very drastically. At level one analysis, all the villages reveal some leakages while at the second level analysis only two villages revealed the leakage. This can be interpreted to mean that if the country was simply aiming at reaching out to the poor in general in providing safety nets, then it could be concluded that CBT is very effective. However given the situation where the poorest are a top priority, then there is still a problem with the CBT in terms of its effectiveness because there are some leakages in all the places visited at level one analysis, which is considering the Extreme Poor separately from the poor. In an ideal situation, there should have been no leakages at all because of the information advantages, which this methodology is supposed to possess.

In terms of undercoverage rates, the results from tables 3 and 4 indicate that most of the villages experienced very high undercoverage rates. As indicated already, the high undercoverage figures are also influenced by the few numbers of people that were permitted to participate in the programme. This scenario does not change much when data is analysed at two levels. In both situations, the undercoverage rate is very high. The only difference is that the undercoverage rates are slightly higher in most villages at second level analysis where the Very Poor and Poor are combined into one group.

This implies that there are more people in the Poor category that did not participate and so they are affecting the undercoverage rate in this way. Refer tables 3 and 4 for this information by looking at the following villages: Kachule 1, Kachule 2, Kantchenembe, Kapichila, Malomo, Mulande and Tanga. On the hand, for communities where self-targeting was used, the undercoverage rate for most villages decreases at this second level analysis. This entails that there were more people from the Poor category who participated in the programme and so they are affecting results in this direction. This information can also be verified in tables 3 and 4 by looking at the following villages: Changunda, Chibothera, Chithumbwi, Juni, Kalirangwe, Kanyendera, Mkomba and Mkozomba. This is also an indication that CBT is better at targeting the poorest compared to self-targeting.

The chi-square test and the OR results have also attested to the fact that CBT is more effective in targeting the Poor as they have proved that it is two times more likely for Poor people to participate in the programme where CBT is used than where self-targeting is used. With these facts, it can be concluded that indeed, CBT is more effective in targeting the poor in Malawi than self-targeting in terms of minimising inclusion errors. However, since the undercoverage rate is higher for CBT than self-targeting, then the hypothesis that CBT is more effective than self-targeting can only be partially accepted because low undercoverage rate is another indicator for effectiveness.

4.3.2 Effectiveness of Self-targeting Method

As noticed from the results above on the leakage rates, undercoverage rates, Chi-square and the Z- tests, it is clear that self-targeting has more problems in terms of inclusion errors. This was expected because the programme does not specify the category of people who are supposed to participate in the programme. As such, anyone is free to participate as long as there is room for employment. The Z statistical test has proved that the leakage rates from self-targeting programmes are significantly higher than those from CBT.

In some cases, it was indicated that the poor did not want to participate so the Better-off had a chance to go and register. The reasons were that 1) the amount of payment was too small to improve their situation and 2) fear that they would not receive their benefits. The Better-off still participated probably because they felt that if this situation would happen to them, the effects would not be as devastating on them compared to those who are already Very Poor. The Better-off simply want to add on top of what they already have while the Very Poor are totally relying on these benefits because their livelihood is 'hand to mouth'. As a result, they are very careful in terms of what they commit themselves to, or else they may end up suffering more than in a situation of not participating in the programme. Hence, they like doing piece work, which normally pays them

immediately after they finish the work. This can be within a few days or even hours.

These two issues of non-payment and low wages cannot, however, be generalised because they only came out strongly in a few places which include Phalazi, Chibothera, Juni, Namulera and Kanyendera villages. Non-payment of wages was very common in Lilongwe (Phalazi, Juni and the Namulera) and this may have to do with the kind of administration of resources in the district. As for low wages, it was expressed in Chibothera (Nkhotakota) and Kanyendera (Ntchisi). The reasons that can be given for this would be that in the case of Chibothera, it is an area along the lakeshore where people have more options/alternatives for food such as cassava and rice apart from maize hence they are not as desperate. As for Kanyendera, the argument would be that of timing of the intervention. The program was implemented during harvest period when people had relatively some level food of availability so they did not feel the urgency of getting employment.

There are, however some villages like Changunda in Dowa and Kalirangwe in Nkhotakota, where it was very clear that this method was not effective in targeting the poor. It was revealed both during the FGD and the individual interviews that the targeting exercise was marred by corrupt practices by the foremen, ward councillors and chiefs. The foremen and the ward councillors were taking people from their villages and register them to work in a different area where they were supervising the work. This further limited the number of people that would participate from the area where the project was being implemented. This was the case in Kalirangwe village. Some villagers admitted that they participated in the programme because they had to bribe the foreman with chickens so that he could register them. The Very Poor said they did not have anything to bribe the foreman as a result, they could not participate.

In Changunda, the situation was slightly different. There was no foreman involved, it was a committee that was put in place to do the registration in liaison with the chief. This village had serious leakages because the benefits in this programme were very good compared to the other PWPs. It was providing a bag

of fertilizer and 10kg of maize seed at the end of the month (approximately 22 days of work).

In Malawi fertilizer is a much sought-after commodity for rural farmers and everyone wishes to use fertilizer in order to get a good yield because the soil is very infertile. This programme was managed by CARE. In monetary terms, these benefits would translate to about MK2500.00 (US\$20), while MASAF PWPs pay about MK800.00 (US\$6.4), which is three times less than what was paid in this particular case. This is in line with what Barret says that recent studies have found out that many Non-Poor are participating in self-targeted programmes because of high wages and other factors such as imperfect or missing local labour, land and finance markets which distort incentives, leading the poor to opt out of the programme, giving chance to the Non-Poor. During individual interviews with the Very Poor, who did not participate in the programme (undercoverages) revealed a lot of problems that led to their non-participation. Some said that they did not participate because they learnt late about the project as they had gone out looking for piece-work. Others said that the place where registration was taking place was very far from the village and required one to have a bicycle to cycle there since there were several meetings taking place before they actually started the work.

The undercoverage rates are also very high in the villages where self-targeting was used just as is the case with villages where CBT was used. The same reason of few numbers of people being allowed to participate in the programme also applies in this case. As already discussed above, the second level analysis reveals a slight decrease in the undercoverage rates. This was expected because in self-targeting everybody is free to register their name to participate, therefore, there were more people from the Poor category who registered. Hence the decrease in the undercoverage rates at this level of analysis. In this case, it can be concluded that Self-targeting seems to be less effective in targeting the Poor compared to CBT especially on leakage.

The chi-square and OR results also reveal that there are lesser chances of the Poor participating in the programme where self-targeting is used for targeting beneficiaries compared to where CBT is used. As such, it can be concluded that Self-targeting is less effective in targeting the poorest.

Considering the discussion above on the effectiveness of the two methodologies in targeting the poorest, it gives a sense that both methods have difficulties in effectively targeting the poor because they both experienced high undercoverage rate. Also at level one of analysis, all the villages in both methodologies experienced some leakage. However, CBT seems to be doing much better compared to self-targeting as seen from the leakages rates, which are significantly lower than those of self-targeting according to the Z- test. As a result, it can be concluded that the hypothesis that CBT is more effective than self-targeting is supported and accepted because there is substantial evidence from empirical findings to suggest that CBT is more effective. As it has already been noted, self-targeting revealed a 50.8% leakage compared to 17.4% with CBT when the Poor and Better-off are combined in one category.

However, when the Better-off are considered separately, then the leakage rates drop drastically to 13% in the case of self-targeting and 2.6% for CBT. With the second scenario, self-targeting can also be considered to be quite effective because the leakage rate is also reasonably small. This implies that self-targeting is only effective at targeting the Poor in general, and not the Extreme Poor as is supposed to be the case, according to the MPRSP objectives for safety nets.

4.4 Efficiency of the targeting methods

The discussions that were held with CARE and DA staff on this matter confirmed that it is difficult to get the exact figures on the costs of targeting as it has already been expressed in the theory. For the CBT used by CARE, the staff had to estimate the costs by looking at the time that was devoted to the targeting aspect. As for self-targeting, it is clear that no specific costs are considered. These are further discussed in details in the following sections.

4.4.1 Efficiency of CBT method

As it has already been indicated in the hypothesis conceptualisation section, it was indeed difficult to get data on costs of targeting because in some cases the expenses for targeting were not clearly specified. In most cases, the costs incurred were combined with other activities. CARE was consulted on the costs they incurred on targeting in ILTPWP, which used CBT for targeting of its beneficiaries. The staff had to estimate the costs by considering how much time was spent on the targeting element in relation to other activities and then convert it in monetary terms.

The major expenses included training of DA staff and CBFs and the payment of honorarium to CBFs for the targeting work. It is estimated that it took about two months for each CBF to complete targeting in his/her area. The trainings for the DA staff were combined with other topics, as such it was estimated that the targeting element took up 2/5 of the time. This was done by looking at the number of days for which the training was conducted compared to the number of days dedicated to targeting. It was found out that it took 2 days out of the five to go through the targeting element, hence 2/5 of the total expenses are attached to the targeting component. As for the CBF trainings, the whole time was dedicated to targeting alone.

Two trainings were conducted for DA staff and also two for CBFs because the number was too big to be facilitated at once. This is why the costs of trainings are multiplied by two. It was observed that costs incurred were quite high especially considering the fact that these people were only used once. When the programme is over, the prospects of having another project in the same area are very low because there are so many communities in similar need of such government interventions. This means that projects have to be allocated to different areas each time there are funds for programme implementation. The trainings were done to ensure that the process of targeting is professionally done as the process involves use of PRA tools, which have got specific steps that have to be followed when

applying them. CARE trained DA staff because they were supposed to supervise the CBFs in the community so they had to undergo the same training in order to have enough knowledge and capacity on how they were going to supervise the CBFs.

The following calculations have been made in order to measure the cost of targeting of CBT in relation to the programme budget.

Cost of training District Assembly staff = 2x MK326,350.00 x 2/5 = MK261,080.00

Cost of training CBFs = MK 298,215.00 x 2 = MK596,430.00

Monthly honorarium for CBFs = 51CBFs x MK1000.00 x 2 months = MK102,000.00

Total expenditure on targeting = MK261,080.00 + MK596,430.00 + MK102,000.00

= MK959,510.00

= MK959,510.00/MK110.00¹²² = \$US8,722.8

Total programme budget = \$US7,444,000.00

Proportion of budget funds that went to targeting

= Total costs on targeting/ Total programme budget x 100

= \$8722.8/\$7,444,000.00 x 100

= 0.1%

It is apparent from the amount of money that was spent on targeting that it did not take a big percentage of the programme budget as seen in this case where only 0.1 percent of the total budget was used. However, even though the percentage appears to be very small, the actual amount is not that small as shown on the calculations above. The percentage is small because the programme budget was very big. In the case of self-targeting, this amount of money could be paid to

¹²² US Dollar to Malawi Kwacha exchange rate was \$1 to MK110 in 2003 when this money was spent but now the exchange rate is at \$1 to MK125

several beneficiaries. For example, at the rate of MK30.00 per day per beneficiary, which is the amount that was paid out in the ILTPWP, the programme could manage to employ approximately 31,984 people for one day each. If taken further down, 533 people could be employed for 60 days and they could earn MK1800.00 each. If this information is viewed in this manner, then one might say CBT is not very efficient in terms of administrative costs. Therefore programme implementers need to work out a trade-off between efficiency and effectiveness when designing these interventions.

4.4.2 Efficiency of Self-targeting method

According to the district assembly's records, no costs are incurred on targeting. It was indicated that the DA simply trains the PIC on different aspects of project management including registration of beneficiaries. The training also does not cost the assembly much money as they only buy fuel for their vehicle to go to the field. They do not pay any money to the committee members for attending the training because they work like volunteers (community representatives). Usually, they are also employed on the programme but they do not do much work like other employees. This works as a compensation for the administrative assistance they provide to the foreman.

The DA staff however mentioned that MASAF gives the DA a total sum of money for programme implementation, which includes 10% for administrative expenses. This is the money they use to buy fuel to supervise the programme. However, they could not estimate the percentage that is allocated to targeting. According to them, this is not an issue that they seriously consider at all.

It can be concluded that Self-targeting is very efficient in terms of administrative costs when targeting beneficiaries as it does not demand any monetary expenses from the programme budget. This, confirms what was observed in the hypothesis conceptualisation that self-targeting is costless when it comes to targeting as people just go and register. The person doing the registration does not have to

possess any special skills be able to write. Most people are capable of doing this. This is why they can use anyone ranging from the foreman, committee members, and the chiefs as long as they can write.

In view of the preceding discussions, one could conclude that CBT is not as efficient in terms of administrative costs of targeting compared to Self-targeting. This is because with self-targeting, there are no specific costs that can be directly linked and isolated for targeting. On the hand, with CBT, there are specific amounts that have been identified to be associated with targeting albeit this required calculating the amount in terms of time dedicated to targeting in order to get a monetary equivalent. Therefore the hypothesis that self-targeting is more efficient than CBT is accepted.

4.5 Reasons attributed to poor targeting

There are several reasons that were cited as major contributing factors for poor targeting. Most of the reasons are associated with the way the programmes are administered in terms of payments, the amount of payment and the limited number of people that are allowed to participate in the programme compared to the number of the poor. Data from the individual interviews indicate that only 46.4% answered that there were some problems but the remaining 53.6% said there were no problems with the targeting process. However, the FGD were able to reveal this information. The following sections explain in details each of the reasons.

4.5.1 Unwillingness to Participate due to ‘Perceived’ Administrative Problems

This problem was mostly district specific and was based on past experiences. It was mostly mentioned in Lilongwe district where most people declined to participate in the programme because they thought they would not receive their benefits as was the case in the programmes that had been implemented in the area before. For example, in Juni village where a food for work self-targeted

programme was implemented, only 2 out of 16 very poor households participated in the programme. The rest said that they did not want to work for free.

True to their fears, this happened because the two that participated never received their benefits at all because the foreman was telling them that he had not received anything from the district assembly. These people stopped working before the project finished. They said that they had worked for two months yet they were supposed to be paid at the end of each month. In Mkozomba village, they reported that the agreement was that they would be paid 75kg of maize after the completion of the road works, but when the maize came, they only received 13kg each.

This behaviour has led to problems of targeting, as people no longer have trust in these programmes. They feel that it is better to do other things on their own rather than waste their time and energy for no gain. Following food shortage due to the 2004/2005 growing season, some organisations embarked on food for work programmes and CARE is among them. Considering that the drought was a widespread tragedy, they decided not to do CBT but rather leave it open so that people should choose whether to participate or not. It was discovered that a lot of Very Poor households did not register to participate in the programme because they thought they would not receive their benefits, as has been the case in some previous programmes especially those administered by MASAF through the District Assembly.

To their surprise, CARE is paying the benefits very well and very timely such that those who did not register are now regretting but can not join because the number was already reached. In Phalazi village where there is a MASAF dam construction project, at first they used CBT where the chief selected the 5 required people per village, however these people turned down the offer and refused to go to work on the dam even after repeated discussions with them. They felt that they would not receive anything after putting their efforts on this work. It was then decided that

anyone who wanted could go and register. Some people from the better off category went and registered.

From these examples it can be concluded that this is one of the serious problems to targeting and it can lead to unnecessary leakages. In Dowa, Mulande village, they complained of delayed payment as a problem, which in future might affect people's willingness to participate in these programmes. They said that sometimes it could take 3 months before they could receive any payment. This is said to be very frustrating because people that are employed are the Poor who do not have food and they need this employment to get food but the payments are delayed. In other cases, these people end up dropping from the employment to look for some immediate sources of income while others, where possible, borrow money or maize and repay when they get their payment. The problem however, is that they are usually charged interest on the money they borrow, which further reduces the value of their benefits.



4.5.2 Wages

It was also evident from the discussions with the communities that the amount of benefits associated with these PWP has an impact on targeting. In Ntchisi, Kanyendera village, for example, only 3 out of 23 very poor households participated in the programme. The reasons why the others did not participate included that the wage was too low to make an impact in their livelihoods. They were told that they would be paid K36.00 (approximately US\$0.29) per day. People felt it was more prudent to do something else and earn more than what was being offered in the PWP. The same happened in Nkhotakota – Chibothera village.

Most people from the Very Poor category did not participate because of similar reasons, however more people from the Better-off category did participate and their argument was that the Better-off have got food (maize) and all they need is money to pay for maize milling whereas the Very Poor do not have any maize at

all. This means that the Poor have to get money to buy maize first and then go to the maize mill and they believe that with this amount of money they earn from the programme, it is not enough even to buy maize. Therefore, they resolved to search for some other private work, which would pay better than the PWP.

This confirms the information from literature that if the benefits are too low they may not even attract the poor at all.¹²³ However, according to the researcher's knowledge, this situation seems to be exaggerated because maize price during the period of programme implementation was MK7.50 per kg. This means that with one day's pay, one could afford 4kgs of maize. It might be that there are other things that these Very Poor people aspire apart from food, which necessitate that they earn more money than just for food.

On the other hand, one programme where CARE implemented a Self-targeted programme in Dowa, Changunda village and the benefits were very lucrative as discussed earlier on, there were also a lot of leakages. The Poor had a lower chance of participation because the benefits attracted a lot of the Non-Poor people, hence limiting the number of the Poor who could participate. The Extreme Poor are normally outside of the information networks because they are isolated as they are usually out of the villages hunting for pieces works. As such, most of the times they miss on opportunities that come into their areas. In this area in particular, it is common for extreme poor people to go out for some days to work in tobacco estates.

Most of the extreme poor indicated during individual interviews that they did not participate in the programme because they were not available during the time of registration. They had gone out to do piece work and no one bothered to send them the information. By the time they were returning the village, there was no room for them to join the programme. Some of those who were present in the village reported that they did not participate because the chief and the committee members in charge of the registration were favouring their relations and friends

¹²³ Coady, David et al, 2004: 77

although the chief denied these allegations. As it can be seen, both extremes are a problem in that extreme low benefits increase undercoverage rates and extreme good benefits increase leakage rates. There is therefore need to get a balance for the optimal wage rate which could overcome this problem.

4.5.3 Number of people allowed to participate in the programmes too small

It was a general concern in most places visited that the programmes were too limited in the number of people required to participate in the programmes. This led to difficulties in selecting who should participate. From the outside, it may look as if this is not a problem but the way it was presented in the empirical research, it deserves to be considered such. It contributes to poor targeting in the sense that since the number required is too low, it further decreases the chances of the Very Poor from participation because of two major reasons.

First, if CBT is used for targeting, the communities tend to take the selection further down to family level. For example, if only ten people are required per village, they would say that they should take one person from each family as a way of ensuring equal representation in the village. This disadvantages families where everyone is poor and works to the advantage of those whose families are not as poor and they become leakages. This was reported in Mulande village in Dowa and in all the villages in Salima districts. Second, if Self-targeting is used, there is high probability that the Better-off are likely to register quicker than the Poor because they are usually outside the information network as discussed in the preceding section.

By the time they hear about the existence of the programme, registration is already completed and closed. This was the situation in Kalirangwe village in Nkhonkhotakota, where more Better-Off households participated compared to the Poor households because there was no more space for them to register because they got the message late. This problem is further discussed later in this chapter. Sixty-two percent (62%) of the people that were interviewed individually expressed the

limited number of people who are allowed to participate in the programme as one of the major problems of targeting.

4.5.4 People from outside the community doing the targeting

People expressed a lot of dissatisfaction with the arrangement where people from outside the village take a central role in registering beneficiaries. This was one of the problems that several communities identified as a contributor to poor targeting. They indicated that self-targeted programme where a foreman is used to register people is not effective in selecting the poor because the person does not mind what happens in that area. He/she can choose to take bribes and register people who are Better-off and will face no consequences, unlike someone who is from the same area. If s/he is from the same area, people can attack him/her so s/he is likely to be objective. In addition, occasionally such kinds of people tend to bring in people from areas beyond the project catchment area, thereby further reducing chances of rightful people to participate in the programme. Eighteen (18%) of those interviewed individually indicated this as a problem.

In the case of Kalirangwe and Chibothera in Nkhotakota, it was indicated that the councillor was also involved in the registration of participants. This created further problems because as a politician, he used his position to gain political popularity as he registered people from other areas to participate in the project. It is also in Kalirangwe village where people had to bribe the foremen for them to be registered because the number of people who wanted to participate was too due to people from other areas. This was conducive to such corrupt practices.

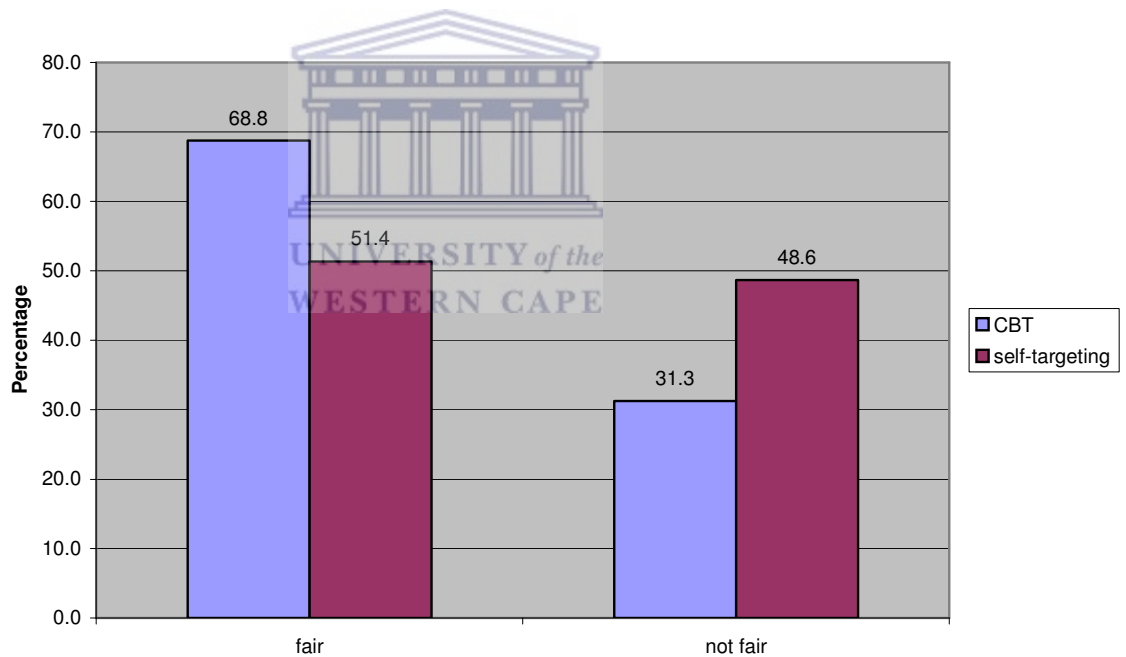
4.6 People's Perceptions on the two Targeting Methods

In the individual interviews, people were asked what they thought of the targeting process in terms of fairness in selecting the deserving people. Those that had used CBT, 68.8% indicated that the process was fair while those that had used self-targeting, 51.4% said likewise. On the other hand, 31.3% and 48.6% of those that had used CBT and Self-targeting respectively expressed dissatisfaction with the targeting processes. See figure 2 below. This reveals a slightly higher percentage

of people who felt that CBT is more effective in targeting the poor compared to self-targeting. However, it not unclear for self-targeting because the percentage differences between those who felt the process was fair and those who felt that it was not fair is thin.

It is interesting to note that both methods, the main reason given why they felt the process was fair is that the poorest were selected to participate in the programme. About 90% of the respondents from areas where CBT was used gave this reason and about 81% from Self-targeted areas indicated the same.

Figure 2: People's Perception about the Fairness of the Targeting Process in Relation to the Targeting Method used



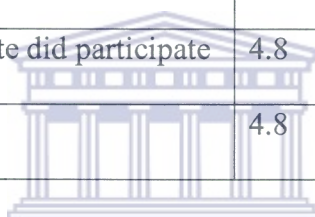
Source: Author's empirical results

In terms of why they felt the process was unfair, the reasons were also similar in both cases. These included nepotism in favour of relatives and friends resulting in some Poor people being left out while some Better-off participated in the programme. Finally, the issue of bribery came out from self-targeted programmes

only. Those from CBT did not mention it as one of the reasons. Table 14 and table 15 below give a full summary of this information. For self-targeting, they also gave one more reason that the process was fair because those who wanted to participate did participate since anyone was allowed to register as long as there was still room for more people to register. Those who did not participate either did not want to, or were late and found that registration was closed with maximum number of people that were allowed to participate.

Table 14: Reasons Given for the Fairness of the Targeting Process

Reason	CBT (Percent)	Self-targeting (Percent)
The poorest were selected into the programme	90.5	81.3
Those who wanted to participate did participate	4.8	18.8
There were no bribes	4.8	0



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Table 15: Reason Given for the Unfairness of the Targeting Process

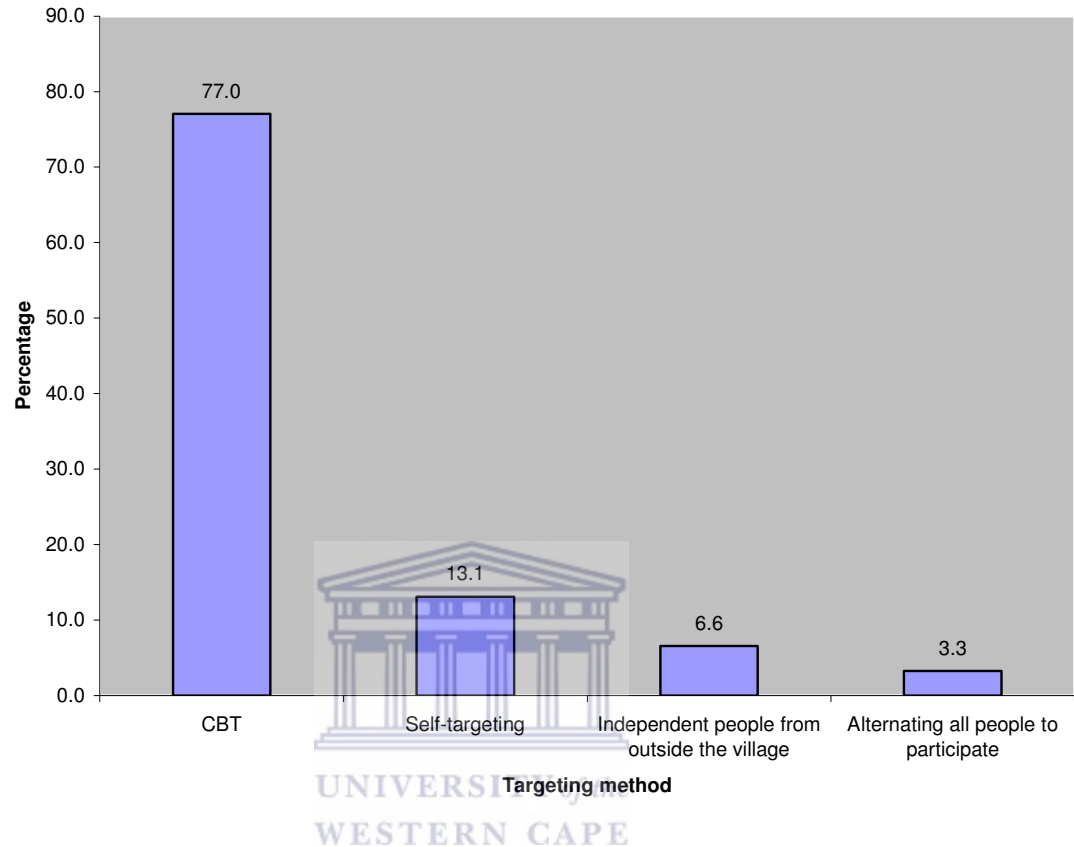
Reason	CBT (Percent)	Self-targeting (Percent)
Some participants were better off	20	33.3
Some poor people were left out	50	13
There was favouritism towards relatives and friends	30	20
Bribery	0	33.3

These results indicate that in both targeting methodologies, people felt that there was some fairness as well as some shortfalls in the selection of beneficiaries. Overall, a much higher percentage felt that the fairness was because the Poorest were selected. This shows that both methods were effective in targeting the Poor.

There were mixed perceptions among FGD members regarding which of the two methods is fair. Some strongly felt that self-targeting is a better approach since it gives chance to those who are willing to participate in the programme to do so by their own decision and choice. In this case CBT was considered as if people are forced to participate hence some people do not participate even after being selected by the community. On another level, self-targeting was regarded as susceptible to briberies and favouritisms while CBT was considered to be free and fair and that it ensures transparency. In general people were more positive with the CBT method compared to self-targeting.

After prolonged debate, participants in all the FGDs resolved that in future they would prefer to use CBT for selection of beneficiaries but in some cases they insisted the need for external people to be involved in the process. The reason being that it requires someone with experience to facilitate this process so that it is indeed free and fair. Figure 3 below confirms these results as well. It indicates that 77% of the interviewees said that they would prefer CBT while only 13.1% chose self-targeting. There is yet a small percentage that felt that none of the two methods are good enough, instead they would like someone from the outside, specifically a government official to facilitate the process. Others felt that since almost everyone is poor in the community, the best option is to rotate beneficiaries so that everyone has a chance of participating and benefiting in the programme.

Figure 3: People's Feelings about which Targeting Method should be used in Future



According to responses from individual interviews, three main reasons were given for their choice of the methodology, which they prefer to be used. The most common reason was that these methods reduce incidences of briberies and favouritism. The other two reasons were that they ensure that the poor are selected to participate in the programme and that they encourage transparency. The results are quite mixed up and also contradictory to other findings on the two methodologies. As seen in table 17 below, 46.5% of those that chose CBT said it reduces bribery while 62.5% of those who chose self-targeting indicated the same. This is surprising because self-targeting was reported to be more prone to briberies and favoritisms compared to CBT according to the views expressed in the focus group discussions.

Table 16: Reasons Given for the Choice of Specific Methodology:

Targeting method	Reason		
	Reduces briberies and favoritism (Percent)	Ensures the poor are selected (Percent)	Ensures transparency (Percent)
CBT	46.5	27.9	25.6
Self-targeting	62.5	12.5	25.0
Other independent people	75	25	0

4.7 The effect of knowledge on participation in the programme

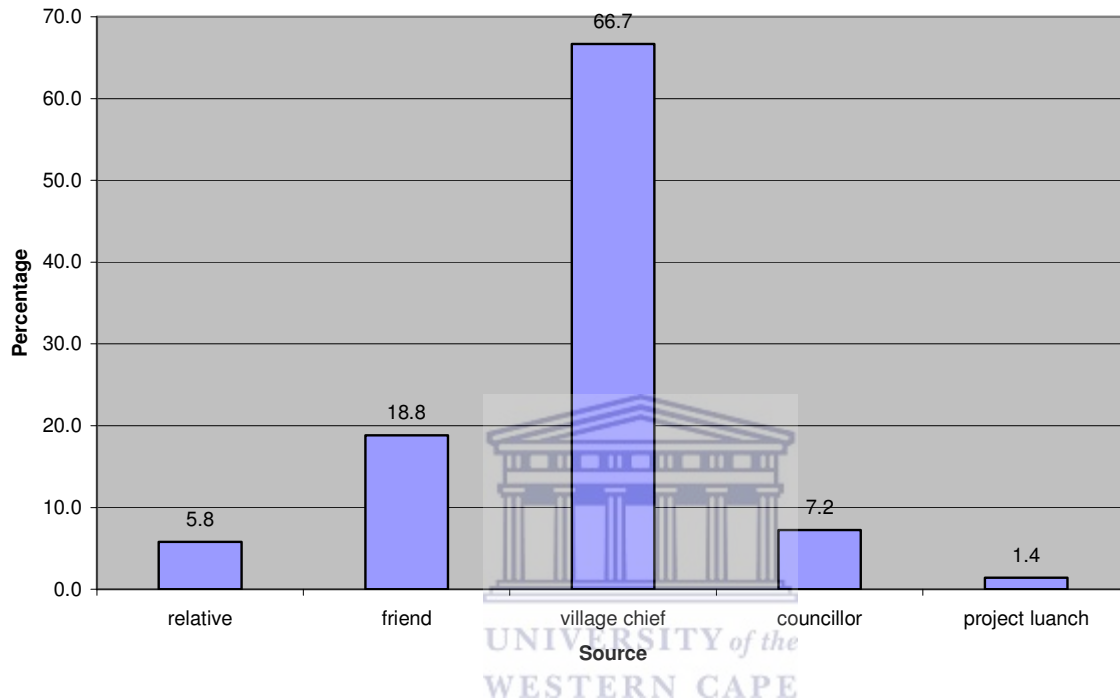
Literature claims that knowledge plays a vital role for someone to participate in the programme.¹²⁴ Empirical evidence has proved this point. The major source of information in the villages that were visited is through the village chief who is normally informed by the government officials and s/he passes the message to all community members by calling for a community meeting. As such, 66% of the interviewees indicated that they learnt about the programme from the village chief. Another 18.8% said that they had heard from friends either from the same village or another village. This was more common for self-targeted programme because some chiefs were not informed, as such they could not inform their people.

Inevitably, with CBT it is the chief who has to be informed about the programme so that s/he can call the people for the meeting to do the targeting. Figure 3 below shows a summary of how people learnt about the programmes. Those who fell under the undercoverage category, 66.7% indicated that they did not participate in the programme because they learnt late about the programme and the number of required people had already been reached by the time they knew about the

¹²⁴Micklewright, John et al, 2004: 1-8.

existence of the programme. This concurs with the literature that knowledge is essential for someone to make a claim or participate in the programme.

Figure 4: Sources of Information about Existence of the Programme



4.8 Conclusion

In summary this chapter has highlighted the major findings of the study in terms of assessing the effectiveness and efficiency of the two targeting methods and identifying major contributing factors to poor targeting. On this basis it was possible to compare their performance. The research findings in general indicate that CBT is more effective at targeting the poorest compared to self-targeting. On the other hand self-targeting has proved to be more efficient in administrative costs related to targeting compared to CBT.

Several factors have been identified which contribute to poor targeting and these include; administrative hindrances, poorly set wage rates, the limited number of people that are allowed to participate in the programmes and the corrupt practices

of the foremen in the registration process. In addition, the findings also reveal people's perceptions on the performance of the two methods. The general feeling is that CBT is a better choice for targeting the poor.

Finally, the relationship between knowledge and claims has been established through these findings. Theory indicates that one can only make a claim or participate in a programme if he/she knows about the existence of the programme. This research has proved this point as it has discovered that some of the poor people did not participate in the programme because they learnt about its existence very late when the registration had already been done.



CHAPTER FIVE

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents general conclusions on the research findings and their implications. It further provides some recommendations which can be used in a more successful targeting using CBT and self-targeting methods in Malawi.

5.2 Conclusion

Empirical evidence has supported the hypothesis that CBT is more effective at targeting the poor than self-targeting method. Even though it can be concluded that CBT is more effective, it is clear that it also has got some limitations. In other words, the information advantage that it is supposed to possess is not enough to ensure successful targeting. There are other factors also that come into play, which need be considered by the development practitioners, in order to embark on a more successful targeting process. Administering the process has got its own challenges. In most of the communities where CBT was used, some people still complained of the targeting process as having been unfair. Of those that were interviewed individually, 31.3% expressed dissatisfaction with the way the people were selected. The reasons were that since the number of beneficiaries required was very small, the selection had to be further done at family level and this responsibility was entirely left in the hands of the chiefs and CBFs. It was at this point that the selection process was abused. In some instances, it was found out that government officers would go to the community to facilitate the process and did not have the luxury of time to wait for more days to get the final list of names of participants since some Very Poor people were not present on the selection day. This meant that some of the deserving people had no chance of participating if they were not present during the selection day. As such, the issue of time becomes a challenge for CBT.

The other challenge with this method is that in some cases people are not willing to categorise themselves into different wealth categories. They insist that they are all poor as was also discovered in the TIP evaluations.¹²⁵ It takes decisive effort and good facilitation skills to manage this process. The people have incentives to say so because they all want to benefit from the programme. Sometimes they do this because they do not want to bring conflicts in the community. Those who are targeted as Better-off and do not receive benefits become bitter and do not relate well with those who participate in the programme.¹²⁶ This also came up as one reason why self-targeting would be a better option.

CARE staff also supported these arguments by indicating that they too find CBT very challenging because there are a lot more of Very Poor households who deserve to participate in the programmes compared to the number of beneficiaries that is permitted. It becomes difficult to make a choice about who should participate from that group of the Very Poor. The other challenge stated was that the methodology is costly, such that most donors might not be willing to invest such amount of resources just for targeting. Finally, they also indicated that the methodology is very much time consuming as it involves use of PRA exercises. Each CBF would take one full day to target beneficiaries in one village for the ILTPWP because they wanted the process to be very transparent.

On the other hand, even though self-targeting is less effective than CBT, it seems to work very well in certain situations as seen from the empirical data where some villages experienced very low leakage rates. However, there are also several pre-conditions that have to be met apart from making the benefits so inferior because there are circumstances when even the Non-Poor can get attracted to these benefits. The major challenge with self-targeting method is that it is prone to abuse. It was reported in some of the places that were visited that there were bribes taking place during registration. For example, in Nkhotakota and Mchinji, people expressed misgivings with the idea of bringing a foreman from a

¹²⁵ Barahona, Carlos and Levy, Sarah, 2001b: 29

¹²⁶ Ibid: 30-31

different area to register people. Their concern was that this person has the prerogative to bring in friends and relations from villages that are not within the programme area. This reduces chances of the people within the area to participate in the programme. Secondly, these people tend to register names of people who do not exist at all (ghost workers) and it is difficult to know this as such programme money is wasted while further reducing the number of people who should have participated in the programme. This is a bit difficult in CBT because the list of people have to be given out by the community to the foreman and therefore he does not have any space to fill in ghost workers unless some people drop out and the community does not replace them.



5.3 Recommendations

- For both methods, the issues of non-payments and delay in payments need to be addressed by reassuring people and encouraging the Poor to participate. This can be achieved by explaining to them about the situation so that they understand why such things happen. This is very important otherwise the Very Poor will not be willing to be targeted. This underlines the fact that targeting is not as simple as is assumed. It is more complicated than just choosing a methodology. More work is required to make targeting a success irrespective of whatever method is used.
- The efficiency of self-targeting has clearly been identified to be good in terms of administrative costs because no resources are committed for the task. On the contrary, CBT requires some level of resource investment for it to work. Given this scenario, development practitioners have to determine the trade-offs in terms of the final impact on the programme in using either of the method. Levy and Barahona also concluded that CBT can be possible and effective if sufficient resources are allocated to facilitating the process in every village in Malawi. This they said would require that the Village Task Forces be democratically elected to ensure that they are accountable to the people on how they choose beneficiaries.¹²⁷ In addition, they indicate that outsiders would also monitor the process. Empirical findings of this research justify similar conclusions as people indicated that they would prefer CBT, with the involvement of someone from outside in the targeting process. Finally they conclude that without these measures, CBT is likely to be unsuccessful and further they recommend the need for careful consideration of whether it is worth investing such resources in this process.¹²⁸ This is a big question that needs to be answered by development practitioners who are involved in this type of work.

¹²⁷ Barahona, Carlos and Levy, Sarah, 2001b: 30

¹²⁸ Ibid

- Although the issue of limited number of people participating in the programme also affected the performance of these methods, the leakage rates that were experienced still indicate the problems that these methods have in reaching out to the extreme poor. In general, it means that PWPs in Malawi are not doing much to ensure participation of the extreme poor who require assistance from such programmes as seen from the high undercoverage rates. It can be recommended that there is need for PWPs to refocus their strategy in terms of how many people they target in one village. It would be better to target more people in a smaller area and have a maximum impact than to sparsely scatter the benefits with no real impact. This will also make targeting much easier than is the situation at present.
- A low wage rate has also been identified as one problem that contributed to poor targeting as the some extreme poor felt that the wages were too low to improve their livelihoods. On the other hand high wages in one of the programmes also led to high inclusion errors. It would therefore be recommended that further research be conducted to understand what the optimal wage should be to attract the poor only and put off the better off.
- The issue of high costs for CBT, could be dealt with by making an initial investment to train community representatives who should further pass on the facilitation procedure to more people in the communities. This would be a life long investment so that any programmes being implemented, which would require targeting the poor, can use this prevailing knowledge to target beneficiaries. Conning and Kevane in their paper titled Community Based Targeting Mechanisms for Social Safety Nets conclude by saying that ...“building a more effective social safety net will not be just a matter of finding better information or proxy indicators, but of opening a valid and lasting opportunities for participation through which the poor can establish and press for claims when this becomes necessary. The best community agents

may be activists and entrepreneurs; people who can engage the poor in the political process to obtain greater say and control over how community resources are allocated to those in need. While this does require allowing for more local community discretion in deciding resource allocations, carefully chosen national targeting rules, criteria and national political support can help strengthen the position of the disadvantaged groups in these local contests”.¹²⁹ This is similar to what is being proposed in this research where the communities are trained and empowered to carry on such processes of targeting without outside assistance

5.4 Strategies that can be used to make targeting more successful

Looking at the challenges and problems, the following strategies have been suggested for future use in the two targeting methodologies.

- It is clear that District Assemblies are facing difficulties in administering the programmes especially in terms of payments. It would be better if Districts Assemblies were relieved from this responsibility instead, let communities form groups and open accounts and handle this. Banks should be encouraged to open branches in rural areas for this purpose. The MPRSP has already highlighted this as one area that it will concentrate on (diversification and expanding coverage of MFIs to rural areas).¹³⁰ This will depend on how much has been achieved in this area. It should be noted, however that this would require a lot of background work before implementation. It may also be necessary to pilot in a few potential areas to provide an understanding on how this strategy would work best.

Strategies for operationalising CBT in MASAF

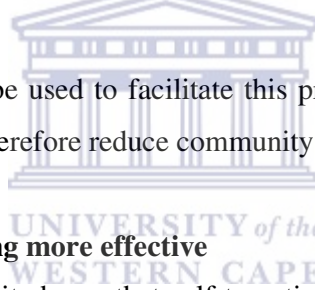
- Communities should be trained on how to conduct CBT targeting. The District Assembly community workers like Community Development Assistants from the Ministry of Gender can be used for this purpose like in the ILTPWP. The communities expressed their willingness to learn the

¹²⁹ Conning, Jonathan and Kevane, Michael, 2001: 30

¹³⁰ MPRSP 2002: 40

facilitation of the process and felt it would quite easy for them to master it. A plan can be made where village representatives can come together at Group Village level where they can be trained and apply it in their villages whenever there is a project coming in MASAF should be prepared to invest some initial amount of resources in this exercise if it has to succeed.

- Develop very clear standard indicators that will be used to identify beneficiaries for CBT to be a success. If each community uses its own indicators CBT is likely to flop like in the case of Targeted Input Programme even though they had a set of some indicators. They were too many and too general. For example, female headed household, there are some female-headed households that are better off than male-headed households depending on various factors.
- PRA tools should be used to facilitate this process because they enhance transparency and therefore reduce community conflicts.



How to make self-targeting more effective

From the research finding it shows that self-targeting too can work in situations where the budget cannot allow for CBT costs. Some preconditions have to be met however and these include:

- Involving District Assembly staff during registration of beneficiaries whenever possible
- Sending messages in good time on existence of the programme and dates of registration. This will ensure that all the poor have heard the message in time and can make a plan to be present on the registration day as there are other unforeseen impediments such as sicknesses or deaths, which cannot be easily postponed. If such things happen there can be a way of considering these people.

- Ensuring that political figures such as councilors do not take a central role in the administration of the projects.
- Mandating the foremen to conduct the registration together with the Project Implementation Committee.

5.5 Areas for Further Research

It is inevitable that high undercoverage rates will be experienced in PWPs because the number of the extreme poor is much higher than the amount of benefits being sent to the communities by MASAF for PWPs only. There are other safety net programmes such as TIP, Targeted Nutrition Programme, and the Direct Welfare Transfers that are supposed to complement in reaching out to some of these people as well.

There are a few questions that can be asked on this such as: How does MASAF coordinate with other safety net programmes to ensure that the benefits do not just go to the very same people and that the 30% very poor are reached with these safety net benefits? What percentage is PWP contributing? Has it managed to fulfill its commitment?

To answer these questions there is the need for more research, which could take an in-depth look at all the safety net programmes being implemented in the country. This was beyond the scope of this mini-master thesis research.

The data has shown that these methods are able to target the poor in general more effectively than the extreme poor. This was revealed when the data was analysed at level two where the poor and the very poor are combined to make one category. This means that PWPs still have to improve in terms of targeting the extreme poor. It is hoped that the recommendations and strategies that have been suggested in this study will assist in achieving this.

In summary this research, despite the challenges faced, has managed to achieve its objectives of comparing the effectiveness and efficiency of CBT and Self-targeting methods and identifying the major contributing factors to poor targeting as well as challenges related to these methods. The research hypotheses that were stated with regard to effectiveness and efficiency have both been accepted. As for effectiveness, CBT has proved to be more effective than Self-targeting and in terms of efficiency, Self-targeting has proved to be more efficient than CBT. The research question, which stated: “Does it matter which targeting method is used for identifying the poor” has also been answered by the finding that indeed it does matter. This finding has been supported by statistical analyses, which have revealed that the likelihood that the poor can be targeted in each targeting method varies. It has been discovered that poor people are twice as much likely to be targeted when CBT is used compared to when self-targeting is used.



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Annex 1: Data Collection Guidelines

1. Wealth-ranking exercise process and identifying project participants

- a) Discuss and identify together with the community members different categories of wealth using food security as the major indicator.
- b) Do social mapping of the village and transfer all the information on cards. Each card representing one household
- c) Categorize households into respective wealth categories using food security indicator.
- d) Mark households whether they participated in the Public Works Programme or not

2. Focus Group Discussion guiding questions.

- a) How did you learn about the existence of the project?
- b) How would do you judge the selection process that was used to identify participants into the programme
- c) Would you say that the process was fair or not? If yes, why? If no, why?
- d) What would you say was the major problem with the selection process used? If several problems are presented, they should be ranked in order of importance.
- e) What would you consider to be the best approach to target the poor and why?
- f) What are cost implications for the approach suggested?



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Annex 2: Individual interviews questionnaire

Place of interview:..... District:.....

Category of interview: Under-coverage

Leakage

Other

Type of targeting used in the area: CBT

Self –targeting

a. How did you learn about the existence of the project?

From a relative

Friend

The chief

Poster

b. How would do you judge the selection process that was used to identify participants into the programme.

Fair

why?..... Not

fair why?.....

c. What would you say was the major problem with the selection process used? If several problems are presented, they should be ranked in order of importance.

a.

.....

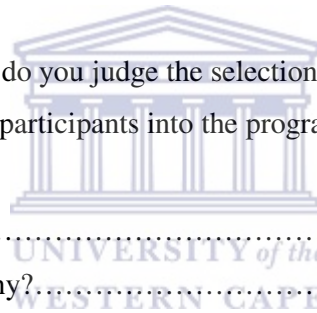
b.

.....

c.

.....

d. What would you consider to be the best approach to target the poor?



.....
.....

Why?.....

If the interviewee falls under the under-coverage category, find out why they did not participate in the programme

Did not want to participate

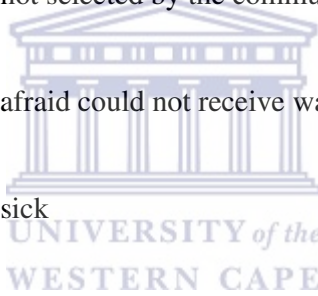
Learnt about the project late

Was not selected by the community members

Was afraid could not receive wages

Was sick

Other specify.....



If the interviewee falls in the leakage category, find out why they did participate in the programme

Wanted to enhance their income

Had to bribe the managers of the programme

Was selected by community members

Other specify.....



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Annex 3: Original Data from the field

Dowa Changunda village – Self-targeting CARE SPLIFA

	Very Poor	Poor	Better-off
Total	47	40	29
Participate	17	23	21
Did not participate	30	17	8

Dowa Mulande village – CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	33	12	12
Participate	8	2	0
Did not participate	25	10	12

Lilongwe - Chapwala village – CBT by MASAF

	Very Poor	Poor	Better-off
Total	43	16	6
Participate	9	4	0
Did not participate	34	12	6

Lilongwe - Kachule1 village - CBT by MASAF

	Very Poor	Poor	Better-off
Total	77	19	3
Participate	29	5	0
Did not participate	48	14	3

Lilongwe - Kachule2 village - CBT by MASAF

	Very Poor	Poor	Better-off
Total	70	27	4
Participate	35	10	0
Did not participate	35	17	4

Lilongwe - Tanga village - CBT by MASAF

	Very Poor	Poor	Better-off
Total	64	18	4
Participate	49	4	0
Did not participate	15	14	4

Lilongwe - Chithumbwi village – CARE Self-targeted food for work

	Very Poor	Poor	Better-off
Total	8	6	0
Participate	4	5	0
Did not participate	4	1	0

Lilongwe - Namulera village – CARE Self-targeted food for work

	Very Poor	Poor	Better-off
Total	73	34	14
Participate	37	18	0
Did not participate	36	16	14

Lilongwe - Mkozomba village – MASAF self-targeted food for work

	Very Poor	Poor	Better-off
Total	33	30	55
Participate	7	8	1
Did not participate	26	22	54

Lilongwe - Mkomba village – CARE Self-targeted food for work

	Very Poor	Poor	Better-off
Total	25	8	0
Participate	19	8	0
Did not participate	6	0	0

Lilongwe - Juni village – MASAF Self-targeted food for work

	Very Poor	Poor	Better-off
Total	16	10	1
Participate	2	3	0
Did not participate	14	7	1

Lilongwe - Phalazi village - MASAF Dam Self-targeting

	Very Poor	Poor	Better-off
Total	24	10	14
Participate	6	0	1
Did not participate	18	10	13

Mchinji - Chikulumba village – Self-targeting MASAF

	Very Poor	Poor	Better-off
Total	27	15	15
Participate	7	2	0
Did not participate	20	13	15

Nkhotakota - Chibothera village – MASAF Self-targeting

	Very Poor	Poor	Better-off
Total	32	47	24
Participate	5	11	4
Did not participate	27	36	20

Nkhotakota - Kalirangwe village – MASAF Self-targeting

	Very Poor	Poor	Better-off
Total	29	15	7

Participate	10	7	4
Did not participate	19	8	3

Ntchisi – Malomo village - CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	23	15	0
Participate	12	2	0
Did not participate	11	13	0

Ntchisi Kanyendera – Self-targeting MASAF

	Very Poor	Poor	Better-off
Total	23	60	15
Participate	3	5	0
Did not participate	20	55	15

Salima Katchenembe village – CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	32	22	3
Participate	7	1	0
Did not participate	25	21	3

Salima Tsoka village- CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	111	21	18
Participate	2	0	2
Did not participate	109	21	16

Salima - Kapichila village – CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	34	9	16
Participate	7	0	3
Did not participate	27	9	13

Salima - Khoche village – CBT MASAF-CARE

	Very Poor	Poor	Better-off
Total	42	13	3
Participate	3	1	0
Did not participate	39	12	3

Annex 4: Data on household's participation in the programme by wealth category (Very poor as one category and Poor and Better off combined).

Village and District	Targeting method used	Number of Very poor HH		Number of poor/better off HH	Total HH
Chapwala - Lilongwe	CBT	Participate	Success 9	Inclusion error 4	13
		Did not participate	Exclusion error 34		
		Total	43		
Kachule 1 - Lilongwe	CBT	Participate	Success 29	Inclusion error 5	34
		Did not participate	Exclusion error 48		
		Total	77		
Tanga - Lilongwe	CBT	Participate	Success 49	Inclusion error 4	53
		Did not participate	Exclusion error 15		
		Total	64		
Kachule 2 - Lilongwe	CBT	Participate	Success 35	Inclusion error 10	45
		Did not participate	Exclusion error 35		
		Total	70		
Chithumbwi - Lilongwe	Self-targeting	Participate	Success 4	Inclusion error 5	9
		Did not participate	Exclusion error 4		
		Total	8		
Namulera – Lilongwe	Self-targeting	Participate	Success 37	Inclusion error 18	55
		Did not participate	Exclusion error 36		
		Total	73		

		Total	73	48	121
Mkozomba- Lilongwe	Self- targeting	Participate	Success 7	Inclusion error 9	16
		Did not participate	Exclusion error 26	Success 76	102
		Total	33	85	118
Mkomba - Lilongwe	Self- targeting	Participate	Success 19	Inclusion error 8	27
		Did not participate	Exclusion error 6	Success 0	6
		Total	25	8	33
Juni – Lilongwe	Self- targeting	Participate	Success 2	Inclusion error 3	5
		Did not participate	Exclusion error 14	Success 8	22
		Total	16	11	27
Phalazi - Lilongwe	Self- targeting	Participate	Success 6	Inclusion error 1	7
		Did not participate	Exclusion error 18	Success 23	41
		Total	24	24	48
Malomo – Ntchisi	CBT	Participate	Success 12	Inclusion error 2	14
		Did not participate	Exclusion error 11	Success 13	24
		Total	23	15	38
Kanyendera - Lilongwe	Self- targeting	Participate	Success 3	Inclusion error 5	8
		Did not participate	Exclusion error 20	Success 70	90
		Total	23	75	98
Mulande - Dowa	CBT	Participate	Success 8	Inclusion error 2	10
		Did not participate	Exclusion error 25	Success 22	47
		Total	33	24	57

Katchenembe - Salima	CBT	Participate	Success 7	Inclusion error 1	8
		Did not participate	Exclusion error 25	Success 24	49
		Total	32	25	57
Tsoka - Salima	CBT	Participate	Success 2	Inclusion error 2	4
		Did not participate	Exclusion error 109	Success 37	146
		Total	111	39	150
Changunda - Dowa	Self-targeting	Participate	Success 17	Inclusion error 44	61
		Did not participate	Exclusion error 30	Success 25	55
		Total	47	69	116
Chibothera – Nkhotakota	Self-targeting	Participate	Success 5	Inclusion error 15	20
		Did not participate	Exclusion error 27	Success 56	83
		Total	32	71	103
Kalirangwe – Nkhotakota	Self-targeting	Participate	Success 10	Inclusion error 11	21
		Did not participate	Exclusion error 19	Success 11	30
		Total	29	22	51
Kapichila – Salima	CBT	Participate	Success 7	Inclusion error 3	10
		Did not participate	Exclusion error 27	Success 22	49
		Total	34	25	59
Koche - Salima	CBT	Participate	Success 3	Inclusion error 1	4
		Did not participate	Exclusion error 39	Success 15	54
		Total	42	16	58
Chikulumba	Self-	Participate	Success 7	Inclusion error 2	9

- Mchinji	targeting				
		Did not participate	Exclusion error 20	Success 28	48
		Total	27	30	57

Annex 5: Data on household's participation in the programme by wealth category (Very poor and Poor combined and Better off as another category)

Village and District	Targeting method used	Number of Very poor/poor HH		Number of better off HH	Total HH
Chapwala - Lilongwe	CBT	Participate	Success 13	Inclusion error 0	13
		Did not participate	Exclusion error 46	Success 6	52
		Total	59	6	65
Kachule 1 - Lilongwe	CBT	Participate	Success 34	Inclusion error 0	34
		Did not participate	Exclusion error 62	Success 3	65
		Total	96	3	99
Tanga - Lilongwe	CBT	Participate	Success 53	Inclusion error 0	53
		Did not participate	Exclusion error 29	Success 4	33
		Total	82	4	86
Kachule 2 - Lilongwe	CBT	Participate	Success 45	Inclusion error 0	45
		Did not participate	Exclusion error 52	Success 4	56
		Total	97	4	101
Chithumbwi - Lilongwe	Self-targeting	Participate	Success 9	Inclusion error 0	9
		Did not participate	Exclusion error 5	Success 0	5
		Total	14	0	14

Namulera – Lilongwe	Self-targeting	Participate	Success 55	Inclusion error 0	55
		Did not participate	Exclusion error 52	Success 14	66
		Total	107	14	121
Mkozomba- Lilongwe	Self-targeting	Participate	Success 15	Inclusion error 1	16
		Did not participate	Exclusion error 48	Success 54	102
		Total	63	55	118
Mkombi - Lilongwe	Self-targeting	Participate	Success 27	Inclusion error 0	27
		Did not participate	Exclusion error 6	Success 0	6
		Total	33	0	33
Juni – Lilongwe	Self-targeting	Participate	Success 5	Inclusion error 0	5
		Did not participate	Exclusion error 21	Success 1	22
		Total	26	1	27
Phalazi - Lilongwe	Self-targeting	Participate	Success 6	Inclusion error 1	7
		Did not participate	Exclusion error 28	Success 13	41
		Total	34	14	48
Malomo – Ntchisi	CBT	Participate	Success 14	Inclusion error 0	14
		Did not participate	Exclusion error 24	Success 0	24
		Total	38	0	38
Kanyendera - Lilongwe	Self-targeting	Participate	Success 8	Inclusion error 0	8
		Did not participate	Exclusion error 75	Success 15	90
		Total	83	15	98
Mulande -	CBT	Participate	Success 10	Inclusion error 0	10

Dowa					
		Did not participate	Exclusion error 35	Success 12	47
		Total	45	12	57
Katchenembe - Salima	CBT	Participate	Success 8	Inclusion error 0	8
		Did not participate	Exclusion error 46	Success 3	49
		Total	54	3	57
Tsoka - Salima	CBT	Participate	Success 2	Inclusion error 2	4
		Did not participate	Exclusion error 130	Success 16	146
		Total	132	18	150
Changunda - Dowa	Self-targeting	Participate	Success 40	Inclusion error 21	61
		Did not participate	Exclusion error 47	Success 8	55
		Total	87	29	116
Chibothera – Nkhotakota	Self-targeting	Participate	Success 16	Inclusion error 4	20
		Did not participate	Exclusion error 63	Success 20	83
		Total	79	24	103
Kalirangwe – Nkhotakota	Self-targeting	Participate	Success 17	Inclusion error 4	21
		Did not participate	Exclusion error 27	Success 3	31
		Total	44	7	52
Kapichila – Salima	CBT	Participate	Success 7	Inclusion error 3	10
		Did not participate	Exclusion error 36	Success 13	49
		Total	43	16	59
Koche - Salima	CBT	Participate	Success 4	Inclusion error 0	4

		Did not participate	Exclusion error 51	Success 3	54
		Total	55	3	58
Chikulumba - Mchinji	Self-targeting	Participate	Success 9	Inclusion error 0	9
		Did not participate	Exclusion error 33	Success 15	48
		Total	42	15	57

