



How does social protection contribute to social inclusion in Nepal?

Evidence from the Child Grant in the Karnali Region

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Abstract

This study uses a social exclusion lens to analyse the effects of Nepal's Child Grant in Karnali region and tests assumptions about the role social protection can play in contributing to social inclusion and poverty reduction. The study used mixed methods and employed a quasi-experimental impact evaluation. The findings show that in the first three years of implementation, the Child Grant has had only small effects on some indicators of social inclusion, most notably access to a more diversified diet. The research suggests that the impact of the Child Grant is limited by both design and implementation bottlenecks.



Preface

This report is part of a wider research project that assessed the effectiveness and relevance of social protection and labour programmes in promoting social inclusion in South Asia. The research was undertaken in collaboration with partner organisations in four countries, examining BRAC's life skills education and livelihoods trainings for young women in Afghanistan, the Chars Livelihoods Programme and the Vulnerable Group Development Programme in Bangladesh, India's National Health Insurance Programme (RSBY) in Maharashtra and Uttar Pradesh and the Child Grant in the Karnali region of Nepal. Reports and briefings for each country and a paper providing cross-country analysis and drawing out lessons of relevance for regional and international policy can be found at: www.odi.org/sp-inclusion.

International policy paper, briefing and background note

- Babajanian, B., Hagen-Zanker, J., and Holmes, R. (2014) How do social protection and labour programmes contribute to social inclusion? Evidence from Afghanistan, Bangladesh, India and Nepal. ODI Report.
- Babajanian, B., Hagen-Zanker, J., and Holmes, R. (2014) Can social protection and labour programmes contribute to social inclusion? Evidence from Afghanistan, Bangladesh, India and Nepal. ODI Briefing No.85.
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- Adhikari, T.P., Thapa, F.B., Tamrakar, S., Magar, P.B., Hagen-Zanker, J., and Babajanian, B. (2014) How does social protection contribute to social inclusion in Nepal? Evidence from the Child Grant in the Karnali Region. ODI Report.
- Echavez, C., Babajanian, B., Hagen-Zanker, J., Akter, S., and Bagaporo, J.L. (2014) How do labour programmes contribute to social inclusion in Afghanistan? Evidence from BRAC's life skills education and livelihoods trainings for young women. ODI Report.
- Sabharwal, N.S., Mishra, V.K., Naik, A.K., Holmes, R., and Hagen-Zanker, J. (2014) How does social protection contribute to social inclusion in India? Evidence from the National Health Insurance Programme (RSBY) in Maharashtra and Uttar Pradesh. ODI Report.
- Siddiki, O.F., Holmes, R., Jahan, F., Chowdhury, F.S., and Hagen-Zanker, J. (2014) How do safety nets contribute to social inclusion in Bangladesh? Evidence from the Chars Livelihoods Programme and the Vulnerable Group Development programme. ODI Report.

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- Siddiki, O.F., Holmes, R., Jahan, F., Chowdhury, F.S., and Hagen-Zanker, J. (2014) The contribution of the Chars Livelihoods Programme and the Vulnerable Group Development programme to social inclusion in Bangladesh. Country Briefing. ODI, London.

Acknowledgements

Many thanks to fieldwork supervisors Gorakh Bahadur Bogati and Brita Kumari Ghale, and enumerators Satananda Upadhyay, Januka Neupane, Dewan Rai, Rana Bahadur Ramtel, Khem Raj Bhattarai, Rupa Basnet, Kundan Tamang, Heema Rai, Jeevan Rai, Gokul Buda, Chandra Prakash Adhikari, Sindu Karki, Trishna Niraula, Baburam BK, Kripa Thapa, Manoj Bhattarai and M.S. Dhami, who walked long distances on steep mountains to collect the data that form the basis of this report.

Many thanks also to Shaheen Akter and Resham Thapa for conducting the quantitative analysis.

The authors are grateful to the stakeholder network, Dr Nani Ram Subedi (Steering Committee Chair), Dharma Raj Shrestha (Central Child Welfare Board), Thakur Dhakal (UNICEF), Beth Verhey (UNICEF), Sankar Nepal (MoFALD), Arun Rana (ADB), Jasmine Rajbhandari (World Bank Nepal), Rojee Joshi (UNCDF), Yub Raj Ghimire (Child Protection Alliance), Shiva Bhandari (European Union), Mahesh Sharma, Govinda Shrestha, Jhabindra Bhandari, Tulasi Sapkota and Dr Binod Bhatta, for their valuable inputs throughout this process.

Thea Westphal assisted with the review of the literature and editing the report, and Esther Schuering (Rhein-Sieg University), Julia Tobias (ODI), Rachel Slater (ODI) and Rebecca Holmes (ODI) gave excellent peer review comments on an earlier draft of this paper.

Thanks to Roo Griffiths for providing editorial support; and to Nicholas Mathers and Franziska Schwarz for project management, editing and formatting support.

Last but not the least, thanks go to all the respondents, whose inputs made this research possible.

This document has been produced with the financial assistance of the European Union and the Australian Government. The contents of this document are the sole responsibility of ODI and can under no circumstances be regarded as reflecting the position of the European Union or the Australian Government.

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Abbreviations

ADB	Asian Development Bank
ATT	Average Effect of Treatment on the Treated
CBS	Central Bureau of Statistics
CIA	Conditional Independence Assumption
CPN (UML)	Communist Party of Nepal (Unified Marxist-Leninist)
DDC	District Development Committee
DfID	UK Department for International Development
ERD	European Report on Development
FGD	Focus Group Discussion
GDP	Gross Domestic Product
IDI	In-depth Interview
ILO	International Labour Organization
IRIN	Integrated Regional Information Networks
KII	Key Informant Interview
MESI	Measuring Empowerment and Social Inclusion
MoFALD	Ministry of Federal Affairs and Local Development
MoLD	Ministry of Local Development
NC	Nepali Congress
NEPAN	Nepal Participatory Action Network
NGO	Non-government Organisation
NLSS	Nepal Living Standards Survey
NPA	National Planning Commission
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPHI	Oxford Poverty and Human Development Initiative
PSM	Propensity Score Matching
UCPN (M)	Unified Communist Party of Nepal (Maoist)
UN	United Nations
UNCDF	UN Capital Development Fund
UNDP	UN Development Programme
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
UNICEF	UN Children's Fund
VDC	Village Development Committee
WFP	World Food Programme

Executive summary

This study uses a social exclusion lens to analyse the effects of the Child Grant, launched by the government of Nepal in 2009. This transfer is targeted at all households with children aged up to five years in Karnali region and at Dalit households in the rest of the country, for two children per household at the most. It covers about 21.5% of the population of children aged under five. The payment is NRs 200 (\$2) per child per month.

The research has five specific research objectives:

- To assess how much the Child Grant enhances household consumption and food security;
- To assess how much the Child Grant improves access to and utilisation of basic services, including health and education;
- To examine the potential for the Child Grant to enhance labour market and economic opportunities for socially excluded individuals;
- To assess how much the Child Grant can support social relations and participation in local communities; and
- To explore the change in perceptions towards local and central government of citizens receiving the Child Grant.

In assessing the effects of the Child Grant, this study generated evidence on the context-related economic, social and institutional factors that mediated its impact. While there is relatively more empirical evidence on the first three objectives, this study is unique in that it brings these dimensions together in one study and analyses the underlying drivers of exclusion. The research on the Child Grant fills a concrete research gap in the literature – testing assumptions about the role social protection can play in contributing to transformative changes in people’s well-being

This study used mixed methods and was conducted in Karnali region in 2012/13, using a quasi-experimental impact evaluation (Propensity Score Matching (PSM)). The quantitative survey covers 2,040 households in all five districts of the region and a quarter of Village Development Committees (VDCs).

Overall, the study found few impacts on the above dimensions during the first three years of the Child Grant’s implementation, as discussed in detail below. The qualitative analysis shows some areas where limited progress appears to have been made. The PSM impact analysis finds no significant impacts.

The Child Grant has not had a significant impact on household expenditure, and households do not consider their levels of consumption to have changed considerably. It has facilitated purchase of food and other small items, such as clothing. It should be noted that not all households spend the Child Grant on all of these expenditure categories; the low value of the transfer means most households would have spent the transfer on one of them. Hence, the transfer has contributed to the household budget, but not substantially. Further, the grant has enabled some beneficiaries to buy more food, in particular food not produced locally and more nutritious food, but not to the extent that it has changed overall levels of food security. The former finding is noteworthy, given that the objective of the grant is improving nutrition.

It appears that the Child Grant has not had a greater impact on household consumption because of its low value. At NRs 200 per child per month, it is not sufficient to sustain household expenses for more than a few days, especially given the high living costs in Karnali. Further limiting impact is the fact that, in practice, households often receive a much lower transfer than the amount they are entitled to. Only 63% of households have received the full transfer; on average, they receive only 82% of the amount they are eligible for.

For access to and utilisation of services, we again see that the Child Grant has not had a measurable impact. There is no statistically significant impact on access to and utilisation of education or health. Two-thirds of respondents said they were already managing education expenditure without the Child Grant. Qualitative interviews indicated that the grant played a supporting role for some households in financing some small expenditure, such as on notebooks or school lunches or minor health expenditures. Enhancing affordability may not necessarily improve access to services, as institutional bottlenecks resulting in poor quality of services represent a major barrier.

The Child Grant has not had a significant impact on enabling greater access to economic opportunities, including in agriculture and business. The qualitative analysis revealed a small number of cases where the grant was used to purchase or repair small agricultural tools or to buy small animals, and it has contributed to contributing to the cost of running a business in a very small number of cases. There is some evidence of the Child Grant enabling informal loans, particularly for women.

There are a number of reasons for the limited extent of change in terms of economic opportunities, including the low value of the transfer and the irregular and unpredictable nature of payments, which dis-incentivises savings and investments. Further, the geographic and economic context and structures severely limit potential employment and investment opportunities. Karnali is a remote area with few economic opportunities and poor infrastructure and market access – structural and physical barriers the Child Grant clearly cannot overcome.

In terms of social relations, a small number of beneficiaries have spent the grant on social events and festivities. However, the qualitative analysis revealed that the process of applying and collecting the transfer has facilitated interaction and dialogue between different community members. However, this does not appear to have changed women's overall activities, nor does it seem to have affected relations between different social groups.

A total of 93% of beneficiaries feel that the introduction of the Child Grant is an indication that the government cares about their socioeconomic situation; for 85% it has improved their opinion of the government of Nepal. However, we should keep in mind that, with most households in our sample receiving at least three other social protection transfers, often using the same delivery mechanism, it is difficult for respondents to isolate their perceptions of this particular transfer. As such, there is no significant difference in overall perceptions of either level of government between beneficiaries and non-beneficiaries.

The qualitative interviews reveal a mixed picture on perceptions of both levels of government. On the one hand, beneficiaries of the programme are grateful to the central government for the programme. A number of beneficiaries appreciate the fact that the Child Grant is a universal transfer in Karnali. On the other hand, the way the programme has been designed and implemented – including low value of the benefit and irregular and partial allocation - has actually undermined state-society relations. Qualitative interviews generally revealed more positive perceptions of central government. Beneficiaries cited poor implementation of the Child Grant as a reason for negative perceptions of local government, but it is not clear if this resulted in *worse* perceptions than before receiving the grant or worse perceptions compared with those of *non-beneficiaries*.

The qualitative assessment demonstrates that the overall environment of poor governance affects implementation of the Child Grant and leads to negative perceptions among local residents of the local leaders involved in benefit delivery. The beneficiary testimonies suggest that the governance environment in Karnali

reinforces rent-seeking and mismanagement on part of local authorities and restricts access of ordinary residents to resources and entitlements. This implies that social protection transfers may not foster positive state–society relations in the absence of an enabling environment that upholds citizens’ rights and promotes accountability and transparency of local leaders.

This research suggests that the impact of the Child Grant is limited by both design and implementation bottlenecks. In terms of design, the current size of the benefit is not sufficient to achieve substantial impacts. More work needs to be done to improve the effectiveness of programme implementation. The analysis shows that governance environment in Karnali affects both how the Child Grant is implemented and state society relations. Finally, – owing to structural constraints, such as limited economic opportunities and inefficient and low-quality basic services – access to cash is not sufficient to increase social inclusion.

1 Introduction

The objective of this paper is to examine how social protection programmes may or may not contribute to the overarching goals of inclusion, cohesion and state–society relations, and to examine what the key barriers or opportunities are to enhancing the effectiveness of social protection for socially excluded or marginalised groups.

This research used a social exclusion lens to analyse the effects of Nepal’s Child Grant. This case was chosen for study because the Child Grant is targeted towards a particularly vulnerable demographic – families with children under the age of five – and has universal coverage in Karnali, one of the remotest areas in Nepal, and one with high levels of social exclusion. Furthermore, development partners see the Child Grant as a clear signal that the Nepali government is concerned with social justice and inclusion. While a number of studies have focused on the grant’s implementation and outcomes (e.g. UNICEF, 2012; n.d.), to date there has been no impact assessment.

Nepal is one of the poorest countries in the world, ranking 157th out of 187 countries on the Human Development Index 2013 (UNDP, 2013). Poverty is widespread and multidimensional. In 2011, a quarter of the population lived below the national poverty line (CBS, 2011). According to the Multidimensional Poverty Index, which also takes nutrition, health and education into account, 44.2% of the population is poor (OPHI, 2013). An Asian Development Bank (ADB) study (2010) indicates that geography and ethnicity as well as caste membership determine the likelihood of being poor. Poverty is higher for women, those from particular ethnic groups and those living in remote or the Mid-Western region. Poverty is worst among those who belong to more than one excluded group (Langford and Bhattarai, 2011).

Social exclusion and structural inequality can – to a significant extent – be explained by Nepal’s cultural and historical practices, which reinforce each other and stem mainly from traditions based on feudal and patriarchal and caste structures (Bahattachan, 2012; Langford and Bhattarai, 2011; World Bank, 2006). Social exclusion is highest for women, minority ethnic groups and low castes in the Hindu caste system. It is particularly prevalent in remote regions, where social identity plays a larger role in economic status than it does in urban areas (DFID, 2013). Exclusion has also contributed to lower survival rates, worse health and limited educational and economic opportunities (ADB, 2010). Further, excluded groups have less access to ownership, poorer mobility and lower social status (ibid.).

Another main cause of deprivation is the economy, which shows little diversification. Despite some change over the past decades, subsistence agriculture remains the main livelihood activity in the country. While 76% of the working population is engaged in agricultural activities, the sector’s contribution to gross domestic product (GDP) was only 38% in 2010. Industrial activities are related predominantly to processing produce such as tobacco, jute and sugarcane (CBS, 2011). Many population groups depend solely on agriculture for generating an income (Bahattachan, 2012).

Besides agriculture, the country now relies heavily on migration. At any point in time, 10% of the population is estimated to live abroad (with estimates up to about 12.8% in peak season) (Ghimire and Upreti, 2012). Remittances have contributed more than 20% of the country’s GDP since 2008/09 (ibid.).

Nepal has undergone a number of political changes during the past two decades, shifting from an autocratic monarchy to a republic, and is currently in a phase of post-conflict transition. After a decade of conflict, Nepal started building an inclusive democracy in 2006. The manifold issues included in the transition process – ranging from integrating the armed forces to finding ways to share power between different stakeholders – have led to significant political instability (World Bank, 2013). Although the civil war ended in 2006, by December 2013 a new Constitution had still not been drawn up, and the parliament had been dissolved for nearly a year before elections were held in November 2013. Political instability and multiple short-lived ruling coalitions are hindering the government from taking critical socioeconomic decisions to support its formal commitment to the transformative agendas of empowerment and social justice (UNICEF, 2010a). However, all different political parties support social protection, as is evident in the political manifestos of the major parties – the Nepali Congress (NC), the Unified Communist Party of Nepal (Maoist) (UCPN (M)) and the Communist Party of Nepal (Unified Marxist-Leninist) (CPN (UML)).

Social protection has become an increasingly prominent public policy tool in Nepal over the past 20 years or so. While social protection, particularly social insurance, has a long history in the country, and social transfers continued to be provided during the conflict, the Nepali government has ramped up its efforts since it came to an end. Social protection programming has been explicitly integrated into the broader post-conflict development and reconstruction agenda (Holmes and Uphadya, 2009; Koehler, 2011). The 2007 Interim Constitution clearly states that the government of Nepal should formulate policy and design programmes to address the socially excluded population. Social protection provision has a wide range of objectives, from increasing income and food security to overcoming social exclusion and assisting with the process of political healing (Koehler, 2011).

A number of social protection programmes are specifically focused on promoting social inclusion. At least five government-funded cash transfer programmes support socially excluded individuals by using caste- and ethnicity-based as well as geographic criteria. One of these is the Child Grant. The Child Grant is an unconditional cash transfer for mothers with children under the age of five, aimed at improving the nutrition of children. It is universal in Karnali and targeted at Dalit households in the rest of the country. In 2012/13, it covered 551,916 children in Nepal (approximately 21.5% of the population of children aged less than five), with 90,349 of these from Karnali.

This paper is part of a four-country study (Afghanistan, Bangladesh, India and Nepal) aiming to help fill the empirical knowledge gap on the role of social protection and social inclusion. It is based on mixed methods primary research, using a quasi-experimental impact evaluation. The research applied a social exclusion lens to the analysis of the effects of social protection interventions, which serves as a framework for understanding the political, economic, social and institutional context that shapes poverty and vulnerability. The application of this lens to social protection allows for greater emphasis on the local context and the integration of detailed and multiple contextual analyses of vulnerability and deprivation (Babajanian and Hagen-Zanker, 2012). Based on quantitative and qualitative primary empirical research conducted in 2012/13 in Nepal, this paper presents the findings from the Child Grant case study.

The paper is organised as follows. The next section presents the objectives of the research and the case study, as well as a discussion of the analytical framework and the theory of change guiding the research. Section 3 discusses the pattern of poverty and vulnerability in Nepal from a social exclusion perspective. Section 4 provides details of the core research methodology and sample. Section 5 discusses the key findings, grouped into the following five categories: i) household income, expenditure and food security; ii) access to basic services; iii) economic opportunities; iv) social relations; and v) state-society relations. Section 6 concludes and presents policy implications.

2 Analytical framework and research objectives

In designing the evaluation, Babajanian and Hagen-Zanker (2012) developed a consolidated framework to depict the relationship between social protection and social exclusion. Drawing on this framework, this section outlines the assumptions about the ‘transformative’ potential of social protection and presents an approach for structuring the analysis and evaluation using the social exclusion lens. We also lay down the objectives of research and give an overview of the case study.

2.1 The potential role of social protection in promoting social inclusion

Social protection refers to publicly mandated policies and programmes to address risk and vulnerability. It has the objective of helping households with shocks and stresses, but is also seen as a tool to help break the intergenerational transmission of poverty through improving human capital development and helping people strengthen and accumulate productive assets, enhancing their future income-earning capacity (Fiszbein et al., 2009; Barrientos and Scott, 2008).

In the last decade, there has also been a prominent view that social protection should have a ‘transformative’ angle, in particular that it can support equity, social justice and empowerment (see, for instance, ERD, 2010; OECD, 2009; Sabates-Wheeler and Devereux, 2004; UNESCAP, 2011). In particular, Sabates-Wheeler and Devereux (2004) suggest it must address ‘non-economic’ or ‘social vulnerabilities’ caused by structural inequalities and inadequate rights. Through its ‘economic’ function, social protection helps relieve poverty (‘protection’), avert economic deprivation (‘prevention’) and enhance real incomes and capabilities (‘promotion’); it also has the potential to empower the poor, uphold their rights and promote social equity and justice. This may include addressing regulatory frameworks that promote discrimination, sociocultural values that heighten women’s vulnerability or informal norms and behaviours that generate stigma (ibid.).

2.2 The social exclusion framework

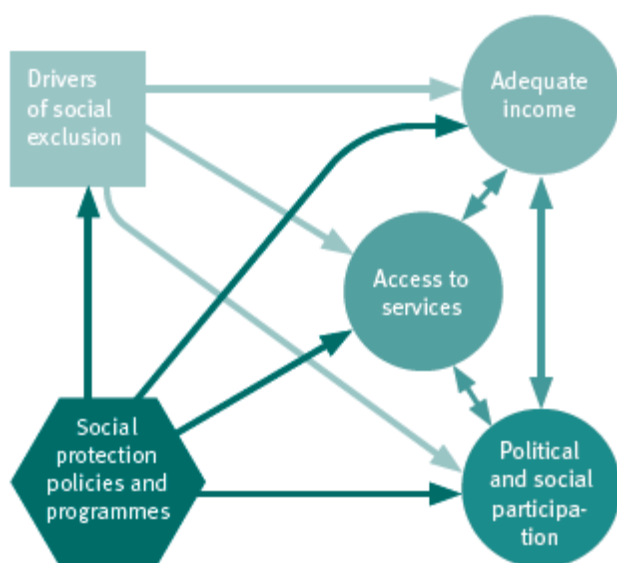
This paper uses social exclusion as a framework to conceptualise deprivation and establish the mechanisms that produce and reproduce it. The term ‘social exclusion’ originated in European social policy literature dating back to the 1970s (Percy-Smith, 2000) and, as a framework, offers an alternative lens for conceptualising poverty and inequality (e.g. moving away from an income-dominated perspective), denoting inadequate participation of individuals in key aspects of their society. Here, exclusion refers to multiple forms of economic and social disadvantage caused by various factors, including inadequate income, poor health, geographic location and cultural identification (Burchardt et al., 2002). As Silver (2007) states, social exclusion is a dynamic process that ‘precludes full participation in the normatively prescribed activities of a given society and denies access to information, resources, sociability, recognition, and identity, eroding self-respect and reducing capabilities to achieve personal goals’ (p.1). Social exclusion affects both the quality of life of individuals and the equity and cohesion of society as a whole (Levitas et al., 2007, cited in Islam and Nath, 2012).

The main analytical strength of the social exclusion framework is its emphasis of linkages between wellbeing and broader conditions and factors that affect different dimensions of that wellbeing. In de Haan's categorisation (1999), social exclusion can be used to describe 'outcomes of deprivation' and 'processes of deprivation'. By focusing on deprivation outcomes, the concept of social exclusion exposes the extent of deprivation people may experience. It also identifies multiple, income and non-income, dimensions of deprivation. It therefore shows people may be excluded from employment, productive resources and economic opportunities, but also have limited access to education and health care, public utilities and decent housing, social and cultural participation, security, political rights, voice and representation. In general, people are deprived in more than one, and possibly in many, dimensions (Ruggeri Laderchi et al., 2003).

In addition to exposing multiple deprivations, the social exclusion framework identifies processes that cause them in a dynamic way (Paugam, 1996). In contrast with the 'monetary' poverty approach, social exclusion 'focuses intrinsically, rather than as an add-on, on the processes and dynamics that allow deprivation to arise and persist' (Ruggeri Laderchi et al., 2003: 23). The framework is therefore well suited to understanding broader, structural factors that cause deprivation. It 'drives attention away from attributing poverty to personal failings and directs attention towards societal structures' (Gore and Figueiredo, 1997: 43). Therefore, it accentuates the interconnectedness of human wellbeing and broader conditions, including policies, social relations and norms and values that produce and reproduce various forms of deprivation.

The concept of social exclusion is a useful lens for researching and analysing the effects of social protection interventions. Its application to social protection allows for greater emphasis on the local context and the integration of detailed and multiple contextual analyses of vulnerability and deprivation. The framework suggests social protection interventions be assessed against their ability to address both the outcomes and the drivers of social exclusion. Figure 1 provides a schematic representation of these dimensions. It shows that the drivers of social exclusion produce outcomes of social exclusion. These dimensions are categorised in three dimensions: adequate income; access to services; and political and social participation. In theory, social protection can affect the drivers and outcomes of social exclusion.

Figure 1: Social protection and social exclusion



Source: Babajanian and Hagen-Zanker (2012).

The analysis looks first at *outcomes*, specifically, the extent to which an intervention contributes to enhancing different wellbeing dimensions. For example, it is assumed that cash transfers can help promote inclusion in various dimensions of wellbeing. Increased income can enable individuals to attain adequate food and access health care, education and other key services. Improved economic status can result in a better ability to participate in important social activities. This, in turn, can help foster and strengthen social capital. This research will consider different outcomes of social exclusion (see the next section) and the extent to which the Child Grant has reduced different dimensions of social exclusion.

Then we explore *drivers* of deprivation and exclusion. The analysis identifies the extent to which the intervention tackles the factors that limit individual ability to generate sufficient income, access essential services and take part in social and public life. It should be noted that social protection can improve social exclusion outcomes without necessarily addressing these drivers, and that it cannot be expected that social protection will change these drivers. Our research looks at the extent to which the Child Grant has tackled specific drivers of social exclusion through design and implementation. In particular, the identification of different drivers of social exclusion can establish the limits of the social protection intervention in question and identify institutional arrangements that can tackle different dimensions of exclusion more effectively.

2.3 Objectives of the research

The objective of this research is to examine how social protection programmes may or may not contribute to the overarching goals of inclusion, participation and state–society relations, and to examine what the key barriers or opportunities are to enhancing the effectiveness of social protection for marginalised groups.

The research has five specific research objectives:

- To assess how much social protection enhances household consumption and food security;
- To assess how much social protection improves access to and utilisation of basic services, including health and education;
- To examine the potential for social protection to enhance labour market and economic opportunities for socially excluded individuals;
- To assess how much social protection can support social relations and participation in local communities; and
- To explore the change in perceptions towards local and central government of citizens receiving social protection.

In assessing the effects of the Child Grant, this study generated evidence on the context-related economic, social and institutional factors that mediated its impact. While there is relatively more empirical evidence on the first three objectives, this study is unique in that it brings these dimensions together in one study and analyses the underlying drivers of exclusion. The research on the Child Grant fills a concrete research gap in the literature – testing assumptions about the role social protection can play in contributing to transformative changes in people’s well-being. There are few detailed contextual studies on the effects of social protection on social exclusion/inclusion. Therefore, there is a real need to document what works in what settings in order to inform the theory, policy and practice of social protection.

2.4 The case study: the Child Grant

The Child Grant seeks to contribute to promoting social inclusion in Nepal. It is targeted at a particularly vulnerable demographic – families with children under the age of five – and has universal coverage in Karnali, one of the remotest areas of the country, one that also has high levels of social exclusion (see Section 3). The 2007 Interim Constitution details the need for the government of Nepal to formulate policy and design

programmes to address the socially excluded population; development partners sees the Child Grant as an example of such a policy. A universal child benefit could be seen as a ‘peace dividend’ and as demonstrating a unifying, post-conflict move towards social cohesion, in addition to reinforcing a rights-based culture (Koehler et al., 2009; UNICEF, 2010a).

Box 1: The Child Grant in brief

Objective

- To support the nutrition of children under the age of five

Target group

- All children in Karnali and the children of poor Dalits in the rest of Nepal below five years of age

Transfer amount and frequency

- NRs 200 (\$2) per child per month, distributed three times a year

Number of beneficiaries

- In 2012/13, 551,916 beneficiaries in Nepal, with 90,349 of these from Karnali

Budget allocated

- In 2013, NRs 1,324,598,400, or 0.36% of the national budget in Fiscal Year 2013

Implementing agency

- Ministry of Local Development, District Development Councils and Village Development Councils

Source: MoFALD (2013); MoLD (2009).

While there have been a number of studies focusing on the implementation, sensitisation campaigns and birth registration of the grant (e.g. Rana, 2012; UNICEF, 2010a; 2012; n.d.), to date there has been no impact assessment of the Child Grant.

The Nepali government launched the Child Grant as a new social protection instrument in the national budget speech in 2009 (2009 AD/2010 B.S.). Its objectives are clearly outlined:

To bring about improvement in the condition of childcare in poor and highly backward families, ‘Child Protection Grant’ of Rs. 200 per month per child under the age of 5 for up to 2 children of every disadvantaged Dalit families and all families in Karnali Zone will be provided from mid-October 2009. Such grant can be used only for the nutrition of the children and will be provided either to mother or to guardian in absence of the mother (Ministry of Finance, 2009).

The Child Grant was rolled out from October 2009. It is universal in Karnali¹ and is provided to all households with eligible children, and is targeted at Dalit households in the rest of the country. In 2012/13, it covered 551,916 children in Nepal (approximately 21.5% of the population of children aged less than five), with 90,349 of these being from Karnali. It is a rights-based transfer (for two children under the age of five), and eligibility starts when a child’s birth is registered and expires on their fifth birthday.

¹ In Fiscal Year 2013/14, universal coverage was extended to Bajura and Bajhang districts.

A cash amount of NRs 200 (\$2) per child is distributed per month to at most two children under the age of five from the same mother. This means that, at the most, a household will receive NRs 4,800 (\$47) annually. If a household has more than two children, preference is given to female children. However, while the budget speech emphasises that the grant is to be used for nutrition, there are no stipulations on how the transfer should be spent or on whom, which means that this stipulation is no real constraint. The transfer is unconditional.

Birth registration is encouraged to access the grant.² No further services or support are provided, but the UN Children’s Fund (UNICEF) has run a complementary sensitisation campaign to create awareness, launch a birth registration campaign, provide nutrition-related training and awareness and develop the institutional capacity of local bodies in implementing the grant (UNICEF, n.d.).

The grant implementers are the Ministry of Federal Affairs and Local Development (MoFALD), District Development Committees (DDCs) and Village Development Committees (VDCs). Annex 2 gives further details of the implementation of the grant, and Box 1 gives a summary.

2.5 Theory of change of the Child Grant case study

The social exclusion framework discussed above was used to identify the theory of change for the Child Grant. Specifically, we wanted to know what the Child Grant was contributing to addressing both drivers and outcomes of social exclusion – as Figure 1 above showed.

The Child Grant is a cash transfer, hence the expected direct output of the intervention is an increase in income. This in turn can lead to a number of outcomes. In particular, the receipt of a cash transfer can increase household expenditure, food security and access to basic services through higher income; improve economic livelihood opportunities; enable greater social participation; and influence state–society relations. We developed the theory of change of the Child Grant on the basis of the explicit, stated programme objectives (direct outcomes) as well as implicit objectives, which were not articulated specifically by the programme, but that can nevertheless be hypothesized for a cash transfer (indirect outcomes). These are shown in the table below, grouped by the specific outcome dimensions and hypotheses that were tested.

² Other forms of identification are also accepted.

Table 1: Outcome dimensions and indicators

Direct Effects (explicit objectives)	Indirect Effects (implicit objectives)
<p>Household income, expenditure and food security <i>Hypothesis:</i> The Child Grant provides income support and thus improves household expenditure and food security <i>Indicators:</i></p> <ul style="list-style-type: none"> • Food security • Pattern of income and expenditure 	<p>Access to economic opportunities <i>Hypothesis:</i> Increased income enhances the capacity of households to invest in productive resources, undertake economic activities and generate income <i>Indicators:</i></p> <ul style="list-style-type: none"> • Ability to invest in productive assets • Ability to undertake additional activities or expand existing activities • Ability to earn income from agriculture and business
<p>Access to and utilisation of services <i>Hypothesis:</i> Increased income enhances the capacity of households to access and utilise basic services <i>Indicators:</i></p> <ul style="list-style-type: none"> • Access to and utilisation of education services (dropout and pattern of attendance at school; education expenditure) • Access to and utilisation of local health services and patterns of health service (type of service used; health expenditure) 	<p>Social relations <i>Hypotheses:</i> Increased income enables household members to bear the cost of participation in social activities and this enhances their participation in community activities <i>Indicators:</i></p> <ul style="list-style-type: none"> • Participation in social activities • Participation in community activities
	<p>State–society relations <i>Hypotheses:</i></p> <ul style="list-style-type: none"> • Receipt of a transfer from the government leads to a positive perception of the government among the recipients • If poorly implemented, the transfer may lead to negative perceptions of the state <p><i>Indicators:</i></p> <ul style="list-style-type: none"> • Perceptions of government’s role and commitment to addressing needs • Experience of dealing with local and central government representatives

As discussed above in the conceptual framework, this research takes a dynamic approach to understanding poverty, from a multidimensional and structural perspective. One advantage of the social exclusion framework is its simultaneous emphasis on multidimensional aspects of deprivation and their causes. In particular, analysis of deprivation using the social exclusion lens can expose social and institutional factors that translate into inadequate income, such as landlessness or discrimination. Our hypotheses and research approach thus incorporate a social exclusion analysis to examine the assumptions, to explain why interventions may not always translate into the expected outcomes. Explaining these results entails understanding where and why potential blockages occur. For instance, are they a result of challenges in design or challenges in implementation? What role do structural inequalities play in explaining the outcomes? To what extent do exogenous factors affect intervention outputs and outcomes (for instance natural disasters or general economic conditions)?

3 Poverty and social exclusion in Nepal

This section gives a more detailed overview of specific patterns of poverty and social exclusion in Nepal. We start off by presenting detailed indicators on exclusion from income, exclusion from services and exclusion from participation, before discussing some of the main drivers of exclusion. We then discuss patterns of social exclusion specific to the Karnali region and policy responses of the Nepali government.

3.1 Outcomes of social exclusion

There are multiple monetary and non-monetary dimensions of income in Nepal, and lack of income often coincides with higher levels of malnutrition, higher work burdens, lower education levels and a lack of financial means to pay for medication and other expenditures (ADB, 2010). Income poverty, and other indicators of social

Box 2: Ethnicity and caste in Nepal

Ethnicity and caste are intertwined in Nepal. In very general terms, the 'high caste' consists of Brahman and Chhetri in hill and Brahman, Rajput, Bhumihar in Terai. Newar (also an ethnicity) are usually considered to be the 'middle caste'. There are 59 Adivasi/Janajati (indigenous groups) who are not part of the caste system however they are usually considered middle caste. The majority of Madhesi, like Yadav, Teli, are also in the middle category. The 'low caste' category consists of Dalits of the hill and Terai both which consists of more than 30 sub categories. Muslims, the religious minority, do not come under caste system but are considered an excluded group on the basis of religion.

exclusion, is higher for women, those from excluded social groups and those living in remote or the Mid-Western region. Table 2 gives an overview of the characteristics that generally result in greater social exclusion. Exclusion is more intense in cases where different characteristics overlap (UNDP, 2009). Following the framework outlined in Section 2, we now consider exclusion from income, exclusion from services and exclusion from participation.

Table 2: Dimensions of exclusions in Nepal

Social category	Gender	Caste	Ethnicity	Language	Religion	Geopolitical
Dominant	Men/boys	Tagadhari: Brahman, Chhetri	Caucasian	Nepali	Hindu	Parbatiya (Hill dweller)
Subordinate	Women/girls	Dalit	Janajati/ East Asian	Other	Non-Hindu	Madhesi (Plains dweller)

Source: World Bank (2006).

3.1.1 Exclusion from income

Exclusion from income is prevalent in Nepal. This does not mean particular social groups are entirely excluded from earning income more generally, but they are excluded from specific economic opportunities, particularly those with higher rewards, or they earn less for the same economic activity.

Women are consistently excluded from income. Women's access to markets, employment and productive assets is limited, and their incomes are lower than those of men in all sectors (UNDP, 2009). Female-headed households are more likely to be food-insecure and to have lower levels of wealth (Upreti et al., forthcoming). More women than men work in (subsistence) agriculture (89%; men 70%), and men often migrate to economically more attractive regions, away from mountainous areas (ibid.). Opportunities to earn income by migrating to a different region/country are much more limited for women (Hagen-Zanker et al., forthcoming). Women are not recognised as autonomous farmers and therefore are not included in extension services (ADB, 2010).

Second, people from particular castes/ethnicities experience especially high levels of economic and social deprivation. The Dalit, Hill Janajati and Muslim groups experienced the lowest decline in poverty between 1995/96 and 2003/04 (ADB, 2009). As Table A3.1 (Annex 3) shows, specific caste/ethnic groups have higher levels of income poverty. Households from marginalised ethnic groups are more likely to be food-insecure and to have lower levels of wealth (Upreti et al., forthcoming). It is often argued that this situation can be ascribed to the fact that lower castes are less endowed with resources. For instance, their educational attainment is lower than that of Brahmans/Chhetri, which limits their future engagement in productive occupations.

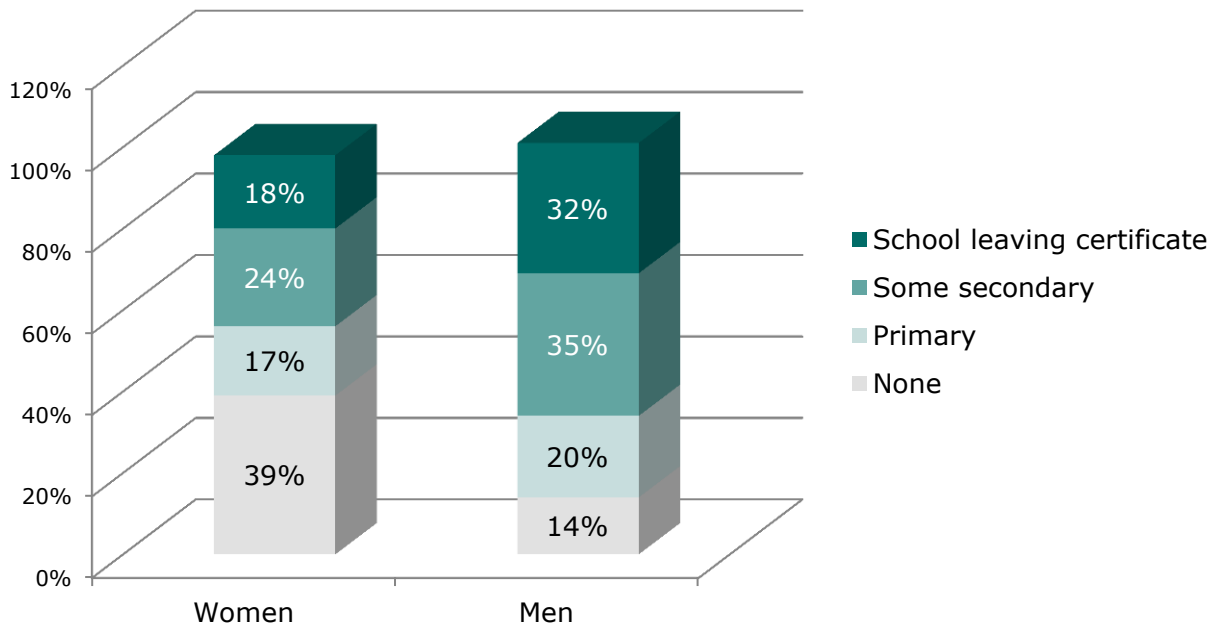
Discrimination based on caste also occurs within occupations; for instance, Dalit and Janajati teachers receive lower wages than men and other groups (ADB, 2010). Members of the Dalit caste traditionally work as agricultural labourers, blacksmiths, sweepers, shoemakers, tailors and gold workers (Bennet, 2005; IOD PARC, 2013) – occupations with lower incomes. A disproportionately large number of Dalit, Adivasi, Janajati and women belong to the landless population (ADB, 2010).

3.1.2 Exclusion from basic services

Exclusion from basic services because of gender, location and caste is still prevalent in Nepal. Access to education diverges greatly for different castes, ethnic groups, regions and boys and girls. A full 40% of women have no education at all (Government of Nepal, 2012). Figure 2 shows the extent of differences in educational outcomes for men and women. Education outcomes also diverge for ethnic, regional and caste groups. Literacy ranges from 92.8% for Brahmin to 17.2% among Madhesi Dalit women. Among Dalit women in the Terai belt, literacy is only 17%, which is the lowest compared with the national average among women of 55%. The difference from the national male average, at 81%, is even higher (ADB, 2010). The gender difference is most extreme for the Madhesi group, with men at 72% and women 24% (ibid.).

There have been some improvements in girls' education at primary level, but the gender gap widens after Grade 5 (cited in Holmes et al., forthcoming). Only 17.9% of girls attain secondary level education or higher, compared with 39.9% of boys (UNDP, 2013). Most out-of-school children are girls; Dalit and disadvantaged Janajati are overrepresented compared with other castes (ibid.).

Figure 2: Educational attainment by gender, 2012



Source: Based on Government of Nepal (2012).

Child labour is frequent and deprives children of their right to education. Most child labourers work in agriculture, often as bonded labourers (UNICEF, 2010a). In 2009, the Central Child Welfare Board found that, of the estimated 1.4 million child workers (aged 5-14), 95% came from rural areas UNICEF, 2010, p. 39. Many children work in hazardous sectors, which include mining or factory work (ibid.). Meanwhile, there are differences in the prevalence of child labour between ethnic groups. The percentage of child labour is the highest among Dalit children, at 60.4%, closely followed by Muslim children (58.4%). Muslim children show the highest proportion (30%) of children in hazardous occupations; the second is Dalit children (27.6%) (ILO, 2012).

Provision of health services suffers from staff shortages and barriers in language and culture (ADB, 2009). Women have particularly bad reproductive health (UNDP, 2009). Antenatal care increased from 67% in 1996 to 80.9% in 2001 (urban), but only from 39.4% to 46.1% in rural areas (Bennet, 2005). Further, access to maternal health facilities is correlated with caste and ethnicity (Langford and Bhattarai, 2011). Women from higher castes have better health outcomes and greater access to antenatal care.

Unequal access to services leads to substantial differences in health outcomes. Infant mortality and under-five mortality rates are the best for the Newar and the worst among the Dalit (World Bank, 2006). Brahmans live 11 to 12 years longer than Dalits (Babajanian, 2012). Mothers without education and those from the lowest wealth quintile are more likely to have smaller than average children' (ibid). Their children also have lower immunisation rates (Government of Nepal, 2012).

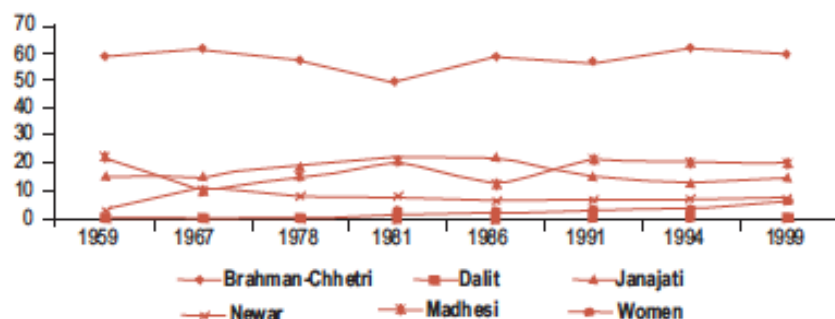
3.1.3 Exclusion from social and political participation

Exclusion from social participation (i.e. participation in social events and festivities) and politics and lack of political representation are a reality for disadvantaged groups.

The 1990 Constitution established multiparty democracy and described Nepal as a multi-ethnic, multilingual and democratic state, with all citizens equal. However, advantaged groups continue to dominate political parties (ADB, 2010) (see also Figure 3). Dalit and other low-caste groups face obstacles in participating in the overall political system as well as in accessing government services, resources and opportunities (UNDP, 2009). The

participation of women, as well as other excluded groups, in governance is higher at local than at central level but generally remains low (World Bank, 2006).

Figure 3: Ethnic/caste and gender representation in parliament, 1959-1999



Source: World Bank (2006).

Some ethnicities (like the Chamar, the Mushahar and the Tatma) face problems in obtaining citizenship rights, which is linked to difficulties in obtaining official documents. This hampers further engagement with the government, for example in accessing official documents (such as birth certificates) and being able to register land ownership (UNDP, 2009).

The elections of 2008 were considered a success as they delivered an ‘inclusive’ assembly, reflecting the diversity of Nepali society, including representatives from marginalised groups as well as women (Particip and Niras, 2012). However, the majority of women in politics come from high castes and privileged backgrounds. Male participation in local development services is 1.6 times higher than that of women (Bennet, 2005). Men try to influence the institutions delivering services to them 2.7 times more often than women do, and are 4.8 times more successful in their attempts than women (World Bank, 2006).³

Caste is still a strong influential factor in interpersonal relations in Nepali society (Bennet, 2005). In a study on Measuring Empowerment and Social Inclusion (MESI), 90% of Brahman, Chhetri and Newar said they had never experienced restriction or intimidation in public (ibid.). For the most deprived caste, the Dalit, 20% reported experiencing high levels of restriction or intimidation; all Dalit reported experiencing it to some degree (ibid.). Caste-based discrimination occurs in most aspects of life; for example, in some cases, higher castes still refuse to use the same water sources as, or try to avoid direct contact and touching of Dalits (ibid.).

3.1.4 Drivers of social exclusion

The social exclusion framework in Section 2 discussed the societal factors that produce and reproduce various forms of social exclusion, including policies, social relations, norms and values. We now discuss the specific drivers of exclusion that exist in Nepal. According to the UN Development Programme (UNDP) (2009), a number of sources of exclusion exist in Nepal, including:

- Unequal gender relations;
- Caste and ethnic discrimination, as a result of both social stratification and norms and practices;
- Language discrimination;
- Religious differences;
- Spatial exclusion for those in remote areas (rural/urban and Hills/Plains divide);
- Geopolitical discrimination, which combines spatial and socio-political exclusion.

³ These scores are based on the composite empowerment and social inclusion indicator (see Bennet, 2005).

Discriminatory informal norms and practices constitute an important driver of exclusion (ADB, 2010). The Civil Rights Act (1955) prohibits discrimination on the grounds of ‘religion, race, sex, caste, tribe, ideological conviction or any of these’ but is not effectively implemented. Officially, caste-based discrimination was abolished in 1963, but the Hindu caste system still has a strong influence (ADB, 2010). A 2002 report on the caste system lists 205 discriminatory practices, suggesting that the norms are deeply engraved in society and, further, that the law is not enforced (ADB, 2010; Jha, 2004; UNDP, 2009). Discrimination based on religion and language is intertwined with caste and ethnicity differences. For instance, as a result of a cultural-linguistic criterion for citizenship, namely, the need to speak Nepali, many Madhesi (those speaking Awadhi, Bhojपुरi and Maithili dialects) face obstacles in obtaining citizenship (UNDP, 2009). Further, Nepali women cannot transfer citizenship to their children (Bennet, 2005).

Patriarchal norms are deeply embedded – ‘not only in social and cultural practices, but also in Nepal’s systems of governance and its legal framework, permeating all aspects of the lives of women and girls’ (UNDP, 2009: 19). Women are generally perceived as ‘caretaker, house worker and subordinate to men’, which impedes access to opportunities and empowerment and limits their ‘access to land ownership, housing, education, health care and participation in decision making process at household as well as society, formal and informal institutions and policy level’ (IOD PARC, 2013, p. 88). Women’s rights to own property and inherit property were limited until recently (UNDP, 2009).

Table A3.2 in Annex 3 gives an overview of the main drivers and outcomes of social exclusion in Nepal.

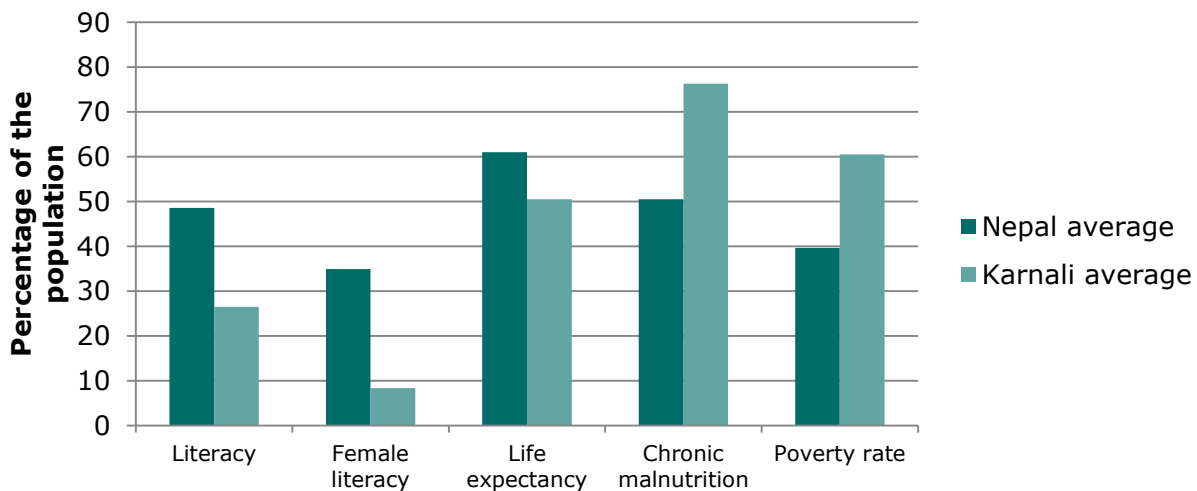
3.2 Poverty and social exclusion in Karnali

Karnali lies in the Mid-Western development region (NPC, 2011) and consist of five districts (Dolpa, Humla, Jumla, Kalikot and Mugu). It is sparsely populated, the landscape is rugged, rainfall is low and its soil is of poor quality, with only 1% considered arable (Wickeri, 2011). A total of 45% of Karnali lies above 4,500m and is covered by snow for the greatest part of the year. Karnali has a poor transportation system and is dependent on irregular air transportation to bring in food supplies. Economic activity is limited because of poor access to fertilisers (the lowest rates nationally) and poor infrastructure such as roads and irrigation systems (ADB, 2009; IRIN, 2013). More than a third of the rural population needs more than four hours to reach a weather-proof road (World Bank, 2013).

It is clear that geography is a major driver of exclusion (Bennet, 2005; Gurung and Kollmair, 2005). Further, owing to Karnali’s location, traditions and customs based on the caste system still dominate everyday life (IOD PARC et al., 2013; UNDP, 2009; World Bank, 2006). The region has large numbers of excluded groups. For example, Kalikot has the largest Dalit population in Nepal.

Households in Karnali show worse outcomes on most socioeconomic indicators than the rest of the country. Poverty and chronic malnutrition is higher and literacy and live expectancy is lower (see Figure 4).

Figure 4: Socio-development indicators of Karnali region compared with the rest of the country



Note: Poverty rate based on national poverty line.
Source: UNDP (2004).

Further, the population of Karnali has the worst access to basic services and standard of living, greater non-food inequality, greater poverty, higher adult illiteracy and lower remittances, all of which can be ascribed mainly to its remoteness (DFID, n.d.). The population is food-secure in only three to six months of the year, which results in food insecurity pockets of 40% (the national average is 15%) (Paudel et al., 2010; UNDP, 2013). Consequently, it is dependent on external assistance in the form of food supply and general support (Paudel et al., 2010). Basic services, from transportation to primary health care and drinking water supply, are patchy or unavailable (Babajanian, 2012; UNICEF, 2010a). More than 50% of the population lives more than an hour away from the closest facility (DFID, n.d.). This has clear impacts on health outcomes: for example, infant mortality is more than twice the national average (NPC, 2011).

3.3 Policy responses to social exclusion

The previous section showed high levels of social exclusion throughout Nepal, but particularly in Karnali. We now briefly discuss the government's policy responses in terms of social protection.

Social protection has become an increasingly prominent public policy tool in Nepal over the past two decades. While social protection, and particularly social insurance, has a long history in the country, and transfers continued to be provided during the conflict, the Nepali government has ramped up its efforts since then. By 2009, 2.1% of GDP was spent on social protection (ADB, 2013).

Social protection programming has been explicitly integrated into the broader post-conflict development and reconstruction agenda (Holmes and Uphadya, 2009; Koehler, 2011). The Interim Constitution of Nepal (2007) views employment and social security as fundamental rights of every citizen. As Koehler (2011) argues, 'the state in Nepal sees itself with responsibilities ranging from public food provision in times of distress through basic services provision, to environmental management and social inclusion' (p.17). Social protection is thus broadly defined with a wide range of objectives, from increasing income and food security to overcoming social exclusion and assisting with the process of political healing (ibid.).

While donors and international non-governmental organisations (NGOs) continue to play an important role in the promotion, design and – to some extent – implementation of social protection, it is now mainly government that designs, funds and implements it. According to the Ministry of Finance, 95% of social protection in 2011/12

was funded by government (Upreti et al., 2012). Of overall expenditure, 57% in 2009/10 went on social insurance, 41% on social assistance and 2% on labour market programmes (ibid.). Social insurance, consisting mainly of provident funds and pensions limited to government sectors and some public enterprises, has low coverage, despite its high budget share. Social assistance, on the other hand, covers more than three-quarters of social protection beneficiaries (ibid.). Annex 1 gives an overview of the most important programmes.

As part of its agenda to promote social inclusion, the government has introduced various social protection programmes. At least five cash transfer programmes support socially excluded individuals by using caste- and ethnicity-based criteria as well as geographic targeting (see Annex 1). For example, Dalit across the country are eligible for special child grants and educational scholarships. Dalit and all residents of the remote Karnali zone are also entitled to non-contributory pensions at the age of 60; the age threshold for the rest of the population has been set at 70 years. Households in Karnali also have access to the Karnali Employment Programme, while ‘endangered’ indigenous people, comprising 10 ethnic groups, are eligible for a specific cash transfer. While the Child Grant is the lowest benefit, others also provide fairly low transfer. It is not clear to what extent existing social transfers contribute to social inclusion in Nepal.

4 Research methodology and description of the sample

This study was designed to be a mixed methods study, with quantitative and qualitative research tools combined to undertake the primary empirical research. The research was conducted in all five districts of Karnali zone in May-June 2012 – about a year and a half after the Child Grant was first started. The sample size for the quantitative study was 2,040 households in total (1,694 beneficiary households; 346 non-beneficiary households). Unique to the Nepal case study, in December 2013, a second, follow-up, fieldwork trip was conducted to validate the findings at the local level, as well as to collect additional data.

The quantitative assessment used a comparison between the treatment households (beneficiary households) and control households (non-beneficiary households) to establish the impacts of the intervention, using quasi-experimental methods (Propensity Score Matching (PSM)). The quantitative data were also used to create description statistics on beneficiaries' perceptions and experiences of the Child Grant and differences between the groups. This was complemented by the qualitative fieldwork. Here, we conducted focus group discussions (FGDs), in-depth interviews (IDIs) and key informant interviews (KIIs) and collected detailed information on implementation of the Child Grant, effects on the household level and broader contextual data.

4.1 Sampling

The sampling strategy was designed to cover the entire Karnali area. The research thus covered five districts in North-Eastern Nepal (see Figure 5). The objective of the sampling strategy was to cover as many locations in the district as possible in order to give a broad picture of the effects of the Child Grant. While we cannot claim representativeness of the findings for the Karnali region, a randomised process was employed at different stages of sampling to ensure the findings give a broad picture of the region.

The sampling strategy included three distinct steps:

1. Selection of districts and VDCs;
2. Selection of enumeration areas;
3. Selection of households.

The sampling frame was based on the 2001 Population Census.⁴ Karnali is divided into five districts, and the survey covered all of them. It has 134 VDCs⁵ in total; 34 were included in this research in order to cover a quarter of VDCs in the study area. The number of VDCs sampled per district was determined in proportion to the population of the district. The VDCs were then randomly selected by district to greater ensure representativeness.

⁴ We were unable to use the 2011 Census as the published data did not include population data on the VDC and ward level.

⁵ VDCs are the lowest administrative level of government. They are divided into nine wards.

Figure 5: Map of sampled area



The next step was to select enumeration areas. These were at the lowest administrative unit – that of wards. Each VDC has nine wards and three of these were randomly selected in the randomly determined VDCs. This again ensured greater coverage of the survey and representativeness of the findings. Both quantitative and qualitative interviews were conducted at ward level.

In order to randomly select survey participants for the household survey, we conducted a population listing in all selected wards. All households in the wards were listed and a brief questionnaire was administered. During the listing process, we collected background information from each household, including receipt of the Child Grant and presence of children aged 0-10 years. Using the information on Child Grant receipt and presence of children from the household listing, all the listed households were stratified into beneficiary or ‘treatment’ households and non-beneficiary or ‘control’ households.

We carefully considered potential control groups, with no obvious choices, since the Child Grant is universal. After much discussion and consultation, the research team decided to use households with children aged five to ten years and no children aged less than five as the control group. These households do not currently receive the Child Grant and, having fairly young children, face similar economic and social challenges as the beneficiary group. As is shown in Section 4.4, and Table A4.2 in Annex 4, the two groups are generally quite similar in terms of wealth and demographics,

A total of 20 households were sampled in each ward. The number of households to be interviewed as participants and non-participants depended on the population size of each category in the respective ward. The required number of households was randomly sampled from the list for both categories. This means that, for both categories, we sampled households across the entire spectrum of income and ethnicity.

In each VDC, 60 households were interviewed (20 per ward). The respondents were mostly mothers of beneficiaries. In total 2,040 households were successfully interviewed from 5 districts of Karnali zone. Of the selected households, 1,694 were beneficiary households and 346 were non-beneficiaries of the Child Grant. Section 4.4 describes the sample in more detail.

After completion of the fieldwork, the data collected were entered using CSPro data entry software. In order to ensure high data quality, we used a double entry system.

4.2 Quantitative research methodology

The objective of the household survey was to obtain a clear picture of household livelihoods, living conditions, poverty, use of services, discrimination experiences and perceptions of government, as well to assess the contribution of the Child Grant to reducing social exclusion. We piloted a detailed household survey on these issues (124 questions) and then administered it to beneficiaries and the control group. As this was neither a panel nor a randomised control study, the research design explicitly included a control group in the survey in order to enable a quasi-experimental assessment of impact.

The quantitative analysis involved two distinct stages. In the first stage, detailed descriptive statistics were produced, measuring statistical significance of differences between the control and the treatment group. The results were grouped around the outcome dimensions, as described in the analytical framework in Section 2. The findings from the descriptive statistics were then used as a basis for the next stage. Those outcome variables that showed differences between the groups were included in the econometric analysis.

The objective of the econometric analysis is to discern whether the Child Grant has had an impact in terms of improving social inclusion, on the outcome indicators outlined in Section 2. Impact in this context can be defined as the difference between specific outcome indicators for the beneficiary and the non-beneficiary groups. The non-beneficiary group is taken as a proxy for an actual counterfactual and was selected carefully to be similar to the beneficiary group, apart from not receiving the treatment. As highlighted above, our design is *ex-post* quasi-experimental – the data are collected after treatment has taken place and we have neither baseline nor panel data. Hence, we employed PSM, which is a well-regarded quasi-experimental research method, to measure impact.

When comparing outcomes for the control and the treatment group, the results will be biased, as there may be observed (i.e. ‘measurable’) and unobserved differences between the groups that we have not controlled for. The PSM approach (Rosenbaum and Rubin, 1983; Rubin, 1974) seeks to eliminate the observed bias by comparing each beneficiary household with a very similar non-beneficiary counterpart based on characteristics that do not influence the outcome variable – called pre-treatment factors (resulting in a so-called propensity score). Beneficiary and non-beneficiary households are ‘matched’ on the basis of their propensity score and their outcomes are compared. The difference in outcomes can then be attributed to the intervention – to the extent that there are not unobservable differences across groups.

Propensity scores are defined as the probability that a person would participate in the programme given a set of pre-treatment variables. The objective of the pre-treatment variable is to measure the likelihood of receiving treatment – which in this case relates to indicators correlated with having young children. In doing so, it is important to consider what factors may make control households distinct from treated units aside from receipt of the programme itself. One obvious set of factors to include in PSM estimation includes explicit criteria used in determining participation in the intervention, such as a project or programme’s eligibility or admission criteria (factors associated with both self-selection and administrative selection). The pre-treatment variables that were found to correlate well with having young children were:

- Household size;
- Age of household head;
- Gender of household head;
- Religion dummies;
- Ethnicity dummies;
- Head is female;

-
- Number of rooms in household;
 - Number of children less than 6 years;
 - Number of children 6-10 years;
 - Number of children 11-15 years.

Some pre-treatment variables were excluded in the analysis of a particular outcome variable, either because they were not different between treatment and control groups or because they affected the outcome. We also included dummies for some of the continuous variables to ensure a better match.

The pre-treatment variables used to calculate the propensity score have to meet a number of assumptions, all of which were considered here. First, they have to satisfy the conditional independence assumption (CIA). This means the pre-treatment variables should not affect the outcomes we are estimating. The pre-treatment variables were carefully selected to meet this condition. Some of these always remain fixed (e.g. religion, caste). In order to obtain a balanced group, we used the higher-order terms of the continuous covariates and cross-products of the pre-treatment variables.

Second, PSM also requires so-called ‘common support’, which means treatment and control households have a similar distribution of propensity scores.⁶ We decided to exclude observations that were ‘off’ common support, thereby strengthening the analysis. We generally had strong common support, although for some analyses we had to exclude a significant share of control households off common support (up to 318 observations).

Third, we passed the balancing property with our choice of pre-treatment variables, according to which households with the same propensity score must show the same distribution of pre-treatment variables. In other words, the balancing property is satisfied when the pre-treatment variables are all statistically the same between the beneficiary and the non-beneficiary groups. We examine this by comparing the differences (called standardised percentage bias) across pre-treatment variables, before and after matching.⁷ These show that, for the majority of pre-treatment variables, which were dissimilar (the majority of the mean values are significantly different between the beneficiary and the non-beneficiary groups) before matching, they were more similar after matching (mean values are statistically the same between the beneficiary and the non-beneficiary groups).⁸

As the above tests have shown that the results are valid, we can now match households and calculate impact. Different matching algorithms are available to match treated and control observation with the estimated propensity scores. We employed nearest neighbour matching and kernel matching. The former selects households in the control group as matching partners for beneficiaries, on the basis of the closest propensity scores (Abadie et al., 2004; Abadie and Imbens, 2006). In order to ensure robustness of the findings, we applied kernel matching as a second matching method. We used matching with replacement.

Once households are matched, average effect of treatment on the treated (ATT) is calculated. This is a measure of the impact the Child Grant has had on the specified outcomes for the treatment group. The results were also tested for statistical significance. The PSM results are presented in Sections 5-10, together with the other findings.

The Stata software was used to conduct the quantitative analysis.

⁶ More specifically, in order to calculate the difference in mean outcomes, there must be a positive probability of finding both a treated and an untreated subject or unit to ensure each treated unit can be matched with an untreated unit. If some units in the treatment group have combinations of characteristics that cannot be matched by those of units in the comparison group, it is not possible to construct a counterfactual, and therefore the impact for this subgroup cannot be accurately estimated. This is commonly known as the common support or overlap condition.

⁷ The figures and detailed results can be requested from the authors.

⁸ We also considered the summary indicators (mean, median etc.) of the distribution of absolute bias before and after matching as well as the Pseudo R2 from probit of treatment on the pre-treatment variables before matching and on matched samples.

4.3 Qualitative research methodology

The qualitative fieldwork collected detailed information on the implementation of the Child Grant, as well as effects of the grant at the household level. The initial qualitative research was conducted in 34 VDC locations between May and June 2012. It included 27 FGDs with beneficiaries, 23 KIIs with stakeholders and 30 IDIs. The findings were validated and additional follow-up research was conducted in December 2013, including two FGDs with beneficiaries and 5 KIIs.

The FGDs collected information and perceptions on the use of Child Grant and its effects on families, perceptions of the implementation of the grant by VDCs and suggestions on improving the policy and programme. In 2012, 26 FGDs were conducted, covering all sampling sites and different demographic groups (see Annex 6). On average, there were about ten participants in each FGD, with the majority being with female beneficiaries, 22% with men and women and 8% with men. FGDs were mostly conducted in the same VDCs as the quantitative survey. In 2013, two additional FGDs were conducted with beneficiaries.

The KIIs collected information on the objective and implementation of the Child Grant, any problems faced and possible programme improvements. KIIs were conducted with 25 informants from MoFALD, local development officers from DDCs (district-level leaders), secretaries of VDCs (local leaders), local teachers, leaders of mother groups and female community health volunteers.

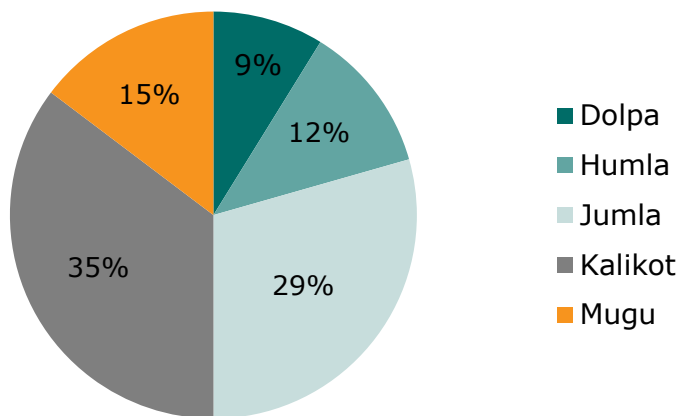
The IDIs focused on how households applied for, collected and spent the grant, as well as adequacy, effects and recipients' general perceptions of the grant and of government. A total of 22 IDIs were conducted with recipient households. The respondents were selected from FGDs and the quantitative survey.

The qualitative software was transcribed and coded in Atlas.ti software.

4.4 Description of the sample

In total, we interviewed 2,040 households, spread out over the five districts proportionally to district population size. Figure 6 shows the distribution of the sample by district. The largest sample was collected in Kalikot district. The entire sample was rural, but there was considerable variation in terms of remoteness from the district headquarters. Around 96% of households were Hindu and the majority of respondents were Chhetri, the largest social group in Nepal and Karnali. There were no significant differences in terms of ethnicity or religion across the beneficiary and non-beneficiary groups (see Table A5.5 in Annex 5).

Figure 6: Distribution of the sample by district (%)



By survey design, all respondents had children living in the household. Looking at demographic composition, there were some differences between the beneficiary and non-beneficiary groups (see Table 3). Beneficiary households were significantly larger on average and also had a significantly larger number of children. This can be explained by the fact that beneficiary households were younger, on average by three years, and hence also had more young children still living at home. Close to 8% of households were headed by females, with no statistically significant difference between groups.

In terms of household living standards, there were no major differences between groups. Close to 99% of households lived in a house made of mud-bonded bricks or stones. Almost half of the sample had a flush toilet with a septic tank (47%), with just over 20% of households not having a toilet. For 52% of the sample, a public water tap was the main water source.

Coming to livelihood activities, 99% of households owned some land (no statistically significant difference between groups), and agriculture was the main source of income for both beneficiary and non-beneficiary households. Non-farm income, particularly income from herbs collected, was also a significant income source for both groups (see Table A5.1 in Annex 5). There was no difference in literacy status of household heads, with both groups slightly below the national average at 45%.

Social protection coverage was close to universal in both groups.⁹ As Table 3 shows, on average households had received 3.5 social protection transfers in the previous three years, with beneficiary households receiving a slightly larger number; this can be explained by the larger household size. The average amount received per household member was not statistically different across both groups.

Table 3: Description of the sample

	Beneficiary	Non-beneficiary	Total sample
Household size	6.63***	5.58***	6.45
Number of children under 16 years	3.26***	2.51***	3.13
Mean age of household head	40.88***	43.62***	41.34
Share of households where household head is literate	0.45	0.45	0.45
Total transfers received in past three years (excluding Child Grant)	3.60***	3.18***	3.53
Per capita transfer received in past year (excluding Child Grant)	NRs 2439.67	NRs 2306.2	NRs 2417.03

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (* significant at 10%; ** significant at 5%; *** significant at 1%).

⁹ Only 16 non-beneficiary households (less than 5%) did not receive a social protection transfer.

5 Impacts of the Child Grant

The objective of this research was to examine how the Child Grant may or may not contribute to the overarching goals of inclusion and state–society relations. This section presents findings on the impacts of the Child Grant on various dimensions of social exclusion/inclusion. We also explore factors that might explain the findings and discuss whether the Child Grant has had an impact on drivers of social exclusion.

Five broad groups of outcomes where we can potentially see impacts are considered, and within each outcome we evaluate a range of different indicators. The outcomes are:

- Household income, expenditure and food security;
- Access to and utilisation of health and education services;
- Labour market and economic opportunities;
- Social relations;
- State–society relations.

The next sections are organised by these outcome dimensions.

Before presenting the detailed findings, we would like to note that the PSM analysis found no significant impacts on any of the outcome dimensions listed above. Table A4.1 in Annex 4 presents the full PSM results for treatment and beneficiary households,¹⁰ and for no outcome indicator do we find a significant ATT. In other words, **the Child Grant does not appear to have significantly changed any dimensions of social exclusion for beneficiary households.** The descriptive statistics and qualitative data presented in the findings sections, on the other hand, show some areas where small positive effects can be discerned.

The next section gives a brief discussion of the amount and regularity of the transfer beneficiaries received.

5.1 Experience of grant receipt

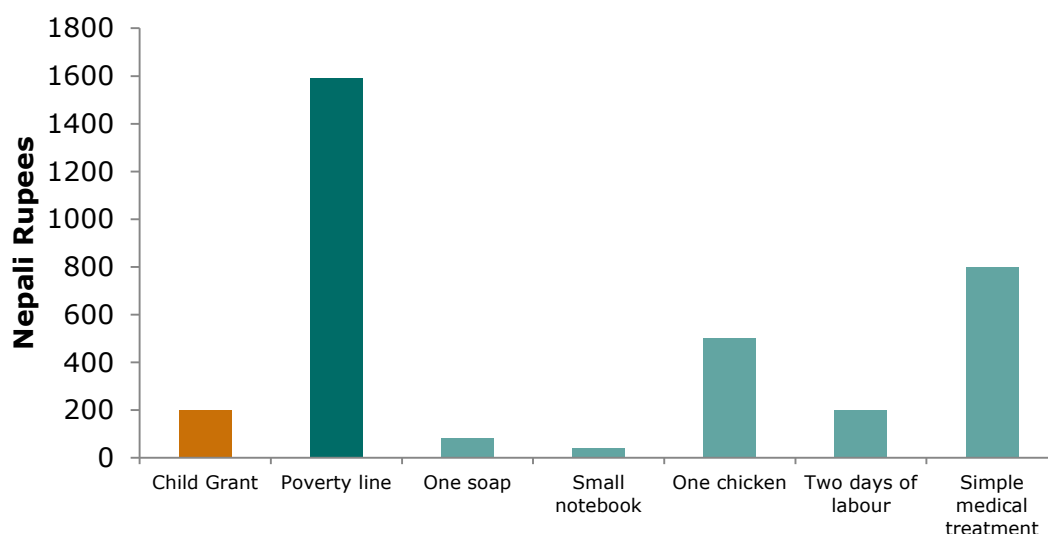
5.1.1 Value of the Child Grant

Before reviewing the impacts of the Child Grant, we briefly consider the value of the Child Grant, as this will mediate impacts. At 200 rupees per child per month, it is the lowest transfer provided by the government of Nepal. With a poverty line at NRs 53 per person per day,¹¹ the value of the Child Grant per child is only about 13% of the poverty line. Qualitative fieldwork revealed high living costs in Karnali region, given its remoteness, which reduces the value of the transfer even further. In almost all FGDs and interviews, respondents noted that the value of the Child Grant was too low to buy anything substantial or for any productive or economic use. For example, as Figure 7 shows, the value per month is less than the cost of one chicken.

¹⁰ Table 1 in Annex 4 shows the results from the PSM results using the nearest neighbour matching method and the kernel matching method. The ATT shows the impact on beneficiary households and the significance column shows that, indeed, none of the ATTs is significant.

¹¹ This is the official poverty line as defined by the Nepal Living Standards Survey (NLSS) 2010/11.

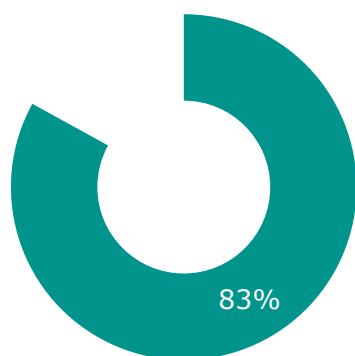
Figure 7: Relative value of Child Grant



Source: Costs based on qualitative interviews.

The second issue related to the size of the transfer is that, even though in theory mothers should receive a monthly payment of NRs 200 for up to two children, in practice households have been receiving much less. In most interviews, beneficiaries talked about not receiving the full grant amount (see also Section 5.3). The quantitative survey reveals that, of the households in the sample, only 63% had received the full value of the transfer in the previous 12 months. On average, they received only 82% of the amount they were eligible for (see Figure 8), an amount of NRs 251 per household. This means that, in practice, beneficiaries have less money available than they are entitled to, reducing potential impact.

Figure 8: Share of actual money received of official transfer value

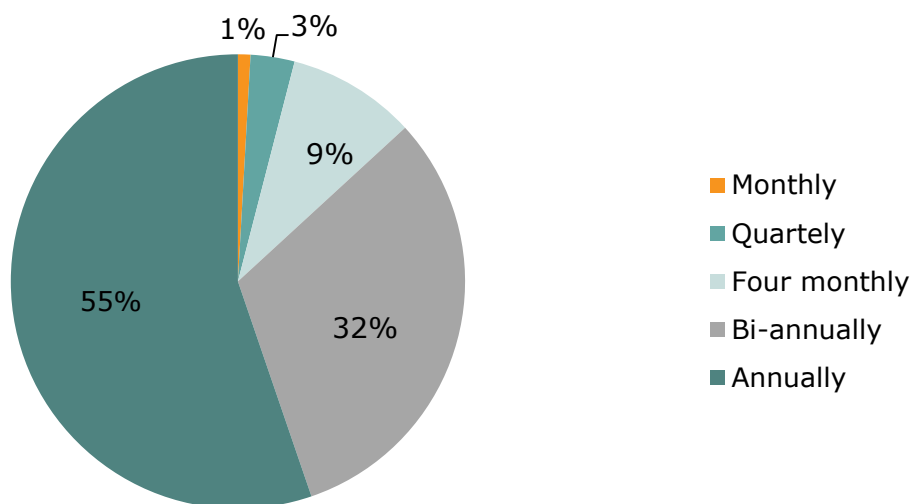


5.1.2 Regularity of the Child Grant

The Child Grant procedure requires the transfer amount to be paid every four months by the VDC secretary to the mother of the eligible children at the VDC office. However, according to FGD and IDIs, there are frequent irregularities in the distribution process, which means recipients receive the grant late and infrequently; they are also not aware when they will receive it. For example, participants from Mahelmudi VDC and Lalu VDC FGDs in Kalikot district said they received the transfer only once a year (FGD16, FGD14; Kalikot). In an FGD held in Brumma Madi Chour VDC (FGD13, Jumla), some participants said that, for some of their children, they had

still not received the grant even one year after birth registration. The quantitative survey showed that more than half of beneficiaries received the grant on an annual basis (see Figure 9). More than three-quarters of beneficiaries received a payment twice a year or less frequently, with bi-monthly transfers often combined in one or two payment rounds.

Figure 9: Frequency with which transfer has been received



Obviously, receiving the transfer infrequently, irregularly and as seldom as up to once a year means it is less helpful in meeting basic daily needs, such as food or health and education expenses. This also means beneficiaries cannot rely on the transfer and potential impacts on investments and risk-taking are bound to be limited. The international literature shows that transfers should be regular and predictable to effectively reduce poverty and vulnerability (DFID, 2011; Samuels and Jones, 2013; Slater and Farrington, 2006). Holmes and Barrientos (2009) show that cash transfers can be effective only if they facilitate households’ budget planning and are predictable.

5.2 Impacts on household income, expenditure and food security

Given the objectives of the Child Grant, in this section we consider impacts of the Child Grant on food security and on household income and expenditure patterns. Before discussing outcomes and impacts, we hold a brief discussion of fungibility – as this explains impacts.

5.2.1 Grant amount and fungibility of money

The main factor that mediates effects of cash transfers is their size. In the case of Nepal, the small value of the Child Grant is key to understanding expenditure patterns and impacts on people’s wellbeing. As we saw in Section 4.4, most beneficiaries also receive a number of other social protection transfers – on average 3.6 other transfers – amounting to NRs 2,440 monthly on average. It is clear that the average actual Child Grant payment received of NRs 251 per household is quite negligible compared with transfers received already. Further, qualitative interviews confirmed that beneficiaries viewed the transfers as income support, but not as a permanent, substantial income source (e.g. FGD2, Dolpa; FDG4, Humla; FDG9, Jumla; FDG14; FDG16 and FDG17, Kalikot).

There were a few cases of respondents reporting that they specifically used the Child Grant for a particular expense, such as school supplies; in other cases, the grant *complemented* the overall household budget and

contributed to various household expenses. The small size of the transfer implies that the full monthly grant is not sufficient in itself to finance the entire cost of relatively large items. Given the fungibility of money¹² and the low value of the grant, it is difficult to disentangle how this particular transfer has been spent.

As the impact analysis conducted for this study demonstrates, the small size means the grant *by itself* has not had a strong impact on any outcome dimensions. At the same time, the qualitative interviews showed it was a useful addition to the overall household budget and contributed to consumption smoothing.

5.2.2 Income and expenditure patterns

How have overall income and expenditure changed? According to the PSM impact evaluation, there has been no significant impact on per capita household income (see Table A4.1 in Annex 4). In other words, even though treated households have in fact received the Child Grant, this amount has not been sufficient to be able to discern a positive change in terms of their overall income compared with that of control households. The key reason for this is likely to be the low value of the transfer. As shown in Section 5.1.1, the value of the Child Grant is extremely low. With such a small transfer amount, one would not expect to see any impacts on income.

In some of the focus groups conducted, beneficiaries noted the Child Grant was insufficient to enable them to substantially increase their household consumption. For instance, participants did not feel the transfer had changed their consumption levels (FGD22, Mugu; KII1, Dolpa; FGD2, Dolpa; FGD12, Jumla). Nearly all the respondents said they had been managing expenditure even without the Child Grant, but receiving it made it a bit easier. An FGD participant opined that, *'The Child Grant Fund is like a drop in the ocean.'* (FDG1, Dolpa). Another recipient explained, *'What will happen if the Grant is not given? We will feed our children anyhow, only it will be a bit more difficult.'* (FDG26, Jumla). The same recipient said, *'We bring the amount home, spend it and it's over.'* A participant from Chandannath VDC, Jumla district, considered the amount insignificant (FDG12, Jumla). According to him, the allocated amount, NRs 200/month, was not sufficient even to purchase a litre of milk in his area. A Red Cross social mobiliser from Raralihi VDC said, *'The Child Grant amount has not helped families support their income much'* because, in Karnali, *'NRs 200 monthly is nothing where chicken meat costs NRs 500 per kg.'* (KII14, Jumla).

Despite its limited monetary value, most respondents felt that the Child Grant contributed to the household budget and overall consumption. For example, in an FGD conducted in Kudari VDC (FGD27, Jumla), a beneficiary noted that the grant had been utilised to buy *'anything of use'*. Other beneficiaries said the grant *'brings solace for a few days at least, as they distribute the amount for six months at once [...] We bring the grant home and spend it on what we need most.'* (FGD27, Jumla). Another beneficiary, from Jair VDC in Humla district, said NRs 4,800 for two and NRs 2,400 for one child gave relief only for a couple of days. People then return to their normal labour and agriculture life (FGD5, Humla). Other beneficiaries confirmed this *'We can depend on it for a few days. Had they provided NRs 200 every month, it wouldn't have helped much, but when a bulk amount for six months is provided, it can be of some use.'* (FGD26, Jumla). A social mobiliser in Lamra VDC (Jumla district) explained that, *'Even if the grant is small, it has helped in purchasing small items [...] The grant does not fulfil all necessities, but it fulfils some important needs.'* (KII36, Jumla). Thus, the grant increases the overall household budget and improves consumption, albeit not substantially. The experience of Thapana (Box 2) in Dolpa reflects a common pattern in perceptions and usage of the Child Grant in the study area.

¹² Fungibility of money means one unit of money is equivalent to the same unit of money, so money raised for one purpose can easily be used for another purpose. This also means that, even when beneficiaries claim to have spent the Child Grant on a particular expenditure, they may have spent money on that expenditure anyway and having the Child Grant just frees up money to spend on something else.

Box 3: Case study – Thapana

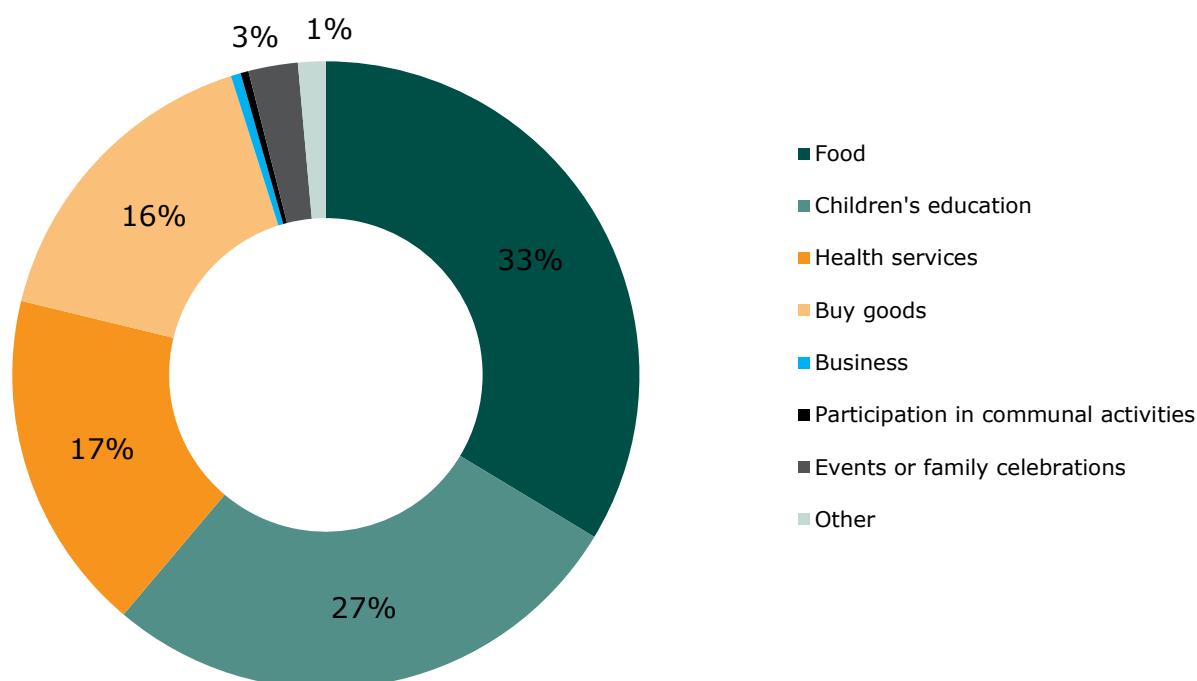
Thapana lives in Sunhoo VDC in Dolpa. She is 30 years old and illiterate. She has been receiving the Child Grant at NRs 1,800 per year for the past two years. Her main livelihood is agriculture, but her family is relatively well off. *'This amount is equivalent to a two-day wage in the village,'* she said. The grant is inadequate for additional food for a child, however, given the rocketing price of commodities in the district.

Nevertheless, she is happy with what she has been receiving. She buys her children new clothes and uses the money for household expenses. She says, *'Something is better than nothing.'* Like many other villagers, she also spends the money on other household needs, not particularly on food.

Neither the VDC secretary nor other villagers had told her the actual grant amount, which is supposed to be Rs 2,400 a year. She would have asked for the remaining allotted money if she had known. Her youngest child is four years old, which means she will be getting the funds till next year only. She has never received the full amount but she has never complained to the government. She thinks it is government officials who have duped ignorant villagers. *'I wish nobody would eat up from our share of what the government has allocated,'* she said.

It is inevitably difficult for households to recall how they spend particular transfers, especially given most of them receive several cash transfers, but it may be slightly easier with respect to the Child Grant since, as Section 5.1.2 showed, they often receive it only once a year. Respondents reported having utilised the Child Grant for purchasing both food and non-food items. As Figure 10 shows, over a third of households reported usually spending it on food. Close to another third reported usually spending it on children's education (which can include food purchased for school). Another 17% and 16% spent it on health services and other goods, respectively. A negligible share spent it on business or participating in communal or family celebrations. The research demonstrates that the Child Grant is spent on various household needs and benefits both adults and children; it is not spent solely on children. This reflects a trend documented in other countries, whereby cash transfers are redistributed within the household. Table A5.2 in Annex 5 gives further evidence of such expenditure patterns and shows that few respondents use the Child Grant to finance any bigger expenditure, such as starting a business. The links between the Child Grant and economic opportunities are discussed in more detail in Section 5.4.

Figure 10: How do you usually spend the Child Grant?



The qualitative interviews suggest a similar expenditure pattern. Participants in FGDs and KIIs mentioned the purchase of food items such as rice, wheat, milk products, sugar, eggs, fruit, salt, formula, chocolates, noodles and biscuits using the Child Grant. Likewise, respondents said they bought clothes (in particular during festivals and for school) and paid for health and hygiene needs (e.g. minor medicines and soaps) and education (pens/pencils, notebooks/books, school clothes, shoes, midday meals). It is important to note that the full monthly grant transfer was not sufficient to enable beneficiaries to make multiple purchases at one time or to finance the entire cost of relatively large expenses. As noted earlier, the Child Grant contributed to overall household spending along mentioned dimensions.

In conclusion, the Child Grant has not had a significant impact on household expenditure. Beneficiaries feel the transfer has not changed household consumption levels considerably. It has facilitated purchase of food expenditure and other small items, for example notebooks and some clothing. It should be noted that not all households have spent the Child Grant on all of these expenditure categories; given its low value, most households would have spent the transfer on one of these categories. Because of the fungibility of income more generally, and the low value of the transfer more specifically, we cannot fully assess how the transfer has been spent. It is clear, however, that the transfer has contributed to the household budget, but not substantially.

5.2.3 Food security

The primary objective of the Child Grant is to address child malnutrition. As such, we specifically consider impacts on food security. Given the broad objectives of this research, this study did not have sufficient scope to incorporate anthropometric measures of child nutritional status. Instead, we focused on household indicators of food security, including number of meals, number of meals that included meat and subjective assessments of food security.

The qualitative data suggest that the Child Grant contributes to the overall household budget and is used for purchasing food, but that it does not provide substantial support to recipient families. Most FGD participants agreed the grant had been used for midday meals and snacks for their school-going children. For example, a

participant from Kanakasundari VDC (FDG9, Jumla) said, *'We had a hard time managing children's educational and midday meal expenses, but receiving the Child Grant has removed such a hurdle to a great extent and helped us a lot.'* Another FGD participant confirmed this: *'It has helped prevent us sending children hungry and cold to school'* (FGD27, Jumla). *'Purchasing food is the major contribution of the Child Grant,'* said a Dalit female participant of an FGD conducted in Maila VDC (FGD4, Humla) who added that the intervention amount had helped many families meet food shortages from their own production.

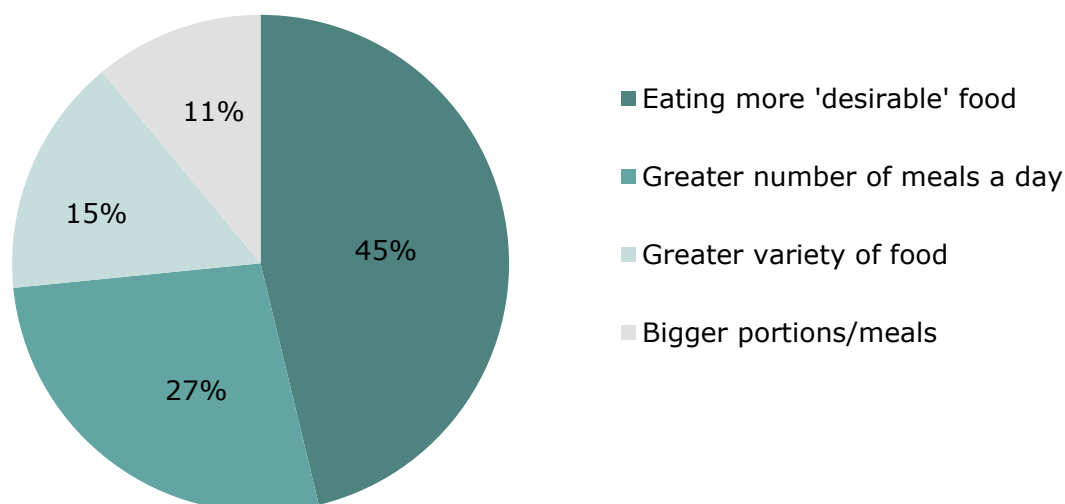
However, even though the grant has been useful in buying some food, it has not been large enough to substantially increase food consumption. As shown in Section 5.2, the benefit is not even sufficient to purchase one chicken. Few respondents talked about changes in overall food security. Most interviews suggested the grant may have been used to purchase some food products occasionally, but not in quantities big enough to affect overall food security. For instance, a beneficiary explained (FGD27, Jumla). *'What can NRs 200 do? Ghee [butter] costs NRs 500, honey costs NRs 500. When we get a bulk amount for six months, we buy one packet of salt, one packet of oil and other items'* (FGD26, Jumla).

The PSM analysis clearly shows no difference between treatment and control households in terms of securing food security (see Table A4.1 in Annex 4). More than two-thirds of both groups have three meals per days and 60% of households declared having had sufficient food in the past month. A number of studies suggest higher levels of food insecurity in Nepal, particularly in Karnali. For example, the World Food Programme (WFP) has categorised Karnali as highly food-insecure, with all districts showing at least a 30% food deficit (WFP, 2010). The higher levels of food *security* found in our study can be explained by the short timeframe in the question and the timing of the fieldwork: some crops had just been harvested, for instance wheat.

There is no difference in terms of meat consumption, according to the quantitative data; this is confirmed in the qualitative data. At an FGD in Kanakasundari VDC (FGD9, Jumla), participants said the Child Grant amount of NRs 200 per month was not sufficient to purchase even a chicken. This was confirmed by a key informant in Raralihi VDC (KII14, Jumla): *'The Child Grant has not helped families much in supporting their income. That's because in Karnali NRs 200 monthly is nothing when chicken meat costs Rs.500 per kilo.'*

The data suggest the Child Grant may have enabled a slight diversification in food patterns, in particular enabling households to eat more 'desirable foods'. These include snacks, other industrially produced foods and other food not grown locally. As shown in Figure 11, out of the 75% of respondents who perceived their food habits had changed, 45% said the grant had enabled them to eat more desirable food.

Figure 11: How have your food habits changed?



Note: This question was asked only to beneficiaries.

This is corroborated in the qualitative data. The majority of FGD and KII participants declared that the Child Grant had increased their access to foods not produced locally. In addition to meeting basic needs, people have started slowly to come to prefer industrially produced food, which they would call 'desired foods'. A local teacher from Maila VDC said the Child Grant was helpful to fulfil children's wishes of buying noodles and biscuits (FGD4, Humla).

Further, the qualitative data suggest the Child Grant has enabled some households to buy more nutritious food. As a participant from Lalu VDC FGD (FGD14, Kalikot) put it, *'Hope has emerged among poor. Attention is paid to cleanliness. We have been able to spend on stuff like soaps and cleaning materials, and nutritional food.'* A female participant from Chandannath VDC (FGD12, Jumla) said the Child Grant had benefited recipient families, especially in terms of children's diet. *'We did not know what Lito¹³ was, nor did we know how to prepare it or use it and knowledge on nutritious food requirements,'* she said. She attributed the change in diet to the receipt of the Child Grant.

It is possible that the nutrition effect has been the result of UNICEF activity as the government's partner in providing a complementary birth registration and nutrition campaign that disseminated information about the Child Grant. Depending on the availability of media and communication channels, local newspapers, civil society organisations and clubs or radio channels were used to carry out this programme (UNICEF, 2010a). It included the transmission of interviews with representatives of MoLD and UNICEF's Nutrition Department, who addressed topics such as the government's role and potential problems in the programme. Information on the relevance of nutrition and birth registration was provided on a weekly basis. UNICEF (2010a) found the programme to be 'very effective' in reaching its target group and raising awareness for its goals (the relevance of birth registration, nutrition and the Child Grant in general).

¹³ Lito is a baby formula prepared from locally available ingredients like maize, soybeans, wheat and other cereals.

5.2.4 Key findings on household income, expenditure and food security

The Child Grant has not had a significant impact on household expenditure, and beneficiaries do not consider their levels of consumption to have changed considerably. The grant has facilitated purchase of food expenditure and other small items, such as clothing. It should be noted that not all households have spent the Child Grant on all of these expenditure categories; given its low value, most households would have spent the transfer on one of these categories. Hence the transfer has contributed to the household budget, but not substantially. Further, the grant has enabled some beneficiaries to buy more food, in particular food not produced locally and more nutritious food, but not to the extent that it has changed overall levels of food security.

5.3 Access to and utilisation of basic services

The second outcome dimension we considered is access to and utilisation of basic services (education and health). The hypothesis is that the Child Grant may improve such access and utilisation as a result of the additional income received. However, given the limited size of the transfer, as well as supply-side barriers, we do not expect to see substantial impacts.

5.3.1 Impacts on access to and utilisation of education services

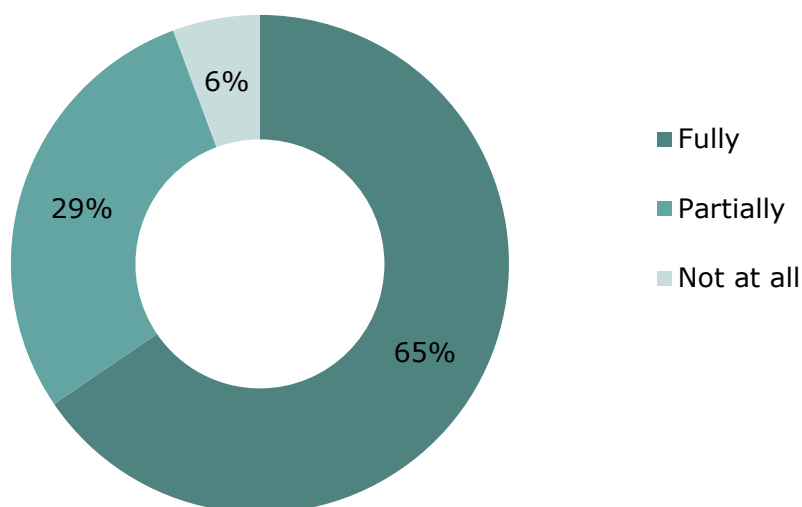
In terms of impacts on access to education, we look at the following indicators: birth registration, type of school attended, regularity of school attended and expenditure on education. All of these are considered keeping in mind that children of treatment households are – by study design – younger on average, so households are less likely to have children of school-going age.

First, we consider birth registration, as this is an important requirement to access both education and health services in the future. While this was not assessed directly in the quantitative survey, both the qualitative data and UNICEF suggest the introduction of the Child Grant has increased birth registration – a requirement for receiving the grant. For example, according to a Red Cross social mobiliser (KII14, Jumla district), people never bothered to register their children prior to the implementation of the Child Grant; after child registration became a criterion for eligibility, parents started registering births. According to UNICEF (2012), the number of births registered among under-five children ‘massively increased’ in Karnali, from 20,896 before the campaign in March 2010 to 64,728 births after the campaign in October 2010. Birth registration in the region is now reported to be close to 100% (ibid.).

Officially, public school education is free, but in practice families have a number of education expenses (such as books, clothes and school maintenance fees). The qualitative interviews indicate that inability to afford these expenses tends to influence poor households in their decision not to send their children to school. For example, in an FGD undertaken in Brumma Maadi Chour VDC (FGD13, Jumla), a female participant said she was unable to send her children to school as she could not afford NRs 20-50 for stationery. On average, households in our sample spent a total of NRs 12,708 on education expenses. A total of 73% of households were fully able to pay for education expenditures in the past year; 23% were able to partially pay.

The quantitative data show that average per child expenditure is NRs 5,949. Although 27% of beneficiary households had used part of the Child Grant on education expenditure (see Figure 12), the grant has had no significant impact on per capita education expenditure (see Table A5.3 in Annex 5). Beneficiaries clearly indicated that the grant had not changed their expenditure on education much. When asked if they would have been able to pay for education expenses without the Child Grant, close to two-thirds of respondents said they would have been fully able to pay for them (see Figure 12). Only 6% said they would have not been able to pay for education.

Figure 12: Before receiving the Child Grant, were you able to pay for education expenses?



Qualitative interviews indicate the Child Grant has contributed to education expenditures (e.g. stationery, food, clothes) but has not changed overall affordability. As mentioned earlier, the grant’s contribution depends largely on the expenditure priorities of the household. In particular, whereas for some respondents it has complemented overall income used for various basic needs, others have used it for specific expenditures. For example, a female beneficiary in Pandugufa VDC (FGD8, Jumla) noted, *‘We used to send our children to school when there was no grant but this has helped us a little.’* An FGD participant explained that the grant had helped in paying for food and clothes for children attending school: *‘It has helped to prevent us sending children hungry and cold to school.’* (FGD27, Jumla). Another female FGD participant recalls how her daughter was not willing to go to school without a school bag and a pair of shoes (FGD18, Kalikot). The lady also recalls her child going to school after she purchased these using the Child Grant.

Government schools do not charge fees, but are generally considered to be of lower quality than private or boarding schools. According to one respondent, most of the elite of society send their children out of the district to study in private schools. Poor families, by contrast, are unable to send their children to private schools. This reinforces inequalities in education outcomes. The repercussions of this are immense, as low levels of education prevent disadvantaged groups from accessing greater economic and social opportunities and generating an adequate income.

Has access to the Child Grant had an impact on private school attendance? In 11% of households the children attend private school. There is a statistically significant difference between control and treatment groups (see Table 4), with control households likely to send their children to private schools. However, this difference is not significant in the impact analysis (see Table A4.1 in Annex 4). Likewise, there is no significant impact on school attendance (ibid.).

Table 4: Access to education services

	Treatment group	Control group	Total
Private school categories	0.10***	0.16***	0.11
Regularity dummy	0.94**	0.91**	0.94

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (* significant at 10%; ** significant at 5%; *** significant at 1%). Regular school attendance is defined as those children who attend school most of the time.

In addition to cost, education outcomes in Karnali depend on accessibility and quality of public school education. This implies that a cash transfer may increase access by improving affordability to cover education-related expenses, but cannot address sectoral bottlenecks that affect accessibility of schools and quality of education.

School accessibility is a challenge in Karnali zone as schools are often located at long distances from residents. Furthermore, long school closures and irregular opening hours constrain access to education. For example, the VDC secretary in Tripurakot district reported that schools in the area opened officially for only eight to ten months (KII3, Dolpa). *'Most of the time, the beginning of the school years starts late,'* he said, citing as an example the closure of the airport owing to heavy snowfall, with teachers unable to return to schools on time.

Furthermore, poor service delivery capacity in the public education sector affects the quality of education. In many of the FGDs conducted, the main concern in accessing education related to quality of education rather than actual access. FGDs in a brought up various reasons for the poor quality of education, including poor teaching standards, lack of qualified teachers and lack of textbooks. This information suggests enhancing affordability through cash transfers may not substantially improve access to schools, as there will still be barriers to school attendance, such as irregularity of classes and long distances. Furthermore, it suggests improving education outcomes is contingent on improving school infrastructure.

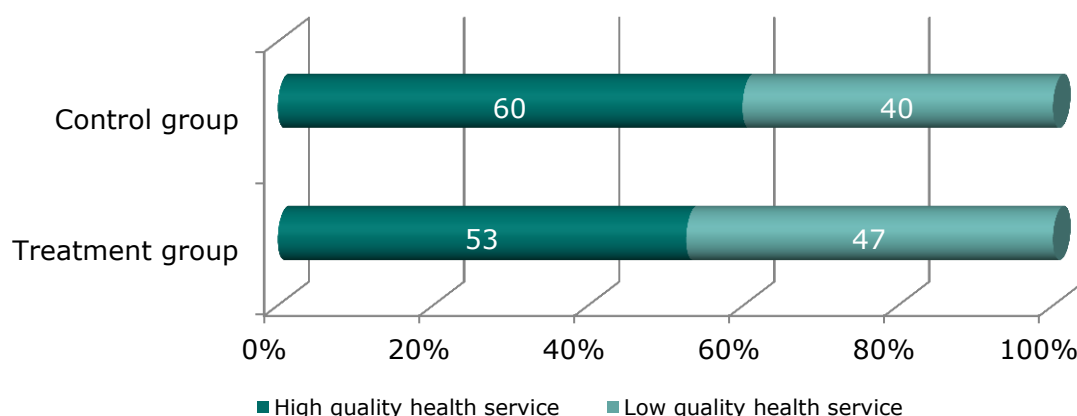
5.3.2 Impacts on access to and utilisation of health

Issues related to access to and utilisation of health services are similar to those in the education sector. Primary facilities are provided for free by the government through health posts in villages. However, not all the people rely on health posts for major treatment. This is because of shortages of medicines, lack of professionals, poor infrastructure and facilities and a high level of staff absenteeism. Therefore, people either go to district, regional or central hospitals (in Kathmandu) or attend private clinics for better health treatment. This implies that health services often involve a considerable amount of travelling and impose substantial monetary costs.

The hypothesis outlined in Section 2 is that increased income from the Child Grant may improve health access for beneficiary households. Has it enabled beneficiaries to use higher-quality health services? A total of 54% of the sample had accessed high-level health services¹⁴ in the previous 12 months. A significantly higher share of control households had done so, as Figure 13 shows. However, the PSM analysis (Table A4.1 in Annex 4) shows once again that this is not a significant impact. There is also no impact on the likelihood of using hospitals. This is mainly because the limited value of the Child Grant is not sufficient to cover the cost of seeking high-quality health services. For instance, the basic hospital deposit charge is NRs 1,500.

¹⁴ This is defined as a service at the district hospital or primary health centre where a doctor is in theory available.

Figure 13: Differences in accessing high quality health services



Note: Differences between groups are statistically significant at the 5% level.

In terms of expenditure on health, the quantitative data show that 17% of beneficiary households said they used the grant for health purposes and 2.7% of respondents said they had spent it on medicine (Table A5.2 in Annex 5). However, there is no difference in overall per capita health expenditure between groups, and the impact analysis shows the Child Grant has not affected overall health expenditure (see Table A4.1 in Annex 4). There is also no statistically significant difference in people not seeking medical services as they are too expensive (ibid.). In other words, the Child Grant has not made health services more affordable for beneficiaries.

This was confirmed by the qualitative interviews. The Child Grant has helped some participants access minor treatment and pay for transportation to access health facilities. For instance, one participant in an FGD conducted in Rachuli VDC (FGD21, Kalikot) said that, before receiving the Child Grant, she was unable to treat her child, as she could not afford the health post admission fee. A participant from Tripurakot VDC FGD (FGD2, Dolpa) said the Grant was used to buy medicine and treat minor ailments – and only by a small number of people. In total, beneficiaries in 21 FGDs mentioned using the Child Grant for health expenditure.

Lack of regular payments of Child Grant restricts the ability to access health care any time there is a need. *‘The Child Grant is received once a year but sickness can occur anytime of the year!’* said an FGD participant from Maila VDC (FGD4, Humla). Further, serious health shocks require access to a substantial amount of money so families can make cash payments for treatment. An FGD participant in Jair VDC (FGD5, Humla) noted, *‘We have been managing the cost even if we have to take loans. Nonetheless, the Child Grant amount has been a slight relief for us.’*

A number of beneficiaries reported that the Child Grant had enabled beneficiary households to access informal loans or credit. Participants in the FGD in Rachuli VDC (FGD21, Kalikot district) said they had managed to take loans for health treatment by promising to pay them back after they received the grant. Participants in the FGDs conducted in Badalkot VDC (Kalikot) and Pina VDC (FGD25, Mugu) shared their experiences of borrowing money in the same way. In fact, the secretary of Tripurakot VDC (KII3, Dolpa) said the medical pharmacy had started to give out medicines on credit.

The evidence from this study suggests improving affordability and facilitating people’s access to health care requires significant sums of money. Modest social transfers may not address the issue of affordability. Further, the research shows, quality of local health services remains substandard, resulting in the use of distant clinics and private providers. In other words, health access is largely limited by institutional bottlenecks in service accessibility and delivery.

5.3.3 Key findings on impacts on access and utilisation of basic services

For access to and utilisation of services, we again see that the Child Grant has not had a measurable impact. There is no statistically significant impact on access to and utilisation of education. Two-thirds of respondents said they were already managing education expenditure without the Child Grant. Qualitative interviews indicated that the grant played a supporting role in terms of financing some small expenditure. Enhancing affordability through cash transfers may not substantially improve access to schools, as there are major supply-side barriers to school attendance, such as school accessibility and quality of teaching. Finally, though, as a result of information campaigns, birth registration in the Karnali is now close to 100% (UNICEF, 2012), which is important in terms of future access to other services, such as health and education.

The Child Grant does not appear to have made health services more affordable and, overall, there has been no statistically significant impact on expenditures. However, a small number of beneficiaries noted that they spent on grant on minor health treatment and medicines. Finally, a number of beneficiaries noted the issue of loans, emphasising that having the access to the Child Grant had enabled them to access informal loans or credit. In sum, improving affordability and facilitating people's access to health care requires significant sums of money. Modest social transfers may not address the issue of affordability. As with education, institutional bottlenecks resulting in poor quality of services represent a major, if not the main, driver in hindering health access.

5.4 Impacts on economic opportunities

As cash transfers tend to be subsumed within the household income, the hypothesis for this outcome dimension is that the Child Grant will enhance the capacity of households to invest in productive resources and expand their livelihood activities as a result of the increase in income.

The PSM analysis shows no impact of the Child Grant in terms of investing in assets, starting a business or having access to finance. Most respondents in FGDs and IDIs claimed they were unable to use the Child Grant to take up or enhance economic opportunities, citing the low value of the grant and structural factors such as remoteness, difficult geography, lack of markets and limited scope for business investments to enhance economic opportunities. We discuss these factors after the detailed findings for different livelihood activities.

5.4.1 Impacts on agricultural activities

Nearly 99% of sample households are involved in agricultural activities. Table 5 shows there are few statistically significant differences in purchases of agricultural assets between the treatment and the control groups. Beneficiaries are more likely to have purchased a goat, sheep and pig, but this difference is not significant in the impact analysis (see Table A4.1 in Annex 4). Furthermore, there is no statistically significant difference in terms of the value of assets purchased.

Table 5: Did households purchase any assets? If yes, what is their value?

	Treatment group	Control group	Total
Agricultural equipment and machinery	0.17	0.18	0.17
Value (NRs)	1,598.63	1,295.18	1546.34
Milk animal (cow, buffalo, yak)	0.09	0.1	0.09
Value (NRs)	17,874.84	18,147.06	17922.8
Draught animal	0.04	0.03	0.04
Value (NRs)	114,685.7	69,500	107,456
Goat/sheep/pigs	0.10*	0.07*	0.1
Value (NRs)	28,919.65	18,812.5	27,688.32

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (* significant at 10%; ** significant at 5%; *** significant at 1%).

This resonates with the qualitative findings. The majority of FGD participants emphasised the fact that the sum was too small to invest in productive assets or agricultural inputs, such as fertiliser, plants, seeds, livestock and agricultural equipment. FGD participants in Maila VDC (FGD4, Humla) and Ruga VDC (FGD24, Mugu) were the only ones to give some examples of agricultural investment. According to these interviews, a few households used the money to make small investments, such as in repairing or buying spades or sickles, but not investments in major agricultural inputs such as land, irrigation, cattle or seeds and fertiliser. According to a social mobiliser in Siuna VDC (FGD15, Kalikot), beneficiaries use the transfer for minor agricultural expenses when distribution coincides with the time when there is a need to buy or repair spade or sickles or any other agricultural tools used for digging.

5.4.2 Impacts on business activities

The share of households engaged in business activities is fairly high for both groups, at around 43% (treatment group) and 45% (control group),¹⁵ with no statistically significant difference. The PSM analysis shows no impact on the likelihood of engaging in business (see Table A4.1 in Annex 4).

The qualitative interviews largely confirm this. Most respondents referred to the small value of the grant, which made it impossible to invest in productive activities. For example, a female FGD participant in Jair VDC (FGD5, Humla) said, *'The amount given as the Child Grant is not even sufficient to buy a chicken! How can we start a business with the grant when soap costs up to NRs 80 here?'* A social mobiliser from the same VDC said during an IDI that business from the Child Grant was simply impossible: it costs about NRs 200,000-300,000 to start a small shop selling cigarettes and tobacco. In Sunhoo VDC (KII1, Dolpa district), a key informant said, *'It is too small an amount to invest in any productive sector. The cost of living is incredibly high in Dolpa, so such a small sum of money cannot support much in anything. For example, a thin notebook that normally costs around NRs 5 in Nepalgunj costs as much as NRs 40 here.'*

Nevertheless, a small number of individuals in FGDs conducted in Gela, Lalu, Mehalmudi and Badalkot VDCs (FGD20, FGD14, FGD16, FGD18 Kalikot), Kotdanda and Ruga VDCs (FGD22, FGD24 Mugu) and Jair VDC (FGD5, Humla) shared their experiences of using the money for investing in a new business or expanding an existing business. These included contribution to the establishment of small shops (selling biscuits, sweets, tobacco, green vegetables) and purchase of livestock (goats and chickens) to be resold at a later stage. The Child Grant may have contributed to these costs, but was not the sole funding source. When asked how such a small amount was helpful in starting up a business, A social mobiliser from Lamra VDC responded, *'In some places,*

¹⁵ It should be noted that, in this context, business activities include sale of agricultural products, tea shops, trade of medicinal herbs, honey selling and other small shops.

the grant can help add to the capital required in setting up a small business. For example, people could have bought two hens to earn some money.’ (KII36, Jumla).

5.4.3 Impacts on access to finance

In a remote society where formal institutions like banks are only found in the district headquarters, informal sources of finance are particularly important. More than two-thirds of respondents had access to either formal or informal finance (see Table 6). There is no statistically significant difference between beneficiary and non-beneficiary groups in terms of access to formal finance, but beneficiary households are significantly more likely to have received informal finance. However, the PSM analysis (Table A4.1 in Annex 4) shows there is no significant impact of the grant on having received informal finance.

Table 6: Has the household ever received finance?

	Treatment group	Control group	Total
Access to any finance	0.72	0.68	0.71
Access to informal finance	0.55***	0.44***	0.53
Access to formal finance	0.32	0.36	0.32

Note: Asterisks indicate whether the mean for each group is statistically different from the sampled population as a whole (* significant at 10%; ** significant at 5%; *** significant at 1%); Formal finance is defined as a bank, cooperative, savings association and microfinance institution ; Informal finance is defined as an informal money lender

The qualitative data suggest access to the grant is seen as implicit collateral by local informal lenders. In particular, provision of the Child Grant (along with other transfers) facilitates the process of taking out loans for some beneficiaries, as it improves their credibility with regard to paying loans back. Taking loans for basic expenditures seems to be normal practice in the region. This has especially important implications for improving women’s economic status. Women in Nepal are usually restricted in their access to loans (Acharya, 2001; Mahat, 2003) and are largely engaged in non-cash-earning livelihood activities. Therefore, moneylenders fear they may not receive their money back. It is usually men who are able to secure loans, as they tend to be engaged in cash-earning livelihood activities. The Child Grant in this case offers a source of cash income, and thus enhances the creditworthiness of women in the eyes of moneylenders.

Respondents in three FGDs (FGD22, Mugu; FGD16 Kalikot; and FGD10, Jumla) gave examples of small loans from local shopkeepers and moneylenders they were intending to repay from the grant or other social protection transfers. ‘Local moneylenders have started to give loans,’ said a female beneficiary from Kotdanda VDC (FGD22, Mugu). ‘Such trust in women was not possible earlier. But owing to the Child Grant it’s easier.’ A similar case was observed in an FGD in Guthichour VDC, where women shared their ability to obtain loans from local moneylenders after they started receiving social protection transfers (FGD10, Jumla). Finally, a key informant, Karma Singh Thapa, from Tripurakot VDC (KII2, Dolpa) said women felt more at ease in small-scale bartering, lending money and managing cash flow.

We now turn to the mitigating factors that partially explain limited access to economic opportunities in Karnali.

5.4.4 Limited economic opportunities

Limited cash to invest in productive assets and agricultural inputs is not the only driver limiting people’s ability to generate an adequate income. In response to the question of what the constraints are in securing greater wellbeing (see Table A5.6 in Annex 5), the majority of respondents named limited infrastructure such as roads, water and services (91.4%). Corruption (60%), weak central government (40.4%), weak local government (42.1%), illiteracy (20.3%) and social conflict (16%) were some of the other reasons given. On difficulties encountered in agriculture, 44% said insufficient irrigation water and 26% poor land quality. On difficulties

encountered in business, 34% said not being able to locate the business in the main market and 22% said bureaucratic hurdles.

Similarly, the majority of KII respondents (e.g. a village secretary in Tripurakot VDC district (KII2, Dolpa); a central government officer in Simikot VDC (KII9, Humla); the deputy local development officer in Manma VDC (KII26, Kalikot); a social mobiliser in Siuna VDC (KII27, Kalikot); an ex VDC chairperson in Pakha VDC (KII21, Kalikot); and a village secretary in Thirpu VDC (KII25, Kalikoy) and FGD participations identified in addition to financial reasons a number of other constraints to income-generating ability, including remoteness, limited transport, limited infrastructure, limited skills and knowledge and political instability.

In addition to all these other factors, discrimination may also play a role. The qualitative interviews suggest discrimination and prejudice may have affected marginalised groups' ability to take advantage of economic opportunities in some cases. In particular, female (non-Dalit) FGD participants from Pandugufa VDC reported that teashops run by Dalit are still prohibited by the upper case in their area (FGD8, Jumla).

This suggests access to finance alone may not be sufficient to enable individuals and households to generate enough income to move out of poverty and sustain a basic living standard. As shown in the framework in Section 2, existing barriers drive social exclusion outcomes, and as long as policies do not directly address these drivers, they will continue to affect outcomes.

5.4.5 Key findings on impacts on economic opportunities

In short, the Child Transfer has not had an impact on agricultural activities, apart from in a small number of cases, where it has enabled the repair or purchase of small hand-tools. There is some emerging evidence that suggests the grant has enabled informal loans, particularly for women. Further, the grant has not had an impact on engagement in business, except for in a few isolated cases, where it has contributed towards investment in the business. This is not surprising, given the limited value of the transfer, the objective of the transfer and the geographic and economic structures that severely limit income-generating opportunities.

5.5 Impacts on social relations

The next hypothesis is that receipt of the Child Grant will enable greater social relations at the community level as a result of having a little bit of additional income. As the Child Grant consists solely of an income transfer and has no institutional arrangements to support social activities (such as joint meetings), we expect this impact to be rather weak. This section presents the findings.

5.5.1 Impact on participation in community activities

Figure 10 in Section 5.2.2 showed that 3% of beneficiaries said they used the grant to participate in social activities and events. In response to another question, close to 80% of beneficiaries said the Child Grant had changed their *ability* to participate in social activities (see Figure A5.1 in Annex 5). However, from the quantitative survey, we cannot assess if the Child Grant has changed beneficiaries' actual participation in social activities. The qualitative data shed further light on this issue.

Having cash is clearly an important requirement in participating in social functions and gatherings (to purchase gifts, worship, new clothes and food and pay for transportation). This came up in several FGDs and interviews (FGD9, Jumla; FGD22, Mugu; FGD14, Kalikot), according to which the extra cash has helped a number of beneficiary households attend social events and festivals such as marriage and religious ceremonies and other festivals and has hence improved social relations. *'The Child Grant has increased participation in social and religious activities as it has helped in arranging gifts and managing transportation expenses,'* said an FGD participant (FGD17 and FGD15, Kalikot). Another beneficiary said, *'If the grant is distributed when there is a festival, the amount may be spent on celebrating the festival.'* In Sahartara VDC (FGD3, Dolpa), the VDC

secretary noted that the distribution period had once coincided with a local Hindu festival, Saune Purnima, and helped parents purchase new clothes for their children for the festival.

As mentioned earlier, the contribution of the grant depends largely on household expenditure decisions. Given its limited value, people prioritise their expenditures, and not all recipients spend it on social activities. According to FGD participants in Pandugufa VDC (FGD8, Jumla district), the low value means they have not used it for social, religious or capacity-enhancing purposes. Participants in Sahartara VDC (FGD3, Dolpa) believed the grant did not contribute to participation in social events (for adults) because being for children it should be spent on children, not on the adults of the household.

5.5.2 Impacts on social relations

The qualitative interviews captured another dimension of social interaction that the quantitative survey did not. More specifically, the process of grant delivery stimulated positive social interaction among recipients. Increased interaction among beneficiaries was mentioned in 16 out of the 26 FGDs. According to the FGD in Ruga VDC (FGD24, Mugu), sharing and talking about Child Grant distribution periods and other issues regarding the grant had contributed to greater interaction within the community. They suggested it had helped people to communicate, ask questions and discuss issues related to Child Grant distribution. Since VDC secretaries distribute the grant at their convenience and ask mothers of certain wards to come on specific days, women usually ask neighbours to go together. If the VDC office is far, it often involves hours of walking. These women prefer to walk in groups, rather than as individuals, and this provides a natural opportunity to interact.

One beneficiary in Badalkot VDC explained (FGD8, Kalikot), *'We have formed groups and societies for dialogue, social work, attending public talks, sharing etc. The commencement of the Child Grant has helped the women to communicate and visit the VDC office. When the grant is received the women have intensified talking among themselves about how much they get and who did not receive it.'* Similarly, the president of the village unit committee in Sunhoo VDC (FGD1, Dolpa) said women were interacting more often than before, because collection of the Child Grant provided an opportunity for them to leave the home, something that does not generally happen much because of household work.

However, there is no evidence that the Child Grant has substantially changed or improved social relations between different social groups.

5.5.3 Key findings on social relations

Only a small numbers of beneficiaries have spent the Child Grant on social events and festivities. However, the qualitative analysis revealed that the process of applying for and collecting the transfer had facilitated interaction and dialogue between different community members. However, this does not appear to have changed women's overall activities, nor does it seem to have affected relations between different social groups.

5.6 Impacts on state–society relations

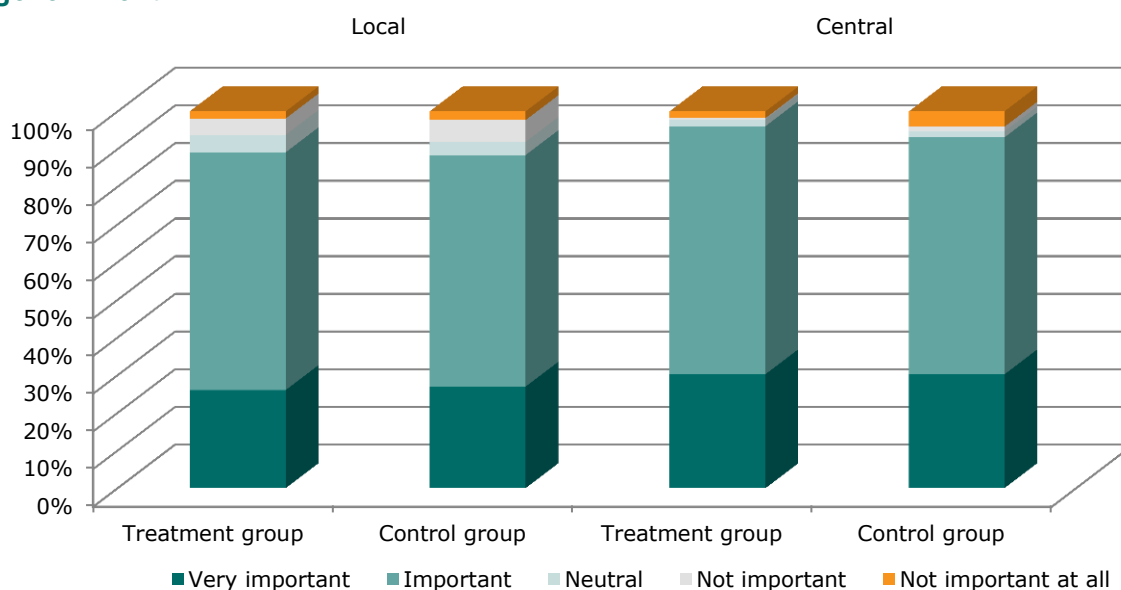
Our final hypothesis is that, with the Child Grant being a government-run programme, we expect to see improved state–society relations for beneficiary households. Here we consider both the perceptions of the government's role and commitment to addressing needs and the experience of dealing with local and central government representatives. However, if the programme is poorly designed or implemented (e.g. perceived as unfair or ineffective), state–society relations may actually deteriorate. Hence, the actual impact will very much depend on how effectively the programme is implemented. The key quantitative and qualitative findings on state–society relations are presented first, before we discuss key implementation issues.

5.6.1 Impact on perceptions of government

The Child Grant was launched and is funded by the central government, but is implemented by the local government. Eligible households have to apply to the local VDC office, and local government distributes the transfer.¹⁶ While the research made distinctions between local and central government, during the interviews it became clear that only some respondents were aware of the differences. Therefore, there is some likelihood that this will blur responses relating to perceptions of the government.

Figure 14 shows perceptions of local and central government. There is no statistically significant difference in perceptions of local government between treatment and control households. Beneficiary households have slightly more positive perceptions of central government (the difference is statistically significant). However, the impact analysis shows that the Child Grant has not had a statistically significant impact on perceptions of either level of government (see Table A4.1 in Annex 4).

Figure 14: How important do you think the welfare of your community is for the local/central government?

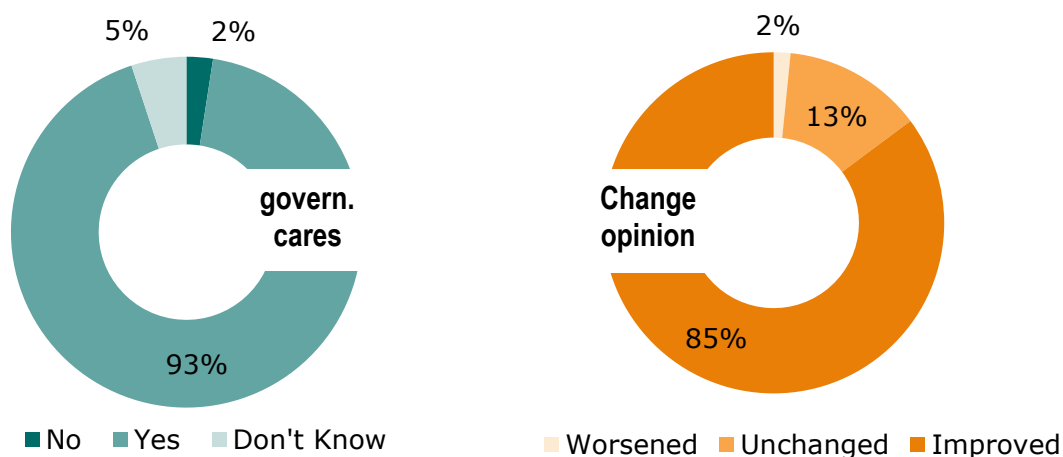


Note: Difference between treatment and control group not statistically significant for local government and statistically significant at the 5% level for central government.

So how do beneficiaries perceive central government as a result of the Child Grant? As Figure 15 shows, 93% of beneficiaries felt that introduction of the Child Grant was an indication that the government cared about their socioeconomic situation; 85% said it had improved their opinion of the government; and only 2% said it had worsened their opinion of the government. Since most households already receive one or more social protection transfers, it is most likely that it is the combination of the Child Grant with other transfers that has contributed to recipients' perceptions of government.

¹⁶ The VDC office is involved in all social and economic affairs (distribution of transfers, registry office business, tax collection etc.) and is led by the VDC secretary. Elections have been held for these posts for 12 years.

Figure 15: Do you think introduction of the Child Grant is an indication that the government cares about your socioeconomic situation? Has it changed your opinion of the government?



The qualitative interviews reveal a mixed picture on perceptions of central and local government. On the one hand, beneficiaries of the programme emphasised that they were grateful to the central government for the programme. On the other hand, nuances in their answers below show that the way the programme has been designed and implemented – including low value of the benefit and irregular and partial allocation - has actually undermined state-society relations (see Section 5.6.2 and Box 3 for a case study).

In terms of expression of positive perceptions of central government, an FGD participant from Maila VDC (FGD4, Humla) declared, *‘The central government has shown determination to address the needs of the people. It has started giving funds to different individuals under different categories, and has invested a lot in health, education etc.’* FGD participants in Pandugufa VDC (FGD8, Jumla) also expressed satisfaction with the government, saying, *‘We are satisfied with the Child Grant given by the government. It has immensely helped with expenditure on children. The government has really done well by understanding and addressing our needs on issues such as roads, elderly pensions, widow pensions and child grants.’*

One interesting finding that emerged from the qualitative interviews is that beneficiaries particularly appreciated the fact that the Child Grant was a universal transfer in Karnali. Apart from the Old Age Pension, this is the only transfer that is not targeted, either geographically or according to caste and ethnicity. For instance, in an FGD in Pandugufa VDC (FGD8, Jumla), participants noted their satisfaction with the targeting of Child Grant because it distributes the money equally. FGD participants in Narakot (FGD11, Jumla) commended equal treatment by the government and suggested that offering transfers to all people in Karnali made them feel the government treated them fairly. Perceptions could be very different in other parts of the country, since the grant is targeted only at Dalit households elsewhere.

The qualitative assessment also revealed negative perceptions of both levels of government. In particular, while beneficiaries appreciated receiving the grant, and gave credit to the (central) government for this, many were extremely dissatisfied with implementation by the local government and also by central government. The next subsection discusses these implementation issues in more detail.

Box 4: Case study – Jhiji

Forty-year-old Jhiji is from Sunhoo VDC. She has five children, all daughters; two (aged four and five) are eligible for the Child Grant – both of whom are mute. One of them receives the grant and the other does not, as nobody told Jhiji about the eligibility of her youngest child. Jhiji complained about this, saying the secretary had told her that she has in the meantime already entered her fifth year and was not eligible for the grant. One of her daughters has been receiving the Dalit scholarship too.

Jhiji told us she had been able to buy food, clothes, soap and other necessary commodities with the grant money. The amount is important for the couple as they do not have any other regular income sources. *'The grant has given us a new hope,'* she said.

Jhiji does not know about the government or any other organisation. She was told about the grant by one of her relatives. She has never participated in village council meetings. She does not even know there is a village council. *'If I had knowledge and courage to speak up, I would have made so many complaints about the grant's irregularity and partial payment,'* she said. But she is glad that the government is thinking about the people. Like others, she also believes the amount is insufficient for Karnali people, but that the programme has helped families like hers with household expenses.

5.6.2 Implementation issues

Issues with implementation affected perceptions mainly of local government, as it is responsible for delivery of the benefit. However, as respondents often do not distinguish between levels of government, perceptions of central government are also affected. Implementation issues include application for the Child Grant and its delivery, including infrequent and partial payments.

Interviews revealed irregularities in the application process. According to the quantitative survey, 33% of beneficiaries have had to pay money to apply for the Child Grant, largely for paperwork. Participants in numerous FGDs talked about difficulties in applying for the Child Grant and manipulation of the beneficiary list (FGD16, Kalikot; FGD4, Humla).

A further problem talked about in as many as 25 out of 34 VDCs was the frequent absence of VDC secretaries. This affects the application process, disbursement of grant and the grievance process, as shown in the following quotes. *'The VDC secretary never comes to the village, how will he know our problems?'* (FGD4, Humla). *'He has given responsibility for distributing the grant to the mukhiya [head of the village], who has manipulated many birth registrations. It is a sign of not being determined to address their problems. The elite and the leaders of the villages always take all the benefits that come to the village.'* the FGD participants said. Participants in an FGD in Raya (FGD7, Humla) complained were often unable to meet the secretary, who acted *'like a minister'*. They said that the secretary made decisions along with local leaders without consulting and considering the views of residents.

A key informant, a school principal, from Dolpa explained the reasons for the frequent absence of the VDC secretary by saying he preferred staying in the district headquarters (KII2, Dolpa). This makes it very difficult to apply for social protection grants, food rations and birth certificates. On the other hand, he suggested, people are unaware of their rights and rarely attempt to claim them and hold the government accountable. The absence of

other VDC leaders seems to date back to the time of the conflict. Evidence from qualitative interviews suggests this characterisation reflects the situation in all study communities.

Besides difficulties in the application process, partial and infrequent payments of benefits appear to be widespread in all sample communities: 87% of beneficiaries receive the transfer only once or twice a year and only 63% have received the full value. This has led to negative perceptions of local government.

Many key informants expressed dissatisfaction with the vested interests of local government officials responsible for distributing the grant. Similarly, in 12 FGDs, beneficiaries criticised the government heavily for providing only a partial amount or not providing it. For instance, at a FDG in Mugu district, participants said they only received about NRs 100 per month (FGD22, Mugu). A local teacher in Pina VDC also criticised the government, accusing it of trying to respond to the needs of the people only during election time, not later (FGD25, Mugu). Participants at a FDG in Kalikot district were also unsatisfied with the design and implementation of the Grant (FDG21, Kalkikot). One of the participants asked: *'How can 200/month address our need?'*. She added that she appreciated the effort but felt the government was trying to fool them (ibid).

A government official from the district office in Simikot DDC (KII9, Humla) explained, *'From our observation, we have come to know that in general people have positive attitudes towards the Nepali government but they are unhappy with the local secretary. The reason may be the behaviour of the secretary or his infrequent visits to the village as a result of which people are getting their payments late. If corrections are done in such things then there will be a change in thinking of the people about the secretary.'* Similarly, a local social mobiliser from Kanakasundari VDC (FGD9, Jumla) said beneficiaries held the village secretary accountable if they did not receive the full amount. She also noted that beneficiaries were more positive about the government when they started receiving the full amount.

It is not always clear what has caused these implementation problems. The implementation structure is complicated and involves many layers of government. Local VDCs blame central government for late release of funds, but beneficiaries list numerous incidents of local-level governments manipulating beneficiary lists and transfers. Overall, though, it is clear that design and implementation issues negatively affect perceptions of both levels of government.

5.6.3 The local governance environment

Irregularities in the delivery of the Child Grant in the study communities must be understood within the overall governance environment in Nepal. Local government officials exhibit limited accountability and responsiveness towards local residents, and nepotism, rent seeking and favouritism are rife. This means citizens have low trust in the government to begin with.

Local government in Nepal is organised around the VDC office, which is involved in all social and economic affairs. Social audits take place once a fiscal year and are undertaken by all stakeholders in the activities of VDCs to make programmes and projects more efficient and transparent. In these, the VDC's sources of income and expenses are published. In addition to the core budget mainly funded by the central government, VDCs can apply for performance-based capital grants from the central government, in which additional funds are transferred on the basis of criteria such as quality of planning, budgeting, financial management, transparency, monitoring and evaluation etc.

However, it is clear from our qualitative fieldwork that these mechanisms are not always effective in practice. Beneficiary perceived the overall governance environment in negative terms, as was also shown in the previous section. For example, participants in a FDG in Kalikot district accused the local government of late distribution of transfers, sharing limited information with beneficiaries, manipulating funds and inaccurate record keeping

(FDG15 and FDG17; Kalikot). In another FDG, beneficiaries talked about the prevalence of corruption and discrimination based on socio-economic status (FDG21, Kalikot).

Beneficiary accounts of the implementation of the Child Grant are indicative of the overall limited accountability in the relations between local government officials and regular residents. KIIs further highlighted the power of VDC secretaries and how these imbalances can lead to irregularities in the distribution of the Child Grant, as well as nepotism. For example, the ex-VDC chair in Pakha VDC (KII21, Kalikot) said that a VDC secretary has a monopoly, given the absence of a political representative at the local level, but the local government was doing nothing except spending the budget. According to him, the local government is not committed to the community. Partiality, nepotism and favouritism prevail in local government, according to this key informant and others, meaning non-eligible people are benefiting while those who are eligible are not. For example, the same informant said some people close to local government received the grant with a false birth registration card, whereas others were unable to obtain the grant even with eligible children. Other key informants also gave examples of relatives of VDC secretaries receiving the full payment while others did not.

Overall, limited accountability of local government officials is accompanied by limited rights awareness of local citizens and their inability to claim their rights and demand accountability. This facilitates irregularities in the distribution of transfers and access to services. For instance, a local Maoist party leader said, *'People don't know even their rights and duty, so clever and well-connected people manage to access state facilities but innocent people fail to do so.'* (KII6, Humla). The president of a village unit committee for the NC in Tripurakot VDC in Dolpa district said (KII2, Dolpa), *'People still do not fully realise that government bodies should be accountable to them.'* He believed people had not fully become aware of what their rights were and how they could be claimed. He remembered a group of people coming to him to ask him something only once, when one VDC did not receive electricity lines but other VDCs had them. *'The people here are very isolated,'* he added.

Women in particular have a limited voice. A local teacher from Rupsa VDC explained that women in her community never demanded their rights because she thinks men take care of them (KII22, Kalikot). Others do not raise questions because of fear of repercussions. Female FDG participants and a local social mobiliser from Jumla district explained that women did not make complaints for fear of losing access to the services and transfers they were already receiving (FGD9 and KII16, Jumla).

5.6.4 Key findings on state–society relations

A total of 93% of beneficiaries felt the introduction of the Child Grant was an indication that the government cared about their socioeconomic situation; 85% said it had improved their opinion of the government of Nepal. However, as most households in our sample receive at least three other social protection transfers, often through the same delivery mechanism, it may have been difficult for respondents to isolate their perceptions of this particular transfer. As such, there is no significant difference in overall perceptions of either level of government between beneficiaries and non-beneficiaries.

The qualitative interviews reveal a mixed picture on perceptions of both levels of government. On the one hand, beneficiaries of the programme were grateful to the central government for the programme. On the other hand, nuances in their answers show that the way the programme has been designed and implemented has not strengthened state–society relations in many regards. Qualitative interviews revealed more positive perceptions of central government. Beneficiaries cited poor implementation of the Child Grant as a reason for negative perceptions of local government, but it is not clear if perceptions were worse than before they received the grant or worse compared with those of non-beneficiaries.

At the same time, the qualitative assessment demonstrates that an overall environment of poor governance that has affected implementation of the Child Grant and led to negative perceptions among local residents of the local leaders involved in benefit delivery. The beneficiary testimonies suggest indicate that the governance

environment in Karnali reinforces rent-seeking and mismanagement on part of local authorities and restricts access of ordinary residents to resources and entitlements. This implies social protection transfers may not foster positive state–society relations in the absence of an enabling environment that upholds citizens’ rights and promotes accountability and transparency of local leaders.

6 Conclusions and policy implications

Increasing attention has recently been given to the role social protection instruments can play beyond the economic sphere, highlighting the importance of understanding and tackling the multidimensional nature of poverty. This research contributes to this literature, examining how social protection programmes may or may not contribute to the overarching goals of inclusion, participation and state–society relations, and what the key barriers or opportunities are to enhancing the effectiveness of social protection for socially excluded or marginalised groups.

This study uses a social exclusion lens to analyse the effects of the Child Grant, launched by the Government of Nepal in 2009. This transfer is targeted at all households with children aged up to five years in the Karnali region and at Dalit households in the rest of the country, for two children per household at the most. It covers about 21.5% of the population of children aged under five. The payment is NRs 200 (\$2) per child per month.

This case study was chosen because the Child Grant is targeted towards a particularly vulnerable demographic – families with young children – and has universal coverage in Karnali, one of the remotest areas in Nepal, and one with high levels of social exclusion. It is the first impact assessment of the Child Grant and is a mixed methods study conducted in Karnali region in 2012/13, covering 2,040 households.

6.1 Impacts of the Child Grant

The objective of the research was to examine the contribution of the Child Grant to improving social inclusion in the Karnali area – in terms of both design and implementation. As the grant was launched only three years previous to the fieldwork, big impacts cannot yet be expected. This study found only **small effects on some indicators of social inclusion**: enabling purchases of more desired and nutritious food; enabling informal loans; encouraging greater interaction between community members; and positive perceptions of central government (but negative perceptions of local government). These effects were found in only a small number of qualitative interviews. The **PSM impact analysis found no significant impacts**. As expected, we have no evidence of the grant having impacts on drivers of social exclusion.

We examined whether the Child Grant had an impact on five broad groups of outcome dimensions: household income, expenditure and food security; access to and utilisation of essential basic services, including health and education; labour market and economic opportunities; social relations in local the local community; and state–society relations. Using a range of indicators and data, we have shown that the Child Grant has had only limited impacts on beneficiary households. The quantitative analysis did not find any significant differences between beneficiary and non-beneficiary households for any of the indicators. The qualitative analysis shows some limited areas where some progress appears to have been made.

The Child Grant has not had a significant impact on household expenditure, and households do not consider their levels of consumption to have changed considerably. The **Child Grant has facilitated purchase of food and other small items, such as clothing**. It should be noted that not all households spend the Child Grant on all

of these expenditure categories; the low value of the transfer means most households would have spent the transfer on one of them. Hence, **the transfer has contributed to the household budget, but not substantially.** Further, the grant has enabled some beneficiaries to buy more food, in particular food not produced locally and more nutritious food, but not to the extent that it has changed overall levels of food security. The former finding is noteworthy, given that the objective of the grant is improving nutrition.

It appears that the Child Grant has not had a greater impact on household consumption because of its low value. At NRs 200 per child per month, it is not sufficient to sustain household expenses for more than a few days, especially given the high living costs in Karnali. Further limiting impact is the fact that, in practice, households often receive a much lower transfer than the amount they are entitled to. Only 63% of households have received the full transfer; on average, they receive only 82% of the amount they are eligible for.

For access to and utilisation of services, we again see that the Child Grant has not had a measurable impact. There is no statistically significant impact on access to and utilisation of education. Two-thirds of respondents said they were already managing education expenditure without the Child Grant. Qualitative interviews indicated that the grant played a supporting role for some households in financing some small expenditure, such as on notebooks or school lunches. However, **enhancing affordability through cash transfers may not substantially improve access to schools, as there are other barriers to school attendance, such as poor accessibility and low quality of education.** Finally, it should be noted that, as a result of information campaigns, birth registration in Karnali is now close to 100% (UNICEF, 2012), which is important in terms of future access to other services, such as health and education.

The Child Grant does not appear to have made health services more affordable, and overall there is no statistically significant impact on expenditure. However, a small number of beneficiaries noted that they spent the grant on minor health treatment and medicines. Finally, a number of beneficiaries emphasised that having access to the Child Grant had enabled households to access informal loans or credit. Overall, though, improving affordability and facilitating people's access to health care requires significant sums of money. Modest social transfers may not address the issue of affordability. As with education, institutional bottlenecks are a major, if not the main, driver hindering health access.

It is clear that the low value of the Child Grant means households cannot overcome financial constraints in education and particularly health. **Irregular payments make it impossible for households to rely on the transfer when a health shock occurs.** Finally, the low quality of basic services in Karnali seems to be a much bigger barrier in achieving better health and education outcomes. Hence, better outcomes can be achieved only if the Child Grant is accompanied by complementary supply-side measures.

The **Child Grant has not had a significant impact on economic opportunities**, including in agriculture and business. The qualitative analysis revealed a small number of cases where the grant was used to purchase or repair small agricultural tools or to buy small animals, and it has contributed to contributing to the cost of running a business in a very small number of cases. There is **some evidence of the Child Grant enabling informal loans, particularly for women.**

There are a number of reasons for the limited extent of change in terms of economic opportunities, including the low value of the transfer and the irregular and unpredictable nature of payments, which dis-incentivises savings and investments. Further, the geographic and economic context and structures severely limit potential employment and investment opportunities. Karnali is a remote area with few economic opportunities and poor infrastructure and market access – structural and physical barriers the Child Grant clearly cannot overcome.

In terms of social relations, a small number of beneficiaries have spent the grant on social events and festivities. However, the qualitative analysis revealed that **the process of applying and collecting the transfer has**

facilitated interaction and dialogue between different community members. However, this does not appear to have changed women's overall activities, nor does it seem to have affected relations between different social groups.

A total of 93% of beneficiaries feel that the introduction of the Child Grant is an indication that the government cares about their socioeconomic situation; for 85% it has improved their opinion of the government of Nepal. However, we should keep in mind that, with most households in our sample receiving at least three other social protection transfers, often using the same delivery mechanism, it is difficult for respondents to isolate their perceptions of this particular transfer. As such, there is **no significant difference in overall perceptions of either level of government between beneficiaries and non-beneficiaries.**

The qualitative interviews reveal a mixed picture on perceptions of both levels of government. On the one hand, beneficiaries of the programme are grateful to the central government for the programme. A number of beneficiaries **appreciate the fact that the Child Grant is a universal transfer in Karnali.** On the other hand, the programme has been designed and implemented— including low value of the benefit and irregular and partial allocation - has actually undermined state-society relations. Qualitative interviews generally revealed more positive perceptions of central government. Beneficiaries cited poor implementation of the Child Grant as a reason for negative perceptions of local government, but it is not clear if this resulted in *worse* perceptions than before receiving the grant or worse perceptions compared with those of *non-beneficiaries*.

The qualitative assessment demonstrates that the overall environment of poor governance affects implementation of the Child Grant and leads to negative perceptions among local residents of the local leaders involved in benefit delivery. The beneficiary testimonies suggest indicate that the governance environment in Karnali reinforces rent-seeking and mismanagement on part of local authorities and restricts access of ordinary residents to resources and entitlements. This implies that social protection transfers may not foster positive state-society relations in the absence of an enabling environment that upholds citizens' rights and promotes accountability and transparency of local leaders.

6.2 Policy implications

Our research findings point to a number of important policy implications that may help the Child Grant have a stronger impact, as well as broader implications to support social inclusion.

We would like to emphasise that **beneficiaries appreciate the Child Grant – particularly the fact that it is a universal transfer,** since all other transfers in Karnali are targeted. The Child Grant can be seen as a clear signal by the Nepali government that it is concerned with social justice and inclusion. Hence, acknowledgement of the right to the transfer is clearly popular, despite its low value. Further, the fact that the Child Grant has encouraged greater birth registration is valuable, as it potentially enables access to other government programmes.

However, this research has suggested that the impact of the Child Grant is limited by both design and implementation inefficiencies. **In terms of design, the current size of the benefit is not sufficient to achieve substantial impacts.** The payment enables households to buy some food and, for some households, other small items for a short period of time, but it is not enough to have had an impact on overall levels of food security or any other outcome. For more substantial impacts, the level of the grant has to be increased and it should be pegged to regional prices, given large price differences with the rest of the country. While this makes budgeting unpredictable, it does ensure greater impact of the transfer – and it has been done successfully in Kenya's Hunger Safety Net Programme (Hurrell et al., 2009). Further, as households in Karnali have three children on average, restricting the benefit to a maximum of two children per household means that, in practice, the grant has a limited impact on household budgets. Extending the Child Grant to all children under the age of five is another way to potentially achieve greater impact at the household level.

We recognise that the government of Nepal may be reluctant to increase the Grant's value or extending it to more children of the household out of concern that this will encourage people to have more children. While the international literature shows no strong link between increasing social protection coverage and fertility (see for example Stecklov et al., 2007), this is likely to be an important consideration in policy discussions. However, there is a balance to be found between increasing the level of support and increasing the number of possible beneficiaries per household in order to make the programme more effective but simultaneously still acceptable to government.

This research has highlighted that **implementation of the Child Grant hampers effectiveness of the programme and limits potential impacts on social inclusion.** Beneficiaries are not receiving the full amount and are receiving the transfer irregularly and not on time; processes are opaque, there are irregularities in the application and payment mechanism, corruption is prevalent and there is often a lack of grievance mechanisms and monitoring. The implementation structure is complicated and involves many layers of government. VDCs blame late release of funds from the central government, but beneficiaries listed numerous incidents of local-level governments manipulating beneficiary lists and transfers. In as many as 25 VDCs covered in this research, the absence of the VDC secretary for most of the year was noted – this is of great concern given that only the VDC secretary can authorise payment of the Child Grant or other social protection transfers.

Hence, it is clear that **more work needs to be done to improve the effectiveness of programme implementation.** First and foremost, this includes better monitoring processes at all levels along the way and strengthening those that have already been put in place. It also means making application processes and details on transfer amount and timing more transparent and putting stronger grievance processes in place, so beneficiaries can complain when they do not receive the transfer or it is late.

The analysis has shown that – **owing to structural constraints, such as limited economic opportunities and inefficient and low-quality basic services – access to cash is not sufficient to increase social inclusion.** For instance, in the health sector, institutional bottlenecks severely limit access to health. This compels one to question the policy appropriateness of supporting access to health by focusing on affordability (through cash transfers) in a situation where removing sectoral bottlenecks in service financing and delivery may be more effective. Hence, even if the Child Grant helps improve affordability, this is not sufficient to ensure substantial impacts on health or education outcomes.

Ultimately, these findings highlight the importance of effective provision of public services for enabling inclusive access. As the literature on (conditional) cash transfers shows, if one wants to achieve substantial and sustainable impacts on health and education outcomes, a cash grant is best accompanied by complementary supply side-interventions, such as improving the quality of education provision (Adato and Hoddinott, 2007; Fiszbein et al., 2009; Lin, and Sha Salehi, 2013). Likewise, access to finance alone may not be sufficient to enable individuals to diversify livelihoods or start a business. Instead, social protection measures must be accompanied by active labour market and economic policies as well changes in governance structures. In short, constraints to economic opportunities and access to basic services in Karnali region need to be tackled through broader policies.

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Annex 1 Summary of selected social protection measures in Nepal

Table A1: Summary of selected social protection measures in Nepal

Type	Objective	Coverage	Nature	Administrative mechanism
Social pension/old age allowance (started in 1995)	Security for the elderly	All citizens over 70; over 60 in Karnali or if identified as Dalit (all of Nepal)	Currently, NRs 500 per month distributed three times in a year	MoLD distributes through office personnel at VDC or municipality
Widow allowance (started in 1996)	Social assistance	All widows	NRs 500 per month distributed three times in a year	MoLD distributes through office personnel at VDC or municipality
Disability allowance (started in 1996)	For the disabled as defined by MoLD	All disabled people	NRs 500-1,000 per month depending on severity	MoLD distributes through office personnel at VDC or municipality
Child Grant* (started in 2009)	To reduce malnutrition	Under five children (two per mother) for all in Karnali and for Dalit in all parts of Nepal**	NRs 200 per month per child	MoLD distributes through office personnel at VDC or municipality
School meal programmes (started in Fiscal Year 2005/06)	To address malnutrition and serve as an incentive for school attendance	All children of government primary schools	NRs15 per child per day	Ministry of Education, public and UN agencies
Education grants (started in 1975)***	Social inclusion	For socially excluded groups: girl children, Dalit children	Free education	Ministry of Education
Technical education scholarship for girl children	Gender equality	For girls of low-income families	Free education	Ministry of Education
Marriage grant (started in 2009)	Social cohesion	Widows and inter-caste marriages, especially for Dalit	Once, NRs 50,000-100,000	Ministry of Women, Children and Social Welfare
Categorical allowance for endangered indigenous peoples	Social inclusion	All members of endangered indigenous groups	Cash, monthly basis, NRs 500 and NRs 1,000 (for non-endangered ethnic and endangered ethnic groups respectively)	MoLD distributes through office personnel at VDC or municipality
Food aid (started in 1964)****	To address extreme hunger and malnutrition	Dependent on area affected/areas defined as food for work schemes	In kind	WFP, Nepal Food Corporation
Employment scheme (started in 2006)	To address remoteness	Karnali	Employment for 100 days at NRs 200 per day	MoLD

Notes: * The Child Grant is known as a nutritional support programme for under five; ** This programme has been extended to Bajura and Bhajhang districts as a universal scheme; *** In 1975, primary-level education (Grades 1-3) was made free in all government schools. Since then, different free education schemes for higher levels have continued; **** This aid started formally with the establishment of the Nepal Food Corporation in 1964.

Source: Ministry of Finance (2009); MoLD (2010); Johnson and Subedi (2011).

Annex 2: Child Grant implementation

Identification of the target group

According to the procedure, the target group eligible for the grant comprises a maximum of two children below the age of five years of every poor Dalit family in Nepal and of all families in Karnali¹⁷ The grant is available either to the mother of the children or to the guardian if the children are not living with the mother. The procedure for the selection of beneficiaries is as follows:

- For Karnali, a list of all children under five years must be prepared, along with the family's proof of birthdate, by the VDC or with the support of a service provider/mothers' group/individual/district child committee.
- In the absence of birth registration and school records, pre-primary school records are accepted, or the VDC can register the child and provide a certificate.
- The VDC selects two children from each family, including at least one girl if possible.

Since the programme is universal and the target group is well defined, identification is not difficult when the system is implemented well. Multiple forms of identification, like birth registration, hospital registration and pre-primary school records, are accepted. It is beneficial that birth registration is encouraged, because registration can also be used to access other institutions, such as schools. Birth registration is now nearly universal in Karnali (UNICEF, 2011). Although birth registration is done throughout the year, the name list for grant distribution is done only once a year, so children born after the month of registration have to wait until the next year to be eligible to receive grant.

Processing of the name list

After identification of the children, VDCs/municipalities should send the name list to the DDC, in a given format.

The list has to be processed by the DDC as follows:

- Approve the name list through the all-party mechanism;¹⁸
- Publicise the final list on the information board in the VDC office or in a public place in the village
 - In order to manage the budget, send the final list of children the fastest way possible to the population and vital registration management section in MoLD in MoLD.

¹⁷ In Fiscal Year 2013/14, the government of Nepal has extended this grant to be universal in two more districts.

¹⁸ At local level, in the absence of an elected body, the government has set up committees containing members of different parties. This mechanism was formally dissolved on 4 January 2012 but still functions informally.

Political participation is ensured through the requirement that the all-party mechanism approve the name list. This also gives the grant political significance. In practice, though, it seems that many VDCs do not publish beneficiary lists.¹⁹

Budget release and expenses

There is a clear procedure regarding the release of the grant. MoLD releases the money to the DDC, which then passes it on to the VDC, which pays the transfer to the mother. However, there is some confusion about how frequently the payment should be made: according to official procedures it should be paid every four months, whereas two circulars from the Financial Comptroller General Office to the MoLD have asked that grants be distributed two times in a year. Actual practice varies. The decision relating to distribution ultimately depends on the VDC secretary and not on the system or a defined timetable.

Monitoring and evaluation and progress assessment

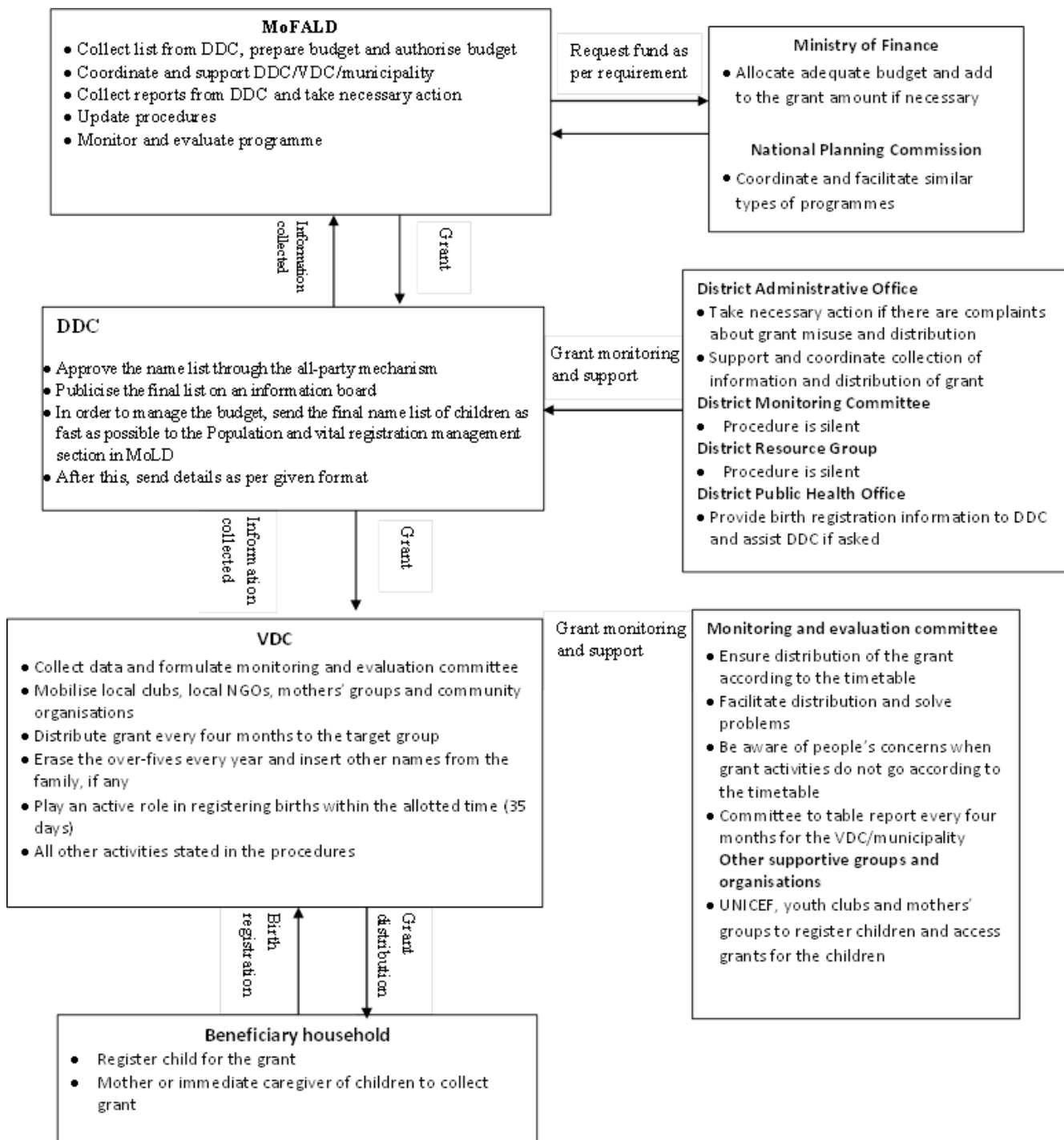
Two levels of monitoring and evaluation committee are provisioned for: district and VDC. The VDC/municipality-level committee has to be formed under the VDC chair or the mayor, and to have representatives of different political parties as well as disabled people and those from the media and mothers' groups. A VDC/municipality employee serves as secretary. This committee has the following rights and responsibilities:

- Ensure distribution of the grant according to the timetable;
- Facilitate distribution and solve any problems;
- Be aware of people's concerns when grant activities do not go according to the timetable;
- Committee to table a report for each four months for the VDC/municipality;
- Committee to encourage spending of the grant amount on child feeding.

None of the monitoring and evaluation committees at VDC level was found to be active. This is likely because the formation of such committees is not mandatory.

¹⁹ According to Gokul Budhaof Humla, who has worked with a local NGO in Karnali as a social mobiliser and is familiar with the Child Grant distribution process.

Figure A2.1: Child Grant distribution – institutional roles



Annex 3: Additional tables on social exclusion

Table A3.1 Caste and ethnic dimensions of poverty

During the war (1996-2004), poverty incidence fell by 11 percentage points, from 42% to 31%. This improvement affected all regions, quintiles and caste and ethnic groups, as well as both rural and urban areas. However, it was not equal between groups:

- A 46% improvement for Brahman/Chhetri groups;
- A 21% improvement for Dalit (the national average was 20%);
- A 10% improvement for Hill Janajati (only half of the national average);
- A 6% improvement for Muslims.

The share of certain groups living below the poverty line increased between 2004 and 1996.

Hill Janajati went from 19.7% to 27.8% of the poor.

Muslims went from 5.7% to 8.7% of the poor.

Average poverty incidence for 2004 was 31% but was greater among selected groups:

- Hill Dalit: 48%;
- Terai Dalit: 46%;
- Hill Janajati: 44%, with large variations even among Hill Janajati groups;
- Muslims: 41%.

These data show that caste/ethnicity can be used to predict per capita consumption to some extent. Per capita consumption for Brahman/Chhetri households is still 13-15% above that of Dalit, Janajati and Muslim households. The difference for Dalit households amounts to NRs 4,853 less annual per capita consumption than in similar Brahman/Chhetri households. This remains true even after controlling for confounding factors and hence can be ascribed to group membership.

Source: World Bank (2006).

Table A3.2 Overview of drivers and outcomes of social exclusion in Nepal

Driver	Type	Affected group	Group name	Outcome	Most significant level of discrimination (Bennet, 2005)
Patriarchal society (ADB, 2010)	Norms and practices	Women		<ul style="list-style-type: none"> • Gender-based violence • Less education • Worse literacy • Higher poverty rates • Capabilities diverging more in rural areas (Mid-West and Mountain regions (UNDP, 2009)) 	Family and household
Hierarchical caste-based system	Norms and practices	Bottom groups of caste system	Dalit	<ul style="list-style-type: none"> • Worse access to services, participation, income • Higher poverty rates (UNDP, 2009) and exclusion from enhanced development (decrease of poverty among Brahmin, Chhetri and Newar 46%; for Dalit it was only 21%; • Not accepted as Nepali (UNDP, 2009) • Excluded from going to temples, using water sources • Required to eat on separate plates/cups • Grocery shopping: cannot directly touch and select food (ibid.) 	Community level 'presented as harmonious, but contains many different interest groups and often dominated by local elites' (Bennet, 2005)
Identity	Norms and practices	Ethnic/tribal groups	Janajati	<ul style="list-style-type: none"> • Lower land ownership • Poverty reduction among Hill Janajati is 10% (lower than for Dalit) 	Nation
Culture	Norms and practices		Janajati, Madhesi	<ul style="list-style-type: none"> • Literacy among Madhesi 'other' Brahman/Chhetri is 82.5% for females and only 24.2% for other castes of 	Nation
Regional autonomy	Inadequate legal rights		Madhesi in Terai region	<ul style="list-style-type: none"> • Madhesi districts score lowest on Human Development Index (UNDP, 2009) • Poorer access to health 	
Paucity of resources	Inadequate legal rights		Janajati	<ul style="list-style-type: none"> • Spatial inequality 	Nation (laws, policies, institutions, public resource allocation, representation)
Remoteness	Inadequate legal rights	People in regions with poor infrastructure/remote areas	People of the Mid-West (Karnali, Bheri, Rapti)	<ul style="list-style-type: none"> • Political participation • Population has the lowest Human Development Index value in Far-West (0.44); highest is in Kathmandu (0.6) (UNDP, 2004) 	
Age	Lifecycle vulnerabilities		Children/youth and the elderly	<ul style="list-style-type: none"> • Child labour • Lack of access to education or income 	

Source: Authors, based on information from Bennet (2005) and UNDP (2009).

Annex 4: Propensity score matching results

Table A4.1 Results of propensity score matching

Indicator	Nearest neighbour matching					Kernel matching				
	Treated	Control	ATT	Sig.	T-stat.	Treated	Control	ATT	Sig.	T-stat.
Everyone in household had enough to eat in the past month	0.60	0.47	0.13 (0.07)	ns	1.60	0.60	0.50	0.10 (0.07)	ns	1.49
Children eat first	0.53	0.43	0.10 (0.08)	ns	1.38	0.53	0.45	0.08 (0.07)	ns	1.21
Per capita income	16684	20135	-3451 (2498)	ns	1.38	16690	18154	-1464 (2055)	ns	0.71
Per capita education expenditure	9231	10834	-1602 (3302)	ns	0.48	9218	10774	-1556 (2895)	ns	0.54
Household children attend school regularly	0.72	0.71	0.01 (0.07)	ns	0.18	0.73	0.76	-0.03 (0.07)	ns	0.50
Attending private school	8.0	9.2	-1.2 (5.0)	ns	0.23	8.0	8.4	-0.4 (4.5)	ns	0.09
Per capita health expenditure	2200	3719	-1519 (1355)	ns	1.12	2199	4804	-1605 (1273)	ns	1.26
Did not seek medical assistance as too expensive	0.07	0.05	0.02 (0.03)	ns	0.59	0.07	0.05	0.02 (0.03)	ns	0.75
Share who used medical consultation from hospital	1.3	2.4	-1.1 (2.3)	ns	0.48	1.3	4.5	-3.3 (2.1)	ns	1.59
Generated income from business in past 12 months	0.38	0.40	0.02 (0.09)	ns	0.20	0.38	0.41	-0.03 (0.09)	ns	0.31
Has access to informal finance	0.55	0.50	0.05 (0.08)	ns	0.65	0.55	0.51	0.04 (0.06)	ns	0.60
Household bought small livestock in past year	0.10	0.08	0.02 (0.04)	ns	0.36	0.10	0.08	0.02 (0.04)	ns	0.56
Agree welfare is very important/ important for local government	0.73	0.63	0.10 (0.07)	ns	1.33	0.73	0.63	0.10 (0.07)	ns	1.57
Agreement that welfare is very important/important for local government	88.9	84.3	4.6 (5.5)	ns	0.85	88.9	81.9	7.0 (4.7)	ns	1.49

Note: Figures and parentheses are standard errors of ATT; *** ATT is significant at 1%; ** ATT is significant at 5%; * ATT is significant at 10%; ns ATT is not significant.

For analysis of the type of health clinic used, the sample size was 1,287 households, as others did not use medical consultation. Of the 1,287 households, 1,076 were treatment and 211 were control households.

Table A4.2: Descriptive statistics of the pre-treatment variables

Variable	Non-beneficiary		Beneficiary		All households	
	Mean	Std	Mean	Std	Mean	Std
Household population (number)	5.58	1.63	6.63	2.34	6.45	2.27
Age of household head (years)	43.62	12.34	40.87	13.36	41.33	13.23
Religion, 1=Hindu	0.95	0.22	0.96	0.18	0.96	0.19
Religion, 1=Buddhist	0.04	0.20	0.03	0.17	0.03	0.17
Religion, 1=Christian	0.01	0.09	0.01	0.08	0.01	0.09
Caste, 1=Brahman	0.12	0.33	0.12	0.32	0.12	0.32
Caste, 1=Chhetri	0.50	0.50	0.44	0.50	0.45	0.50
Caste, 1=Janajati	0.05	0.22	0.04	0.20	0.04	0.20
Caste, 1=Dalit	0.19	0.40	0.21	0.41	0.21	0.41
Caste, 1=Thakuri	0.13	0.34	0.18	0.38	0.17	0.37
Caste, 1=Jogi/Yogi	0.00	0.05	0.01	0.08	0.01	0.08
Head is female	0.10	0.29	0.07	0.26	0.08	0.27
Number of rooms in household	4.44	2.86	3.99	2.51	4.07	2.57
Number of children less than six years	0.37	0.62	1.79	0.77	0.80	0.40
Number of children 6-10 years	1.21	0.75	0.81	0.82	1.55	0.92
Number of children 11-15 years	0.93	0.82	0.67	0.82	0.88	0.82

Annex 5: Additional tables

Table A5.1: Main income sources in the sample

	Share of households with an income from this source	Average per capita income from this source in past 12 months (NRs)
Farm income	98.33%	4,947
Livestock income	48.92%	2,645
Non-farm income*	99.80%	9,620
Income from herbs collected	10.14%	454

Note: *Excludes herba income.

Table A5.2: Has the Child Grant helped you in financing the following?

	N	%
Seeds, pesticides, fertiliser	38	2.0
Irrigation water	29	1.5
Agricultural machinery	94	5.0
Livestock	183	9.8
Starting a business	95	5.1
Sending a household member to an urban area in Nepal or another country	32	1.7
Household expenses	249	13.3
Clothes/sandals	117	6.2
Medicine	51	2.7
Education expenditure	166	8.8
Saving in child's name	2	0.1

Table A5.3: Household health and education expenditures in past 12 months (in NRs)

Variable	Beneficiary households	Non-beneficiary households	Total
Health expenditure	15,114.48	13,996.56	14,924.87
Per capita health expenditure	2,233.55	2,547.97	2,286.88
Formal expenses on education	12,041.18	13,469.75	12,307.55
Informal expenses on education	54.22	25.48	48.86
Formal and informal education expenses	12,095.4	13,495.22	12,356.42
Per school-going child education expenditure	5,908.85	6,116.44	5,948.92

Note: * significant at 10%; ** significant at 5%; *** significant at 1%.

Table A5.4: Discrepancy in accessing high-quality health services between beneficiary and non-beneficiary households

	Beneficiary households	Non-beneficiary households	Total
High-quality health services	52.66%	59.93%	53.69%
Low-quality health services	47.34%	40.07%	46.31%

Note: Differences between groups are significant at the 5% level.

Table A5.5: Characteristics of the sample

Characteristics		Child Grant category				Total	
		Beneficiary households		Non-beneficiary households		N	%
		N	%	N	%		
Age	0-14	5,338	47.5	821	42.6	6,159	46.8
	15-59	5,295	47.1	1,029	53.3	6,324	48.0
	60+	602	5.4	79	4.1	681	5.2
Sex	Male	5,641	50.2	1,010	52.4	6,651	50.5
	Female	5,594	49.8	919	47.6	6,513	49.5
Caste/ethnicity	Brahman	1,419	12.6	248	12.9	1,667	12.7
	Chhetri	4,942	44.0	949	49.2	5,891	44.8
	Janajati/Adivasi	487	4.3	105	5.4	592	4.5
	Dalit	2,279	20.3	378	19.6	2,657	20.2

Table A5.1 Has the Child Grant changed your ability to participate in the following activities?

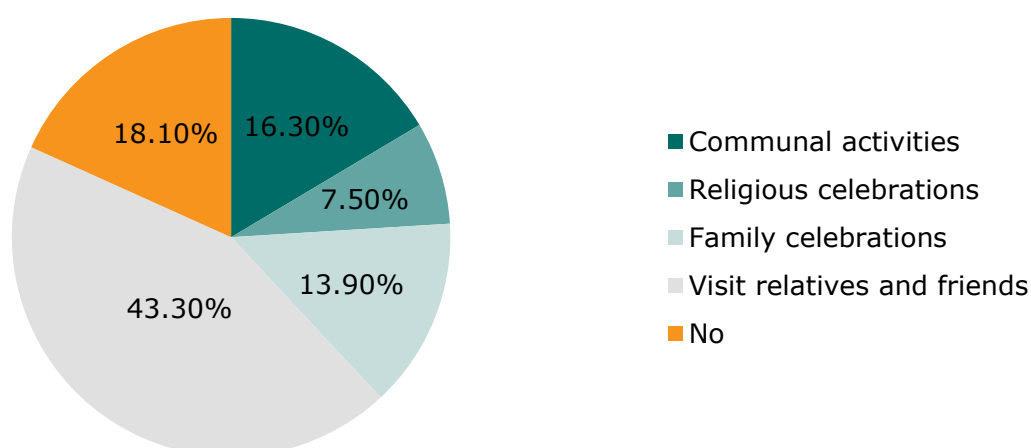


Table A5.6: What are the main obstacles in securing greater wellbeing (most important obstacles)

Obstacle	Number of responses	% of respondents
Lack of resources	1,335	65
Corruption	206	10
Weak central government	58	3
Weak local government	103	5
Illiteracy	150	7
Poverty	94	5
Other	94	5

Annex 6: Overview of interviews conducted

Reference	Type	Location (ward, VDC, district)	Date	Participants (F: female; M: male)
FGD1	FGD	Chaurel, Ward 1, Sunhoo VDC, Dolpa	7 May 2012	12F
FGD2	FGD	Galli, Ward 2, Tripurakot VDC, Dolpa	12 May 2012	13F
FGD3	FGD	Ward 8, Sahartara VDC, Dolpa	22 May 2012	6F
FGD4	FGD	Utisainigaun, Ward 6, Maila VDC, Humla	12 May 2012	7F and 5M
FGD5	FGD	Majhgaun, Ward 1, Jair VDC, Humla	16 May 2012	9F and 3M
FGD6	FGD	Rahadeu, Ward 4, Rodikot VDC, Humla	28 May 2012	7F and 4
FGD7	FGD	Karanga, Ward 1, Raya VDC, Humla	5 June 2012	10F
FGD8	FGD	Jhautewada, Ward 2, Pandugufa VDC, Jumla	19 May 2012	8F
FGD9	FGD	Haadsihja, Ward 6, Kanakasundari VDC, Jumla	23 May 2012	8F
FGD10	FGD	Gothigaun, Ward 8, Guthichour VDC, Jumla	6 June 2012	10F
FGD11	FGD	Farsewarda, Ward 4, Narakot VDC, Jumla	28 May 2012	10F
FGD12	FGD	Singha Chaur, Ward 9, Chandannath VDC, Jumla	11 June 2012	10F
FGD13	FGD	Brumma Tol, Ward 4, Brumma Madi Chour VDC, Jumla	31 May 2012	6F
FGD14	FGD	Ward 3, Lalu VDC, Kalikot	12 May 2012	8F and 6M
FGD15	FGD	Ward 8, Siuna VDC, Kalikot	4 June 2012	9F and 8M
FGD16	FGD	Ward 6, Mehalmundi VDC, Kalikot	20 May 2012	7F and 8M
FGD17	FGD	Ward 8, Siuna VDC, Kalikot	2 June 2012	12F
FGD18	FGD	Ward 2, Badalkot VDC, Kalikot	15 June 2012	9F
FGD19	FGD	Dalit Tole, Ward 7, Manma VDC, Kalikot	20 May 2012	10F
FGD20	FGD	Ward 7, Gela VDC, Kalikot	29 May 2012	8F
FGD21	FGD	Wards 3 and 4, Rachuli VDC, Kalikot	2 June 2012	8F
FGD22	FGD	Ratapani Tol, Ward 6, Kotdanda VDC, Mugu	7 May 2012	6F
FGD23	FGD	Sip Tol, Ward 1, Jima VDC, Mugu	16 May 2012	7F
FGD24	FGD	Ward 4, Ruga VDC, Mugu	18 May 2012	7M
FGD25	FGD	Ghuir Tol, Ward 1, Pina VDC, Mugu	27 May 2012	7F
FGD26	FGD	Ward 6, Lamra VDC, Jumla	12 December 2013	8F
FGD27	FGD	Ward 2, Kudari VDC, Jumla	13 December 2013	7M

Reference	Type	Location (ward, VDC, district)	Date	Participants
KII1	KII	Ward 1, Sunhoo VDC, Dolpa	7 May 2012	Bhim Bahadur Dharala (local school principal)
KII2	KII	Tripurakot VDC, Dolpa	13 May 2012	Karma Singh Thapa (Village Unit Committee President)
KII3	KII	Tripurakot VDC, Dolpa	11 May 2012	Kali Prasad Khatri (VDC Secretary)
KII4	KII	Ward 5, Jair VDC, Humla	15 May 2012	Chameli Rawat (social mobiliser)
KII5	KII	Thapagaun, Ward 4, Maila VDC, Humla	8 May 2012	Dhan Bahadur Malla (local teacher)
KII6	KII	Rahadew, Ward 3, Rodikot VDC, Humla	23 May 2012	Dhan Singh BK (local leader)
KII7	KII	Ward 2, Maila VDC, Humla	12 May 2012	Nanda Kali Budha (female community health volunteer)
KII8	KII	Raya VDC, Humla	2 June 2012	Jaya Bahadur Shahi (VDC Secretary)

KII9	KII	Simikot DDC, Humla	6 June 2012	Mamata Subba (central government officer)
KII10	KII	Narakot VDC, Jumla	28 May 2012	Harka Bahadur Mahat (VDC Secretary)
KII11	KII	ChandannathVDC, Jumla	11 June 2012	Bishnu Prasad Dhital (VDC Secretary)
KII12	KII	Ward 3, Patmara VDC, Jumla	6 June 2012	Lanka Thapa (head of village)
KII13	KII	Ward 7, Guthichaur VDC, Jumla	7 June 2012	Singhabir Bohara (local political leader)
KII14	KII	Ward 2, Raralihi VDC, Jumla	1 June, 2012	Nanda Bahadur Budha (Red Cross worker)
KII15	KII	Pandugufa VDC, Jumla	19 May 2012	Khagda Jung Rokaya (local political leader)
KII16	KII	Ward 6, Kanaksundari VDC, Jumla	24 May 2012	Mahesara Sahi (Ladies Supervisor, female community health volunteer)
KII17	KII	Shreekot, Ward 8, Lalu VDC, Kalikot	10 June 2012	Chet Bahadur Bista (local teacher)
KII18	KII	Ward 2, Rachuli VDC, Kalikot	2 June 2012	Chhatra Bahadur Sahi (local leader/school management committee member)
KII19	KII	Ward 7, Gela VDC, Kalikot	29 May 2012	Dan Bahadur Bista (VDC Secretary)
KII20	KII	Khadka Tole, Ward 3, Manma VDC, Kalikot	17 May 2012	Dhanjit Khadka (local teacher)
KII21	KII	Ward 2, Pakha VDC, Kalikot	22 May 2012	Jayarup Chaulagai (ex-VDC Chair)
KII22	KII	Ward 2, Rupsa VDC, Kalikot	17 May 2012	Chankha Bahadur Sahakari (local teacher)
KII23	KII	Manma VDC, Kalikot	29 May 2012	Manu Bahadur Raut (VDC Secretary)
KII24	KII	Ward 6, Mehalmudi VDC, Kalikot	21 May 2012	Ramita Sahi (female community health volunteer at District Public Health Office)
KII25	KII	Ward 3, ThirpuVDC, Kalikot	9 May 2012	Nawaraj Bam (VDC Secretary)
KII26	KII	Manma VDC, Kalikot	27 May 2012	Lok Nath Bhusal (Deputy Local Development Officer)
KII27	KII	Ward 4, Badalkot VDC, Kalikot	13 May 2012	Tulsara Bogati (Mother group member)
KII28	KII	Rowa VDC, Mugu	24 May 2012	Lok Prasad Upadhyay (VDC Secretary)
KII29	KII	Ward 9, Pina VDC, Mugu	27 May 2012	Khadgajang Shahi (local political leader)
KII30	KII	Salim, Ward 6, Rowa VDC, Mugu	21 May 2012	Tajbij Bhagri (ex-VDC President Ethnicity and caste are intertwined in Nepal.)
KII31	KII	Ward 7, Jima VDC, Mugu	13 May, 2012	Jana Bahadur Sahi (local teacher)
KII32	KII	Ward 4, Ruga VDC, Mugu	17 May 2012	Baldevi BK (female community health volunteer)
KII33	KII	Ward 4, Kotdanda VDC, Mugu	9 May 2012	Dhanrashi Sahi (local school teacher)
KII34	KII	Ward 4, Lamra VDC, Jumla	12 December 2013	Guru Prasad Chaulagain (health worker)
KII35	KII	Ward 4, Lamra, Jumla	12 December 2013	Gauri Shanker Chaulagain (acting VDC head of village; assistant of VDC secretary)
KII36	KII	Ward 3, Lamra, Jumla	12 December 2013	Ananda Hamal (social mobiliser)
KII37	KII	Ward 4, Kudari, Jumla	13 December 2013	Shivshankar Chaulagain (manager at local cooperative)

Reference	Type of interview	Location (ward, VDC, district)	Date	Participant, age, sex
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IDI1	In depth interview	Sunhoo VDC ward no. 4, Dolpa	May 7, 2012	Dharala T., 30, Female
IDI2	In depth interview	Sahatara VDC ward no. 7, Dolpa	May 22, 2012	Shanta B., 29, Female
IDI3	In depth interview	Sunhoo VDC, Dolpa	May 8, 2012	Jhiji B., 40, Female
IDI4	In depth interview	Tripurakot VDC, ward no. 2, Dolpa	May 12, 2012	Nausara B., 53, Female
IDI5	In depth interview	Maila VDC, ward no. 2, Humla	May 12, 2012	Bachu C., 50, Male
IDI6	In depth interview	Maila VDC, ward no. 6, Humla	May 13, 2012	Rupakarna J., 34, Female
IDI7	In depth interview	Jair VDC, ward no. 6, Humla	May 15, 2012	Nani L., 30, Female
IDI8	In depth interview	Jair VDC, ward no. 5, Humla	May 17, 2012	Santi N., 24, Female
IDI9	In depth interview	Rodikot VDC, ward no. 4, Humla	May 29, 2012	Sunkali B., 49, Female
IDI10	In depth interview	Raya VDC, ward no 9, Humla	June 4, 2012	Maisara R., 20, Female
IDI11	In depth interview	Kundari VDC, ward no. 5, Jumla	May 30, 2012	Kusumkala S., 30, Female
IDI12	In depth interview	Gela VDC, ward no. 7, Kalikot	May 29, 2012	Dhanasari S., , Female
IDI13	In depth interview	Thirpu VDC, ward no. 5, Kalikot	May 5, 2012	Ranjana R., Female
IDI14	In depth interview	Rachuli VDC, ward no. 3, Kalikot	June 2, 2012	Basana S., Female
IDU15	In depth interview	Lalu VDC, Ward no. 1, Kalikot	May 13, 2012	Chakradas D., 30, Male
IDI16	In depth interview	Mumra VDC, Kalikot	May 29, 2012	Prem K., 40, Male
IDI17	In depth interview	Lalu VDC, Ward no. 3, Kalikot	May 14, 2012	Aangsara B., Female
IDI18	In depth interview	Ruga VDC, Ward no. 2, Mugu	May 19, 2012	Ganesh R., Male
IDI19	In depth interview	Kotdandha VDC, Ward no. 3, Mugu	May 8, 2012	Rupa S., Female
IDI20	In depth interview	Jima VDC, Ward no. 5, Mugu	May 17, 2012	Lal M., Female
IDI21	In depth interview	Pina VDC, Ward no. 7, Mugu	May 26, 2012	Sarita K., Female
IDI22	In depth interview	Brumamadichour VDC, Ward no. 3, Jumla	June 1, 2012	Chandra K., Female
IDI23	In depth interview	Lambra VDC, Ward no. 6, Jumla	December12, 2013	Mansobha K., Female



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ISSN: 2052-7209

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Project funded by the European Union

