IESE
INSTITUTO DE ESTUDOS SOCIAIS E ECONÓMICOS

Social Protection for the Elderly as a Development Strategy: *a case study of Kenya's old persons cash transfer programme*

Philomena Mathiu and Elosy Kangai Mathiu

Conference Paper nº 32

III CONFERÊNCIA INTERNACIONAL DO IESE

"MOÇAMBIQUE: ACUMULAÇÃO E TRANSFORMAÇÃO EM CONTEXTO DE CRISE INTERNACIONAL"

(4 & 5 de Setembro de 2012)

IESE CONFERENFE PAPER

Social protection for the elderly as a development strategy: A case study of Kenya's old persons cash transfer programme

---

Philomena Makena Mathiu and Elosy Kangai Mathiu

31 August 2012

III IESE CONFERENCE

"Mozambique: Accumulation and Transformation in a context of International crisis"

Social protection for the elderly as a development strategy: A case study of Kenya's old persons cash transfer programme

Mathiu Philomena Makena
Department of History, archeology and Political Sciences
Kenyatta University, Kenya
Email: philomakks@gmail.com
Cell: +254 721 824 190

Mathiu Elosy Kangai
Future Agricultures Consortium (FAC)
Email: kangaielsie@gmail.com
Cell: +254 721 256 983

Post Box 673 00200 Nairobi, Kenya

Paper presented during the III IESE CONFERENCE "Mozambique: Accumulation and Transformation in a context of International crisis"
Maputo, 4th and 5th of September 2012

Abstract

Kenya has made progressive investments in social protection for the ageing, providing lessons and existing opportunities for similar programmes. In Kenya, there has been a paradigm shift from universal social protection schemes targeted at formal employees to inclusive schemes including both formal and informal sectors, corporations and individuals. Additionally, the Kenya Government priorities mapped out under the Vision 2030 development blue print includes the social pillar among other initiatives. This paper discusses a cash transfer programme for social protection as a development strategy for the ageing in Kenya using a political economy approach within an environment of increasingly policy institutional support. The paper further proposes a transformative thinking for planning social protection for the elderly by targeting the youth.

The research widely applied literature reviews and key informant interviews to draw regional perspectives, discuss Kenyan context within the Old Persons Cash Transfer Programme's evolution, implementation, and its sustainability environment. The main findings were that such national programmes are pegged on political economy and national economic outlook dynamism. In Kenya, Social Protection programmes have been operationally feasible within government delivery mechanisms and budgetary provisions that have allowed gradual expansion, with some significance in poverty reduction. Furthermore, there have been increased linkages with other complimentary public services like health services.

The main recommendations are that there is need for comprehensive approaches on SP to include; informal sectors' investment schemes, private sector engagement as seen in emerging social insurance schemes, guaranteeing old age safety in terms of basics and recreational facilities. There is also need to nurture SP efforts amongst younger generations through targeted programs, continued sensitization and support mechanisms and further move from poverty alleviation to transformative social policies, from conventional safety nets to social livelihood transformations (Devereux, S. and Sabates-Wheeler, R, 2004)

The paper concludes that Social protection development strategies are contributing to poverty reduction and achievement of MDGs. These strategies should be pegged on national economic performance and further be designed to cushion beneficiaries by inculcating elements of transformative social transfers to address challenges in design and implementation. The design should minimize possible dependency and other undesired outcomes. There is also need for evidence-based policy dialogue and research, continuously collect and collate data on impact of existing programs.

Key words: Older persons, social protection, Cash Transfers

Glossary

The following definitions of terms are specifically limited to this research study:

Age dependency ratio: The ratio of dependents, that is, people younger than 15 or older than 64-to the working-age population, those aged 15-64, (World Bank).

Dependency: Reliance of the aged on relatives or government for social protection

Economic Burden: that which causes a weighty effect on household income, spending, savings or other monetary outcomes over time.

Elderly: Adults above 65 Years of age.

Policy: a government principled guide to action, taken by the administrative or executive branches of the state with regard to a public issue(s) in a manner consistent with law and institutional customs.

Social Protection: These are policies and actions which enhance the capacity and opportunities for the poor and vulnerable to improve and sustain their livelihoods and welfare in a manner that guarantees a minimum level of well-being, including access to food, health care, education, housing, water, sanitation and other noneconomic factors like human rights and participation.

Social Protection Programme: A plan of activities with designed outcomes, beneficiaries and responsibilities within a defined time frame in response to an agreed social need, in this case social protection issue.

Social Security: This is basically social insurance that is sufficient for social protection against socially recognized conditions, including poverty, old age, disability, unemployment and others.

Social Transfers: A non-compensatory government payment or service to individuals, as for welfare or social security benefits.

Working Relatives: members of extended family either in formal or informal employment caring for the aged

Working Poor: People in formal or informal employment living below US$ 2 a day.

Youth: Any person between the ages of 18-35 years

CHAPTER 1: OVERVIEW OF SOCIAL PROTECTION

Introduction to Social Protection

Social Protection refers to "policies and actions, including legislative measures, which enhance the capacity and opportunities for the poor and vulnerable to improve and sustain their lives, livelihoods and welfare; enable income-earners and their dependents to maintain a reasonable level of income through decent work; and ensure access to affordable healthcare, social security and social assistance" (The Kenya Social Protection Policy, 2011). According to Devereux and Sabates-Wheeler (2004), social Protection describes all public and private initiatives that provide income and consumption transfers to the poor, protect the vulnerable against livelihood risks, and enhance the social status and rights of the marginalized; with the overall objective of reducing economic and social vulnerability of poor, vulnerable and marginalized groups. The mechanisms of intervention may be pensions, family allowances/child benefits, health/education fee waivers, health insurance and food/cash for work schemes. Within the UNICEF's Social Protection conceptual framework, social protection interventions ought to be transformative, protective, preventive and promotive. In being transformative they address power imbalances that continuously create vulnerability through economic inequalities. They should be protective to mitigate shocks and provide relief from economic and social deprivations. They should also be preventive to avert deprivation once a shock has occurred and promotive to enhance income earning (through assets) and human capital development, a catalytic pull from poverty or any other vulnerability (UNICEF, 2008). Thus, successful implementation of social protection interventions contribute to the attainment of five (5) Millennium Development Goals (MDGs 1, 3, 4, 6 and 8), as contained in the Millennium Declaration[1]. These are: Eradicate extreme poverty and hunger, Promote gender equality and empower women, Reduce child mortality, Combat HIV/Aids, Malaria and other diseases and develop a global partnership for development, respectively.

Social protection measures can be broadly grouped into three main categories including social insurance, social assistance and social transfers. Under social insurance, people draw from the pool when they experience permanent change like retirement while social assistance includes school feeding programme, free health care or free education. Social transfers, on the other hand are regular and predictable transfers, often in the form of cash, provided by the state (or sometimes by non-state actors), as part of a social contract with its citizens. They include child support grants, orphan care grants, disability grants, social pensions, and transfers to poor households, among others. Following the success stories of the contribution of cash transfer programs in reducing poverty in industrialized nations for over 50 years, similar programs have been launched in the last two decades in developing economies such as Brazil, Colombia, Honduras, Mexico, Nicaragua, and South Africa (Bryant, 2009). Social transfers are also increasingly contributing to Africa's development goals as exemplified below.

[1] The Millennium Declaration was adopted by 189 nations-and signed by 147 heads of state and governments at the UN Millennium Summit, 2000, culminating in the eight millennium goals.

In a study of Social protection in Mozambique, Waterhouse and Lauriciano (2009), posit that social transfers, as opposed to ad hoc emergency responses' are gaining momentum in Africa, following the growing evidence that regular transfers have more impact with respect to reducing vulnerability, poverty and social risks. For instance, the large scale cash transfer programs in Southern Africa have contributed to the reduction in poverty gap; in Lesotho, the Old Age Pension scheme, benefitting persons aged 70 years and above has had ripple effects in the immediate community through job creation and also led to a reduction in the rates of dependency (Help Age, 2006 and Waterhouse and Lauriciano, 2009). In Zambia, there is evidence of increasing asset accumulation and investment in productive activities by beneficiaries of Social Cash Transfer Schemes (MCDSS/PWAS/GTZ, 2005). Enhanced access to education by orphaned and vulnerable children was also reported in Zambia, Malawi and Namibia (MCDSS/PWAS/GTZ, 2005 and Devereux, 2001). In Malawi, cash transfers have recorded a double impact in the local economy with a regional multiplier effect of 2.02 to 2.45 (Davies and Davey, 2008) while in Zambia, there is evidence of economic growth whereby a study reported that over three quarters of cash transferred was spent locally, spurring economic growth (Lund, 2002).

In the same vein, there is a growing interest in social protection for the elderly as a development initiative in East African region with smaller cash transfer programs gaining momentum .There are diverse actors implementing Social Protection for the elderly ranging from the traditional social institutions to state actors, Non-Governmental Organizations (NGOs), International NGOs (INGOs) and bilateral donors.

Kenya is a signatory to a range of international human rights declarations and treaties which advocate for the rights to social security in childhood, old age and disability. Samson et al., (2006) profile some of the declarations and treaties which inform Kenya's social protection policies, strategies and programs for old age including:

- The Universal Declaration of Human Rights (1948), Articles 22 and 25.
- Vienna International Plan of Action on Ageing (VIPAA), 1982, also referred to as the UN Plan of Action on Ageing, 1982.
- UN Principles of Older Persons, 1991.
- UN Proclamation on Ageing, 1992.
- The Madrid International Plan of Action on Ageing, 2002.
- The Livingstone Declaration of 2006 by the African Union meeting at Livingstone, Zambia

In line with the above declarations and treaties, the Kenyan Constitution 2010 under the bill of rights and fundamental freedoms, Articles 21, 43 and 57 provides for social protection for elderly members of the society as a vulnerable lot. Article 21 (3) states "All State organs and all public officers have the duty to address the needs of vulnerable groups within society, including women, older members of society, persons with disabilities, children, youth, members of minority or marginalized communities, and members of particular ethnic, religious or cultural communities." Article 21(4) states "The State shall enact and implement legislation to fulfill its international obligations in respect of human rights and fundamental freedoms." Article 43 guarantees all

Kenyans their economic, social and cultural (ESC) rights while the state will provide appropriate social security to persons who are unable to support themselves and their dependents. Article 57 commits the State to ensuring older persons participate in society and personal development while living in dignity with support by state and family (Kenya Constitution, 2010).

In addition to the constitutional support, other opportunities for social protection presented in Kenya are political economic dynamism evident in the recently passed Social Protection Policy, 2011; The Kenya National Policy on Ageing and Older Persons, 2009, the increased national budgetary allocation to social protection for the elderly, government ratification of regional and international instruments in favour of social protection and integration of social protection into development planning through Kenya's Vision 2030[2].

Justification for the study

The aging persons are an important component of every country's demographic strata, deserving social protection like other age sets. The population of older persons is increasing at a very rapid rate all over in the world. This study is timely as the globe is experiencing hard economic times causing social protection to be more difficult for societies. Consequently, the elderly are slowly being isolated in desperation, thus a vulnerable lot, more so for low income families.Kenya is not an exception to these trends. Majority of older persons in Kenya are rural-based and are among the vulnerable groups in the society, following rapid urbanization, rural-urban migration and the HIV/AIDS scourge. The study hopes to show that social protection burden would be lighter with pre-planned comprehensive national social security systems, a move in tandem with Africa modern socialization from socialistic to individualistic societies; fueled by migration and urbanization by young employable persons in economic pursuit. Secondly, there is evidence on Kenyan government's goodwill characterised by a budget boost on the current Older Persons Cash Transfer (OPCT) Programme for the elderly from Kshs 4 Million in 2006to Kshs 1 Billion in the financial year 2011/2012. Thirdly, drawing from lessons learnt so far in implementation of the OPCT program, the study proposes basic tenets of a social protection investment model targeting young adults (in formal/informal employment) through premiums to guarantee them a world class social amenity in old age and gradually relieve public resources in the long term. Finally, this study will offer lessons relevant for all practitioners of social protection programs in developing countries and inform future related policy discussions.

[2] Kenya's Vision 2030 is a development blue print seen as a vehicle for accelerating transformation of the country into a rapidly industrialized middle-income nation by the year 2030.

CHAPTER 2: KENYA's SOCIAL CASH TRANSFER PROGRAM FOR THE ELDERLY

The context

According to the 2009 Kenya population and Housing Census, Kenya had a population of 38.6Million. Of these, about 1.3M people were above 65 years of age, while 20.6M of this population was aged 15-64, meaning a handful will be crossing the 65+ age yearly. Considering the population increase by about 1 Million yearly and a declining crude mortality rate from 11/1,000 in 2007 to 8.93/1,000 in 2011, the number of those aging will increase significantly by 2030. This demographic transition requires planning and central policy making for a social group faced with many social risks at a time of their lifecycle when the average propensity to consume (APC) is high.

Previously, the Kenyan government approached social protection of the elderly mainly through social security limited to formal employment. Yet, the larger labour force in Kenya is in informal employment, meaning that a large proportion of the ageing population was rendered vulnerable. According to Kenya's economic survey of 2011, of the Kenyan 38.6M population, about 17 Million make up the labour force with approximately 10 Million employed and about 8.8 Million in the informal labour sector. According to World Bank (2011), Age dependency ratio in Kenya was reported at 82%, Mozambique-90%, Zimbabwe -74%, Zambia-98%, Singapore -36%, USA-50%, South Africa-53%.

Following the 2002 general elections in Kenya, the NARC (National Alliance Rainbow Coalition) government prioritized to address poverty, unemployment and inequality. A couple of Social protection programs were introduced as part of the measures to address these challenges, by the government, development partners and international NGOs (Ikiara, 2009). Thus, Cash transfers have been implemented in Kenya since 2004 as part of the social protection programs designed to address specific problems for orphaned and vulnerable children and the extremely poor elderly people in the society (Ikiara, 2009). The Cash Transfer Programs piloted by the Kenya government (some with support from donor community) include; The Orphans and Vulnerable Children (OVC) of 2004, the Hunger Safety Net Programme (HSNP) of 2007, Old Persons Cash Transfer Programme (OPCTP) of 2006, Emergency food Aid school feeding programme and the cash subsidy to children affected by HIV/AIDs. The OPCTP borrowed a lot from the earlier implemented Cash transfers under the OVC Programme. In discussing the Kenya's OVC Cash Transfer Programme of 2004, Bryant, (2010), notes that implementation of cash transfers in Kenya were then driven by the political economy. For instance, the OVC programme was a proposal by then Vice President and Minister for Home Affairs, Hon. Moody Awori, and supported by UNICEF and other donors. Bryant further posits that the Kenyan OVC Cash transfer programme was benchmarked on similar concepts in Latin America, Asia and Africa which used national approach to cut down on administrative costs, which averaged 10%, the percentage used for administrative budget of the OPCT programme. In contrast, the NGOs piecemeal food and delivery services then cost 40% - 60% of program/project finances, minimizing the would-be impact.

Evolution of Kenya's Old Persons Cash Transfer Programme (OPCTP)

The Cash Transfer programme is the only national social protection programme that serves the non-pensionable and aged Kenyans, who are not formally employed. Other existing contributory national Social Protection programmes for the elderly with government support are the National Social Security Fund (NSSF), a national pension scheme and National Hospital Insurance Fund (NHIF), a medical scheme[3]. Unlike NSSF which has remained a contributory scheme for people in formal employment, NHIF recently rebranded to include contributions from the informal sector.

The OPCT program has three levels of interventions including (i) policy reforms, (ii) financing efforts and (iii) programme implementation. Social Protection for the elderly in Kenya is implemented under the Social protection Policy, 2011. Its overall objective is to strengthen the capacities of older persons and improve their livelihood while alleviating poverty through sustainable social protection mechanisms. This is to be achieved through provision of regular and predictable cash transfers to selected beneficiaries and building their capacity to improve their livelihoods.

Selection criteria

National poverty data from Kenya Integrated Households Budget data Survey 2005/2006 and HIV prevalence data were used as the targeting criteria for beneficiaries' selection in the 1st phase of the programme. Of this, the Department of Gender and Social Development selected 44 districts, ensuring regional balance was observed. Further, community based targeting and proxy means tests were used to select 750 beneficiaries per district representing the most vulnerable households with persons of 65 years and above. The community based targeting criteria ensured that only extremely poor households with a person aged 65 years and above was enlisted in the program. Other criteria used to rank beneficiaries at the household level include establishing number of orphans and vulnerable children, number of persons with disabilities, age of the oldest member, poverty level and number of chronically ill in a household. Although an exit criterion was set, there has been no report of exit of a beneficiary from the program, begging the question "Is the OPCT program building the capacity of beneficiaries or their caregivers to improve livelihoods and hence graduate from extreme poverty?

Management and operations

According to the MGCSD Operations Manual, 2011 and the module on management and coordination, 2011, the OPCT is managed through established structures and institutions at each administrative level, from national to the locational level. The overall management and coordination function rests at the national level (OPCT unit) and cascades to the location (Location OPCT Committee) through the district levels. The national level structures are responsible for **strategic decision making**, establishing broader links with other national social protection initiatives, monitoring and ensuring accountability. The subsequent levels are primarily responsible for ensuring smooth **implementation** and progressive reporting to the provincial and national

[3] NSSF targets the formally employed citizens and has approximately 3 million members with only about 1 million contributing to the fund while the NHIF has 1.5 million contributing members with 8 million dependents.

levels. To strengthen accountability and complement existing programmes and services, the management structures, particularly at implementation level, advocates inclusion of **wide representation** from line ministries, the community and Community Based Organisations (CBOs) through the OPCT Committee.

Implementation

At the beginning of the project, the preparatory activities include districts and community sensitization, formation of local committees and household identification process. This is followed by validation of potential programme beneficiaries by the community, their enrollment and induction into the OPCTP. Payments are done by the Postal Corporation of Kenya or the district treasury on a bimonthly basis. Transfer fund and administrative funds are issued through different Authorization to Incur Expenditure (AIEs) with use of the payrolls as an accounting measure for all transfers.

Monitoring budgets is done at different levels. The DGSDO is responsible for drawing up district operational budget, for managing and quarterly reporting on expenditure. At provincial level, the MoGCSD provides for monitoring budget under the general provincial budget. This is for spot check visits and evaluation reports done once bimonthly.The programme has an accounting procedure for all transfers (Postal Corporation Kenya and district treasury transfers. The Location Committees, formed on voluntary basis, are involved in monitoring activities and training. The operations budget provides for motivational incentives paid as "lunch" reimbursement during these activities. The programme has established a grievance management mechanism and districts respond to complaints within a set timeframe.

Programme internal Capacity building and Partnerships

The OPCTP is solely a government implemented programme but engages different stakeholders at different levels. For instance, MoGCSD cooperated with The Help Age International in developing the programme operations manuals; there exists Inter-ministerial committees at national and District level to boost capacity, share experiences and technical expertise and further boost support services to the beneficiaries, like health and educational services. There is a working agreement between the MoGCSD and the Kenya Postal Corporation for transfer services. The Local Committees, which are basically voluntary, manage communication and information sharing between the programme management and the beneficiaries and are at times involved in trainings and monitoring progress for instance, evaluation missions.

Financing and status of implementation of the OPCT program in Phase 1

According to the Ministry of Gender, Children and Social Services Development (MoGCSD, 2011), the OPCT Program targets extremely poor people aged 65 years and above[4]. Ikiara, (2009) argues that there being broader political support of Social Protection Programs in Kenya, it was much easier to institutionalize the cash transfer programs through annual budgetary allocations. The

[4] The Kenyan constitution, 2010 recognizes that older persons in Kenya are people aged 6O years or older.

budgetary allocation for the OPCT program has been increasing from Kshs 4 Million (US$4,700) in 2006/2007 to Kshs 1 Billion (US$11.76M) in 2011/2012 financial year (See table 1 below). It is also envisaged that the program will be scaled up to benefit approximately 36,000 households in 2012/2013 financial year and achieve a regional balance in the spirit of decentralization (Key Informant, MGCSD, 2012).

Table 1: Trend in financing and implementation of the OPCT program by the Kenyan Government

Year	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Amount Kshs Million)	4	1.2	4	550	530	1000	1500*
No. of districts	2	3	3	44	44	44	44+*
No. of beneficiaries	200	100	300	32,115	33,000	33,000+	36,000

Source: MGSD, 2012 and Kenya Social Protection Sector Review, 2012

*Estimates for 2012/2013 financial year

The pilot OPCT program began in 2006 in three districts. By the end of 2011, the program had spread to 44 districts and benefitting a total of 33,000 vulnerable beneficiaries. The amount of monthly cash transfer per beneficiary has increased by 50% from the initial Kshs 1,000 (Approx. USD 11.9) in 2006 to Kshs 1,500 (Approx. USD 17.8) in 2011. The transfer amounts of Kshs 1,000/ Kshs1,500/ or Kshs 2,000 were arrived at on the objective of adequacy in reaching programme's objectives, affordability in terms of fiscal space and acceptability by non-qualifying groups who are slightly better off (Government of Kenya, 2011, f). This is informed by the urban food poverty level and the rural basic needs poverty level pegged on consumer price index to ensure beneficiaries don't lose their purchasing power.

The increasing budgetary allocation for OPCT is a clear indication of the continued government's commitment to social protection programs. Between 2005 and 2010, Government spending on social protection programs (comprising of safety nets, contributory schemes and civil service pension) has been steady at an average of 2.28% of its Gross Domestic Product (GDP). However, the proportion of social cash transfers has increased rapidly over the same period. This has been as a result of launch and scaling up of the OPCT program in 2006 and scaling up of the other safety net initiatives (Kenya Social Protection Sector Review, 2012). Unlike many other Social Protection initiatives financed by the donor community, the OPCT program is fully funded by the government, under the annual recurrent budget. The increasing budgetary allocation to OPCT can also be associated with increased publicity since the official launch in 2009. In addition, there is a growing political will to support vulnerable groups in the society, following the post-election violence of 2007/2008 which heightened vulnerability of older persons and OVCs in the affected areas.

Political economy of the OPCT programme

The government of Kenya has continued to support older persons through various interventions including policy development viz. Kenya National Policy on Older Persons and Ageing,2009 and the Kenya Social Protection Policy, 2011; Financial support and scaling up of the OPCTP from the initial 200 beneficiaries to over 33,000 beneficiaries within a span of six (6) years. Until recently, the government-run social cash transfers for the elderly received limited publicity and hence low levels of debate and policy research. According to a key informant at the MGSD, the key stakeholders are in the process of developing a publicity and communications strategy to guide information dissemination. This will be an important component of implementation in order to gain stronger political support and to address ideological concerns regarding 'free handouts' and 'creating dependency'.

The amount invested in a cash transfer is influenced by 'value for money' considerations, as well as by political and ideological concerns. Although Kenya has tremendously increased financial support towards older persons, the review of the poverty status of this age group (See table 2) highlights the inadequacy of the OPCT program in supporting the absolute and hardcore poor, who constitute 78.6% of people aged 65 years and above. Yet, the OPCT program covers a mere 2.5% of all older persons and 3.2% of the 78.6% extremely poor elderly persons. In addition, the payment of Kshs 1,500 per month is barely sufficient to cater for basic needs including health care. Despite the initial expectation to maintain administration costs below 10% of the OPCT budget, it is possible that the administration costs escalated after scaling up of the number of beneficiaries. However, there was no data to ascertain these claims.

Table 2: Poverty Status of older persons in Kenya, 2009

	Number	% of total
Total	1,332,273	
Absolute poor	708,201	53.2
Hardcore Poor	337,993	25.4
OPCTP beneficiaries	33,000	2.5

Source: Computed from Kenya Social Sector Review 2012

According to the MGCSD's operations manual (2011), if the entire 1.3million Kenyans over the age of 65 were to receive monthly cash transfers, it would cost Kshs 25.2 billion (USD) equal to 0.68% GDP and 3.41% of current government expenditure. However, this would be a big leap considering that the current allocation is approximately 0.1% of the 2012/2013 budget. To minimize the problem of over-dependence on free hand-outs, a proportion of the OPCT budgetary allocation can be used in establishing alternative investment vehicles for social protection. Thus, it is imperative to have a holistic approach towards social protection for vulnerable older persons. In addition, the payment needs to reflect the changes in urban food poverty levels and rural basic needs poverty level especially considering the escalating food prices. A cash-based transfer is appropriate when food markets work and access to food is the root cause of hunger.

During the launch of the OPCT in 2009, it was made known that the geographical coverage of the program was selected based on poverty status, regional balance, vulnerability of the district and by use of community level indicators. Over the years, the number of beneficiaries has remained equal across the targeted districts, yet the above welfare indicators vary across the districts. In addition, the payments are equal in both urban and rural areas, despite variances in poverty levels.

Another critical problem affecting provision of social protection in Kenya is inadequate monitoring of the ministry's implementation activities. For example, since the pilot phase, there hasn't been a comprehensive published monitoring report of the OPCT program. Thus, it is not clear how the OPCT program has contributed to human capital development or a comparative analysis of the milestones achieved across the districts.

CHAPTER 3: SUSTAINABILITY OF THE OPCT PROGRAM

Successful aspects of implementation

The Kenya's OPCTP seems to have found a slot in the national budget as confirmed by continued increased allocations and the confirmation by the Social Protection policy that the government will continuously finance such initiatives is promising. However, the number of qualified beneficiaries coupled with increasingly population growth is worrying. Hence, the more need for social protection planning for younger generations and increased budgetary allocations to upscale to benefit more of the extremely poor elderly persons in the country.

There has been increased leveraging of social protection through policy institutionalization, legislation through the constitution and integration into development planning through the vision 2030, a strong foundation for implementation and sustained interventions. Other successful aspects of the program since 2006 include the following:

I. **Operational capability of the MoGCSD**

   The Ministry's management structure is commendable and its administrative capability, clear procedures and capacity of personnel have made the transfer process as seamless. A manual has further been developed to standardize operations, at all levels.

II. **Programme gradual expansion**

   Since its inception, the programme beneficiaries have increased from 200 to 33,000 and there are discussions and planning underway to upscale further

III. **Linkages to complementary service**

   Beneficiaries are able to access markets, health services, and educational facilities for their households among other benefits due to inter-ministerial liaison and linkages cascaded to local levels

IV. **Accumulation of assets through small investments**

   It was reported that older persons' households have been enabled to make small investments.

V. **Empowerment**

   The programme has enhanced self-esteem of beneficiaries among peers.

Implementation challenges

1) **Poverty levels among elderly persons**

   High poverty levels exists among older persons, refer to table 3, yet the gradually increasing budgetary allocations has not been able to cover even 10% of this group.

2) **Programme operational challenges**

   According to OPCTP operations manual, there have been subsequent delays in disbursement of additional funds by treasury when the MoGCSD liquidity levels are not enough, which the programme proposes to resolve through requesting treasury to ring-fence transfer budgets as with salaries.

3) Programme implementation related challenges

During the launch of the OPCT in 2009, it was made known that the geographical coverage of the program was selected based on poverty status, regional balance, vulnerability of the district and by use of community level indicators. Over the years, the number of beneficiaries has remained equal across the targeted districts, yet the above welfare indicators vary across the districts. In addition, the payments are equal in both urban and rural areas, despite variances in poverty levels.

Another critical problem affecting provision of social protection in Kenya is inadequate monitoring of the ministry's implementation activities. For example, since the pilot phase, there isn't a comprehensive published monitoring report of the OPCT program. Thus, it is not clear how the OPCT program has contributed to human capital development, how asset accumulation led to graduation from poverty or a comparative analysis of the milestones achieved across the districts. However, the programme operations manuals have a well outlined monitoring and evaluation criteria and reporting formats for different components of the programme. By the time this report was compiled, it was not ascertained if there were any implementation reports/reviews for public information. Implementation monitoring and an effective national information management can improve the policy environment since policy makers and public opinion is generally informed by the social economic impact of the interventions.

Despite the rapid increase in financing the OPCT program, there has been no report available in the public domain to show-case the impact of the program in terms of contribution to poverty reduction and other welfare indicators. Although the draft strategy paper for Social Protection ties the future expansion of social protection to the country's economic performance, Ikiara, (2009), observes that stakeholders including government officials, donor representatives, and politicians indicated that linking the envisaged expansion to increased taxation would be politically risky and may raise public opposition to the program. Thus, there is a need to continuously disseminate information on the program's performance to ensure public buy-in as well as carefully consider sustainability of such a program to reduce dependency and continued inter-generational reliance on government-run safety nets.

4) Level of unemployment

From table 3 below, there were approximately 10.9M (28%) Kenyans of the total population in recorded employment meaning about 72% of the population is unemployed. Formal social protection schemes would only be limited to 2,060,400 persons, (5.3% percentage). Thus, the main challenge for Kenyan government and stakeholders in Social Protection programs in the near future will be encouraging investment in Social Protection and providing social protection amidst complex issues of labour dynamics and continued rise in unemployment and mushrooming of the informal sector.

Table 3: Total recorded employment as at 30th June 2010 ('000' persons)

	2006	2007	2008	2009	2010*
Wage employees	1,857.6	1,909.8	1,943.9	2,000.1	2,060.4
Self-employed and unpaid family workers	67.2	67.5	67.4	67.5	69.8
Informal sector**	7,068.6	75,501.6	7,942.3	8,388.9	8,829.8
Total	**8,993.4**	**9,478.9**	**9,953.6**	**10,456.5**	**10,960.0**

Source: Economic Survey, 2011, GoK

* Estimated; ** Data excludes small scale agriculture and pastoralists activities

Drawing from the successes and challenges of implementation discussed above, sustainability of a state-led Social Protection program is mainly pegged on the ability of the country to institutionalize the Social Protection program and the ability of the national economy to ensure program's continuity. Secondly, it is important for the country to engage other government departments in program planning and implementation, to hasten strengthening of capacity to improve livelihoods. It is also necessary to have a clear exit strategy to reduce dependence and burden of the programs. A major challenge that must be overcome however is how best to involve the proportion of the population in the informal sector in contributing to alternative social insurance/protection investments to ensure a secure old age. Thus, there is a need to draw lessons and develop practical guidance from the social insurance schemes emerging in Kenya spearheaded by the private sector players and targeted at the informal sector.

CHAPTER 4: NEW THINKING FOR VISION 2030 AND AFTER

Intergenerational planning

According to Kenya National Population Census report 2009 (Annex 1), 96.5% of the total population is below 65 years of age. There were about 20.6M persons between the ages of 14-64 years. The number of persons between 45-64 years was recorded as 3.5Million, who will be 65 years and older in 20 years (year 2032). The population is estimated to increase by about 1 Million yearly with a declining crude mortality rate from 11/1,000 in 2007 to 8.93/1,000 in 2011. High population growth coupled with an improvement in life expectancy at birth (currently at 59.48 years), implies that the number of those aging will increase significantly by 2030, in time of Kenya's realization of development planning blue-print, vision 2030. It is therefore imperative to begin putting in place sustainable social protection measures to secure the expected bulge in older persons in the next two decades.

The Kenya poverty data on table 3 showed that out of the total old persons in Kenya (1.3M), 78.6% are poor with 53.2% absolute poor and 25.4% hardcore poor. To avoid this trend for persons below 64 years, social protection planning efforts can be nurtured amongst younger generations by: providing supplementary asset accumulation/wealth creation; encouraging a saving culture with targeted programs, continuous sensitization and support mechanisms which may be cheaper in the long-run. Some key flagship projects under the Social Pillar, Vision 2030[5] for the period 2008-2012, which also seek to address the plight of youth and vulnerable groups, include:

- Establishment of a Consolidated Social Protection Fund
- Implementation of the Disability Fund which will give financial assistance to People with Disabilities (PWD)
- Enhancing the Hunger Safety Nets Programme
- Raising the allocations to secondary and tertiary level bursary programs for poor students
- Creation of Youth Empowerment Centres in all the constituencies

Implementation of the programs/projects above will be instrumental in reducing inter-generational poverty which is likely to widen if incremental social protection measures are not put in place now. In a related study, Samson et al., (2006) proposes that it is vital for a nation to have instrumental policy options for social transfers to limit effects of inter-generational poverty including slowed growth and development, poor nutrition, low educational attainment and lowering human dignity and potential among others[6].

[5] Source: Republic of Kenya, 2008; p 121-123.

[6] Source: Samson et al, (2006). Designing & Implementing Social Transfer programmes, EPRI Press, Cape town.

Move from poverty alleviation to transformative social policies

The Social protection conceptual framework of UNICEF highlighted at the introduction advocates for a move from poverty reduction initiatives to transformative initiatives--where social and economic policies interact and overlap with outcomes that are economic, social and political. This may be the thinking that will move poverty reduction programs of 1980s with little results to a more complex but possible models of alleviating poverty while maintaining the economic and political momentum.

The purposes for social protection programs should not be limited to achieving equity or **reducing poverty** (as in Kenya's OPCT) but should also be designed as mechanisms for promoting economic growth and participation in social and economic affairs, move from the conventional safety nets to social transformations on livelihoods (Devereux, S. and Sabates-Wheeler, R, 2004) In addition, despite the fact that there are numerous interventions by non-state actors, data on their involvement is patchy and inconsistent—which makes drawing of lessons and analysis of degree of intervention and impact difficult. Thus, there is a need for i**ncreased research,** policy debates and establishment of knowledge sharing platforms, which can also inform policy.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

Conclusion

Social protection for the elderly in Kenya is proving to be an important strategy in contributing to poverty reduction and achievement of MDGs. The government has shown political will and commitment through policy support, legal support through the constitution and institutionalization of the OPCT program in key ministries. In addition, structures and inter-ministerial committees have been established from the national level to the local level to ensure smooth implementation of the program. The continued scaling up of the OPCT program is possible as a result of the increase in budgetary allocation and the positive outcomes reported in its first phase of implementation. However, continued program support is pegged on the performance of the Kenyan economy. Thus, it is vital to caution beneficiaries by not only focusing on OPCT as a poverty reduction initiative but also inculcating elements of transformative social transfers for holistic improvement in livelihoods.

Other challenges that need to be overcome in designing and implementation of sustainable Older Persons Social Protection programs include high poverty levels among persons aged 65 and above, inter-generational poverty, high rates of unemployment for population aged 20-64 years, continued growth in informal sector (most of whom do not contribute to the existing social protection investment schemes) and high population growth rate. In addition, for evidence-based policy dialogue and research, there is need to continuously collect and collate data on impact of existing programs. The MoGCSD has developed a comprehensive participatory monitoring and evaluation framework which shall guide the evaluation and gauge performance.

As the government seeks to entrench social protection in achievement of Kenya's Vision 2030, it will be fundamental to design these programs in a manner that minimizes possible dependency and any other undesired outcomes.

Recommendations

The study therefore recommends that social protection measures for older persons need to be designed holistically and putting in mind the challenges being faced by the next generation of older persons (for instance 45-64 years age bracket in Kenya), who will be in need of social protection in the next two decades. Secondly, activities to ensure graduation from extreme poverty and eventual exit from the program need to be scaled up to minimize overdependence tendencies. This calls for engagement of other stakeholders and linkages with other related interventions to hasten improvement in livelihoods. For instance, there is a need to draw lessons and develop practical guidance from the social insurance schemes emerging in Kenya, targeted at the informal sector and spearheaded by the private sector players. Last but not the least, there is a need to continuously build a repository of program's performance and welfare indicators, which will be useful in gauging whether the development goals of such programs are being met as well as inform policy dialogues.

1 REFERENCES

Bryant, J. H. (2010). Cash Transfer Programme in Kenya: protecting the health and human rights of orphans and vulnerable children. *A Presentation at the University of Tennesse.* Tennesse.

Davies and Davey. (2008). 'A Regional Multiplier Approach to Estimate the Impact of Cash Transfers on the Market: the case of Cash Transfers in Rural Malawi.' Development Policy Review, 26 (1): 91-111.

Devereux, S. (2001). Social pensions in Namibia and South Africa. IDS Working Paper 379, Brighton: IDS.

Devereux, S. and Sabates-Wheeler, R. (2004). *Transformative Social Protection.* Brighton, England: Institute of Development Studies.

DfID. (2011). *Humanitarian Emergency Response Review.* DfID.

Government of Kenya. (2009). *Integrated Households and Budget Survey.* Nairobi.

Government of Kenya. (2010). *2009 Kenya Population and Housing Census.* Nairobi: Government Printers.

Government of Kenya (2003). *Kenya's Vision 2030*. Government Printer.

Government of Kenya (2005). *National Policy on Orphans and Vulnerable Children (draft).* Office of Vice President and Minister for Home Affairs.

Government of Kenya (2006). *Social Protection Policy, 2006*. Ministry of Gender, Children and Social Development.

Kenya Social Protection Sector Review. (2012). Ministry of State for Planning, National Development and Vision 2030.

Government of Kenya. (2010, e). *The Constitution of Kenya.* Nairobi, Kenya: Government Printers.

Government of Kenya. (2011, f). *The Old Persons Cash Transfer Programme Operations Manual.* Nairobi, Kenya: Ministry of Gender, Children and Social Development in cooperation with Help Age International.

Ikiara, G. K. (2009). *Political Economy of Cash Transfers in Kenya.* London: Overseas Development Institute.

MCDSS/PWAS/GTZ. (2005). External monitoring and evaluation report of the pilot social cash transfer scheme, Kalomo district, Zambia. Lusaka. MCDSS/GTZ.

Samson, M., MacQuene, K. and I.van Niekerk. (2005). Addressing Inequality: Policies for Inclusive Development. A case Study of Social Security in South Africa. Final report for the Inter-Regional Inequality Facility. Cape Town: EPRI.

Waterhouse, R. and Lauriciano, G.(2009). Social Protection in Mozambique: A new Imperative? Paper presented to the IESE Conference 'Poverty Dynamics and Patterns of Accumulation in Mozambique'. Maputo, 22-23 April, 2009.

World Bank. (2000). *A new Conceptual framework for Social Protection and beyond.* The World Bank. Retrieved 2011, from http://info.worldbank.org.

Key links

http://www.tradingeconomics.com/kenya/age-dependency-ratio-old-percent-of-working-age-population-wb-data.html. (1967-2011). Retrieved Dec 2011, from http://www.tradingeconomics.com.

http://www.gender.go.ke/index.php/News/older-persons-cash-transfer-postal-corporation-agreement.html.

http://www.gender.go.ke/: http://www.gender.go.ke/

http://www.knbs.or.ke/Census%20Results/KNBS%20Brochure.pdf

http://www.knbs.or.ke

2 ANNEX 1: KENYA POPULATION DATA 2009

Age	Male	Female	Total	% of total pop
0-4	3,000,439	2,938,867	5,939,306	
5-9	2,832,669	2,765,047	5,597,716	
10-14	2,565,313	2,469,542	5,034,855	
15-19	2,123,653	2,045,890	4,169,543	
	10,522,074	**10,219,346**	**20,741,420**	**53.7**
20-24	1,754,105	2,020,998	3,775,103	
25-29	1,529,116	1,672,110	3,201,226	
30-34	1,257,035	1,262,471	2,519,506	
35-39	1,004,361	1,004,271	2,008,632	
40-44	743,594	732,575	1,476,169	
45-49	635,276	637,469	1,272,745	
50-54	478,346	477,860	956,206	
55-59	359,466	352,487	711,953	
60-64	295,197	298,581	593,778	
	8,056,496	**8,458,822**	**16,515,318**	**42.8**
65-69	183,151	207,612	390,763	
70-74	160,301	179,000	339,301	
75-79	99,833	118,675	218,508	
80+	159,125	224,576	383,701	
	602,410	**729,863**	**1,332,273**	**3.5**
	19,180,980	**19,408,031**	**38,589,011**	**100**

Source: 2009 Kenya Population and Housing Census, GoK. Government Printers, Nairobi

IESE
INSTITUTO DE ESTUDOS SOCIAIS E ECONÓMICOS

Av. Patrice Lumumba, 178 - Maputo
MOÇAMBIQUE

Tel. + 258 21 328894
Fax + 258 21 328895
www.iese.ac.mz