The Role of Cash Transfer Programmes in Development in Kenya

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Abstract: Kenya’s population is approximately forty million people. It is estimated that about 46 percent of the total population are poor. Consequently, such persons cannot afford basic needs especially food. It is in the light of this plight by many Kenyans that the government introduced social security measures to address the difficulties faced by her people. This paper examines the role of cash transfer programs in alleviating the suffering of the poor in Kenya and how they contribute to development. These programs include: The Older Persons Cash Transfer, Persons with Severe Disabilities Cash Transfer, Orphans and Vulnerable Children Cash Transfer and Urban Food Subsidy Cash Transfer. The overall aim of these programs is to alleviate the suffering of the poor and to promote the human capital of the beneficiaries for development. The paper is based on document analysis and personal experience of the authors in implementing the programs. The programs are managed and implemented by the Ministry of Labour, Social Security and Services. So far, monitoring reports indicate that the programs have had positive effect on recipients as well as communities. Apart from improved health of beneficiaries, it has been noted that the programs have contributed to spurring development among most benefitting households and individuals. Nevertheless, there are challenges that need to be continuously addressed.

Keywords: Cash transfer, Program, Poverty, Poor, Older persons, Disabilities, Children

1. Introduction

Kenya has an estimated population of 38,610,097 (KNBS 2010). Out of this total number, the elderly (65 years and above) number 1,320,000. It is estimated that ten percent of the population is composed of persons with disabilities. Similarly, it is estimated that Kenya has a population of about 2.5 million orphaned children. The overall poverty index is put at 46.7%. This is very high meaning that most Kenyans suffer from effects of poverty. The poor population is unable to access adequate and balanced diet, cannot afford quality education, can ill-afford quality medical services, lack good housing and a myriad of other problems. In Kenya, poverty is manifested through landlessness, lack of education, low levels of literacy, poor housing and inability to afford basic needs such as food, clothing and medical services. The poor can easily be clustered in categories such as small farmers, pastoralists, agricultural laborers, unskilled and semi-skilled workers, casual labourers, the physically handicapped, HIV/AIDS orphans and street children (Ministry of Planning, 1999). All that this points to is low levels of development.

The government of Kenya defines human development as the process of widening people’s choices and their level of well-being (Ministry of Planning, 1999). These choices include having access to resources needed for a decent standard of living, being able to acquire education and leading a long and healthy life. Needless to mention, the choices alluded to here start with the very basic needs of life namely food and medical care. As such, any goal of development should start with improving the well-being of people especially in terms of enabling them eat, access medical care and access education. Eventually, development ought to enable people lead productive and fulfilling lives whereby they contribute adequately to their families and communities. Indeed, families, communities and governments ought to work towards bringing about development so that all members of the society effectively participate in life and enjoy life to the utmost.

This paper examines four cash transfer programmes initiated and run by the government of Kenya in respect of the role they play in turning around the lives of those that the society had for a long time forgotten. The four programmes include Orphans and Vulnerable Children Cash Transfer (the oldest), Older Persons Cash Transfer, Persons with Severe Disabilities Cash Transfer and Urban Food Subsidy (the youngest). The overall purpose of all the four cash transfer programmes is to alleviate the suffering of poor members of the society. The purpose of the paper is to examine how the cash transfer safety nets are helping bring about development among the benefitting households and thereby contributing to the alleviation of human suffering.

2. Related Literature

Evolution of the Programmes

The first to be started was the Orphans and Vulnerable Children Cash Transfer Programme in 2004. Its overall objective is to provide a social protection system through regular and predictable cash transfers to families living with orphans and vulnerable children in order to encourage fostering and retention of the same orphans and vulnerable children within their families and communities and to promote their human capital development. This programme has the specific aims of: increasing school enrolment, attendance and retention for 6-17 year olds in basic school (up to standard eight), reducing the rates of mortality and morbidity among 0-5 year old children through immunization, growth monitoring and vitamin A supplement provision, encouraging caregivers to obtain birth certificates for children and death certificates for deceased parents and
provide training in areas such as nutrition, guidance and counseling, reproductive health and refer cases of HIV and AIDS.

Initially, the programme was pre-piloted in Nairobi, Garissa, and Kwale targeting 500 households using donor funds. In 2005/6 financial year, it was expanded to reach four more districts (now Sub-Counties) namely: Kisumu, Migori, Homabay and Suba targeting 30,000 households. It was effectively rolled out in most parts of the country in the 2006/07 financial year during which allocation was made in the government budget. Currently, the programme is in all constituencies in the country and by June 2014, 253,000 households were covered. Only those families categorized as extremely poor and vulnerable are enrolled in the programme.

The second to be introduced was the Older Persons Cash Transfer Programme in 2005. Its aim is to cushion older persons and their households from income-threatening risks such as sickness, poor health and injuries. It also endeavors to break inter-generational poverty by providing younger household members with the opportunity to go to school or go to work. This programme was integrated in the government budgetary cycle straightaway. Only persons who are 65 years old and above are eligible for enrolment in the programme. They should also be categorized as extremely poor. It also covers all the constituencies in the country and by June 2014 there were 164,000 older persons covered in the programme.

Following the unprecedented success of the two social protection programmes, the government expanded its social responsibility to cover persons with disabilities. In 2010, it introduced the Persons with Severe Disability Cash Transfer Programme. The aims of this particular social protection strategy is three-pronged: to contribute to poverty reduction among household shaving at least one member with a severe disability through the provision of a regular and predictable cash transfer, to improve the lives of people with a severe disability and to empower caregivers and improve the livelihood opportunities of household members. Again like the first two, only households that are extremely poor and have one of their members having a severe disability are enrolled in this programme. Starting with only a few people per constituency, the programme now boasts of enrolling 27,200 persons with severe disabilities as at the end of June 2014.

Finally the Urban Food Subsidy Cash Transfer Programme was started in 2011/12 financial year. In terms of coverage, this is the least programme as it covers only one County namely Mombasa and only a few areas in the County – Mvita, Changamwe, Likoni and Kisauni. The purpose of this programme is to ensure that households have enough to eat throughout the year and also to help households survive income-threatening risks resulting from political and economic instability or natural disaster. So far, by June 2014 the programme was covering 10,200 households in the county. The benefitting households are categorized as extremely poor and vulnerable.

3. The Policy Environment

The social protection spirit in the government is not operating on mere goodwill. It is envisioned in the Constitution of Kenya 2010 and Kenya Vision 2030. Under the chapter on Bill of Rights, there is commitment to extend social security to all. The state is bound by Article 43(3) to provide appropriate social security to persons who are unable to support themselves and their dependants. Indeed the Constitution envisages social protection in its totality namely social assistance, social security and health insurance. Such an approach aims at ensuring that all are able to access basic rights to food, health, education and decent livelihoods. The Social Assistance Act, 2013 was enacted to give effect to Article 43 (1) (e) of the Constitution. One of the things the Act brought into being was establishment of the National Social Assistance Authority whose function is coordination of programmes geared towards social assistance to persons in need.

In addition, a raft of policy frameworks have been developed to guide implementation of the various programmes. The Kenya National Social Protection Policy 2011 seeks to consolidate the various social protection activities that have been implemented in a fragmented way in the country. The Policy categorizes the social protection activities in three: social assistance (where the cash transfer programmes fall), social security and health insurance. It asserts that the overarching goal of social protection is to ensure that all Kenyans live in dignity and exploit their human capabilities to further their own social and economic development. There also exists the National Policy on Older Persons and Ageing 2009. This policy document outlines measures that should be undertaken to address needs of older persons in the society. For instance in chapter six of the policy it is stated that the State should undertake to provide safety nets and special assistance targeted to the disadvantaged and destitute older persons. Indeed this is what the cash transfer programmes are doing.

These legislative and policy frameworks are important in ensuring sustainability of the programmes (Kisurulia 2011:136). Such a policy environment ensures that whatever is being undertaken has legal backing hence successive governments are expected to continue implementing the programmes since they are legally founded. It also helps in holding the government to account should it renge or fail to act as legislated. Indeed as the government sources for resources to implement its activities, the cash transfer programmes are some of the activities to be sourced funds for.

4. Management of the Programmes

The cash transfer programmes are a function of the national government of Kenya (not County governments) managed by the Ministry of Labour, Social Security and Services. Specifically, the Orphans and Vulnerable Children Cash Transfer is managed by the Department of Children’s Services while the other three cash transfer programmes are managed by the Department of Social Development in the same ministry. The National Council for Persons with Disabilities also plays a role in managing the funds meant
for cash transfer to persons with severe disabilities. However, actual implementation of this activity lies on the shoulders of the Department of Social Development in the Ministry. The Ministry targets candidates to be enrolled in the programmes, enrolls them, pays them and monitors the whole exercise. It is also charged with the responsibility of budgeting for the programmes and seeking for funds from the central government (exchequer). Within the ministry, there has been established a Social Protection Secretariat whose main function is to deal with policy issues relating to social protection.

The Central Programme Unit coordinates operations of the programmes. There has also been established a Management Information System for management of data. The information system supports all operational processes of the programmes. Some of its functions include processing data received from the field, generating lists of beneficiaries, generating enrollment tools, payrolls, compliance and monitoring reports and reconciliation reports. In addition, there is a Financial Management Module which tracks procurement, budgets, budget reports, reconciliations and project management among others. The purpose of MIS is to control the information system at the Central Programme Unit.

In the field (Counties and Sub-Counties), officers of the Ministry undertake the actual work of training the communities on the programmes, identifying candidates to be enrolled, disburse the funds, monitor the programmes and replace beneficiaries. They work through committees at the Sub-County/Constituency level and the location level. The committees comprise of government and community members with the area Member of Parliament being the Patron at the Sub-County/Constituency level. At the location level, the Beneficiary Welfare Committee ensures that the beneficiaries do not misuse the transfer through monitoring and reporting to the field officers. This synergy helps in ensuring that only the most vulnerable members of communities benefit first.

5. Selection of Candidates to be Enrolled

Selection of candidates is at Constituency level. Poor Sub-Counties in the constituency are identified based on information obtained from the Kenya National Bureau of Statistics. Within the Sub-Counties, the very poor locations are identified and it is from within these locations that the very needy households are targeted. The locations and households ought not to be benefitting from any other programmes similar to the cash transfer one. Subsequently, communities in the selected areas are sensitized about the programmes. This community sensitization is important since the communities play a significant role in managing some aspects of the programmes. The neediest households are then identified, targeted and selected in readiness for enrollment. Selection is based on poverty parameters such as size of land, type of house, number of other property, number of orphans and vulnerable children in the household, severity of disability, number of persons with severe disabilities in the household, level of income of the household and meals consumed per day by the household among others. This data is weighted per household then the households are ranked starting with the neediest. The same information is is entered and verified by the Management Information System at the National Secretariat. Once the lists of proposed beneficiaries are generated, the names are subjected to community validation in barazas (community meetings). It is only upon doing this that the households are enrolled in the programmes.

Households enrolled in any of the programmes are entitled to a stipend of Ksh 2000.00 (two thousand Kenya Shillings) paid bimonthly. This stipend is supposed to go towards purchase of basic items such as food, medication, bedding, clothing and education. Some aspects of the programmes are conditional while most are not. Conditional ones mean that for a household to remain in the programme, it has to meet (adhere) to certain conditions set out in the programme such as acquiring birth certificates for benefitting orphans.

6. Payment and Exit

Payment is made to the individual person for example a person with severe disability or to an identified caregiver who was listed on the targeting form. For children, caregivers collect (are paid) the money. As indicated elsewhere, the payment is done after every two months. However, sometimes payment is delayed and comes after a longer period of time in lump sum. Payment is effected through Post Offices that are spread throughout the country and Equity Bank. At the moment other payment modes are being explored such as M-Pesa. Changes in the households are communicated to field officers who transmit the same to the Central Programme Unit for updating. Complaint forms have been developed to record any cases for resolution. Problems envisaged include wrong deductions, delayed payment and so on.

Exit is usually necessitated by various factors. A household that becomes better economically can opt to leave the programme. Secondly, a household that no longer has an orphan or a person with severe disability is normally exited. Giving false information during targeting can also lead to being exited. Change of residence from a benefitting Sub-County to a non-benefitting one can also lead to exit. Similarly, a household that has been in the programme for some time, say five years, and feels it is better off now can exit the programme voluntarily. Another way of exiting is through death of the beneficiary. Once a vacancy is created through exit, a fresh targeting exercise is done to fill that vacancy. Alternatively, a name is picked from those on the waiting list generated during the earlier targeting exercise.

7. Contribution of the Cash Transfer Programmes to Development

As noted elsewhere, development is seen as improvement of the general well-being of individuals. It can be seen in the change in a person’s lifestyle. For instance one who has been having only one meal a day may change to having two or three meals a day. This is considered as development as it leads to the general well-being of such a person. One of the main objectives of the cash transfer programmes is to enable households to access basic necessities. Research evidence
shows that there has been a significant impact on the recipient households’ ability to have more than one meal in a day. Mogaka (2013) for example found out that after being enrolled in the cash transfer programme for orphans and vulnerable children, most households were able to afford more than one meal in a day. Before enrollment in the programme, majority households (61.1%) reported having only one meal a day while only few households (4.2%) reported taking three meals a day. After enrollment the scenario changed whereby a majority (14.5%) was able to afford three meals in a day with a further 65.3% being able to afford two meals in a day up from 34.7% before enrollment. The same was true with regard to older persons enrolled in the programme as evidenced by Kimosop (2013). Before enrollment in the programme, a majority (48.7%) reported having only two meals a day while 32% reported having approximately three meals in a day. After enrollment the figures changed to 85.3 percent indicating ability to access three meals in a day while 14.7 percent reported ability to access two meals per day. This positive change can be associated with the cash transfer received since for any human being food is a priority. Apart from the mere number of meals that households could afford in a day, it is important to note that majority households report with pride their ability to afford a variety of meals. This results to a balanced diet for the households. While agreeing with this development, the Social Protection Sector Review (2012) notes that such improvement in food consumption characteristics was more evident in small households (those with fewer members). The same review report notes that the proportion of households participating in the Urban Food Subsidy Programme that were classified as food insecure decreased by 23.7 percent from the baseline. To a large extent, therefore, it can be said that the programmes have led to food security among benefitting households.

Another important area of development worth looking at is household assets. Kimosop (2013) found a marked improvement in the dwelling characteristics of shelters/houses of the older persons enrolled in the programme. Most had used some of the stipend to improve on their houses. Additionally, they had acquired household assets such as beds and bedding from the same stipend. Some had equally increased the number of livestock that they owned (sheep, goats, cows and chickens). Many were especially proud of this achievement maybe because it served a second purpose of being a sustainability strategy. In terms of economic development, this kind of improvement is particularly important since it leads to an increase of wealth for the household and the country at large. Similarly, there is evidence to show that cash transfer programmes help households to improve livelihoods through investing a portion of the money they receive in agriculture. This investment is in the form of purchasing agricultural inputs such as seeds and fertilizers hence improve their agricultural productivity. This ensures that the households are able to have food for a longer period without resorting to purchasing.

With regard to education, the Social Protection Sector Review (2012) notes that there is evidence that the safety nets have increased school enrollment. This assertion is based on an impact assessment of the cash transfer for orphans and vulnerable children done in 2009. Whereas the CT-OVC targets primary school children, it is interesting to note that it had, on the contrary, impacted on secondary schools by increasing enrollment at that level by 6 percent compared to control areas. This scenario is not only true of households in the CT-OVC programme but also in households of older persons. They also report, with pride, helping settle the school fees of their grandchildren in secondary schools. This can be attributed to the fact that no fees is charged at primary school level whereas at secondary level fees is charged. Secondly, this could be due to the fact that most Kenyans attach a lot of significance to secondary school education compared to primary school education owing to the high returns associated with secondary school education (Kisurulia 2011). This evidence on improved education is important in so far as breaking the inter-generational poverty cycle is concerned. Children from poor families who manage to complete secondary school education successfully are likely to pursue careers that would change the lives of their families for ever.

Another face of cash transfers is their positive impact on social relationships of the beneficiaries. Whereas Mogaka (2013) is quick to point out that on this level the cash transfers have had mixed effects, it is important to take cognizance of the fact that the programmes have had more positive effects on recipients than negative effects. The Social Protection Sector Review (2012) talks of the safety nets’ role in empowering vulnerable groups. Aspects of this empowerment include the recipients or their caregivers being able to make decisions on the use of the money either singly or in consultation with other members of the family. Hitherto such decision making privileges were unknown to them. Even more important than this is the fact that such households were now devoid of the dependency syndrome common to them before enrollment in the programmes. Dependency has the negative effect of taking away one’s positive personality and self-esteem as he is made to feel less human by those who provide for him. Again due to the cash transfer programmes, many are able to acquire registration documents since they are needed for identification and payment. These include birth certificates for children and identity cards for adults. It is worth noting that some persons with severe disabilities and even some older persons did not have identity cards. The programmes have thus enabled them to acquire these useful national documents. Internally they now feel recognized by the state.

Another social effect of the cash transfer programmes is their ability to make individuals participate more effectively in community activities. Kimosop (2013) found that on enrollment and receipt of the cash transfers, many older persons (61.7%) reported joining social groups. Most of these social or community groups that they joined were welfare groups or merry-go-rounds. By joining community groups, their opportunity to participate more effectively in community functions is enhanced. Thus they contribute more to the well-being of the community through their ideas as well as the financial contribution that they are now able to make. They participate in community activities such as community barazas, fund-raisers, wedding ceremonies, merry-go-rounds and groups graduation ceremonies. In addition, Mogaka (2013) found that the cash transfers also
increased the ability of recipients to get goods on credit from local shops. What this means is that they were trusted as people who would pay. Additionally, it raised their social status unlike before when they were not recognized by members of the community. This feeling of raised social status is useful as it helps them psychologically. They feel important since they are recognized, appreciated and treated with dignity as useful members of the community unlike before introduction of the programmes.

8. Recommendations

Currently, the cash transfer programmes are managed as if they are independent operations. There is, therefore, the need to synchronize them in order to make them more cohesive. This would go a long way in making them talk to one another; bring about efficiency and ease of management. As the country develops and more wealth is created, there is a need to make the programmes universal. As it is now, the programmes only target the most vulnerable and even with that not all vulnerable persons are enrolled. That is why one of the frequently asked questions concerns when more people will be targeted and enrolled. With such mammoth programmes, one never fails to find challenges including fraud and cheating. This calls for a strong supervisory unit within the ministry to closely monitor implementation. To make the impact consistent and meaningful, continuous awareness creation among the beneficiaries and the community at large is necessary. This will also help guide the beneficiaries in the application of the stipend they receive so as to make it bring about lasting change in their lives. Such knowledge helps curb misapplication of the money received as well. Lastly, more in-depth evaluation activities are needed to help bring out what is working well and what is not working well for improvement. Such evaluations would also help gauge the impact of the programmes. Such evaluation activities also include in depth research activities around the programmes.

9. Conclusion

The cash transfer safety nets in Kenya are well-meaning for Kenyans. They have progressively been expanded to reach as many needy persons as possible. The amounts paid out have also increased. It is evident that they continue to impact positively on the lives of the recipients, caregivers and other members of their families. To a large extent, they are helping in alleviating the suffering of many members of the society. Indeed, they have helped the society discover members of the society that had been forgotten such as those with severe disabilities and the very old. Above all the cash transfers are turning around the fortunes of the less fortunate members of the society and by so doing spurring development of the whole nation.

References


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