

9

WHY ARE SOCIAL TRANSFERS POPULAR?

Introduction

People of all ages, including older people, children and those with disabilities, benefit from social transfers. They like being trusted to take control of their own lives. They see pensions, child benefits, disability grants and other cash transfers as their right. And whilst many people find that the cash they get is not enough to pay for all their needs, it does have a significant impact on their lives.

Social transfers enable people to buy food and clothing for themselves and their families. Parents and grandparents use them to pay for children's school fees, uniforms and school books. But more than just meeting their basic needs, people say that using the money to pay their way and support others helps restore their dignity and sense of self-worth, and relationships and respect between family members improves. Social transfers enable many people to break out of the isolation in which they live, socialise with others and become active members of society.

Around the world

Nekjun Bibi, 68-year-old widow, from a village near Pubail, Bangladesh



Photo: Resource Integration Centre

Nekjun worked as a maid until she lost her job because of old-age and ill health. Although Nekjun has two children she lives alone and was forced to start begging to survive. With her first pension payment she bought two goats, clothes and sweets for her grandchildren.

"The money made me happy as I did not earn it from begging but it was from the government and therefore my right," says Nekjun.

Bhagya, a 75 year-old widow, Uttar Pradesh, India

For Bhagya, regular cash from her social pension income has increased her status and helped cement intergenerational relationships within her family.

"If I do not get this money I will be treated as an undesirable burden and my children will pass me from one house to another."

Doña Eulogia, 65, Esquencachi, Bolivia



Photo: Antonio Olmos/HelpAge International

Doña Eulogia lives with two orphaned grandchildren, Lucia, 11 and Dania, 6. Cash has always been scarce but this year, when she turned 65, Doña Eulogia qualified for the Bonosol, a social pension.

"It's not much, but I bought some food, clothes for the grandchildren and some school books."

Arab Labrahim, 40 years old, Harawato, Ethiopia

The money Arab Labrahim received in a cash for work programme helped him get medical care for his child.

"My baby would have died if I hadn't got that cash...my 9 month old baby was seriously sick, the baby was coughing, I took the baby to the nearby health service and got medication as soon as I received the cash from the project".

Habiba Abdi, Iresaboru, Kenya

Habiba thought carefully about how to spend the cash she received as part of a livelihoods programme run by Save the Children and decided to wait for the markets to stabilise before spending her money.

"I am planning to purchase 15 goats and 10 sheep, but I am waiting for the price to stabilise before I spend my money".

In southern Africa

Pensioner with partial blindness and deafness, Lesotho

"If I was not getting this pension, I would be dead. It has really helped me to live."

Mr Mdiya, 65 years old, Lamontville Township, KwaZulu-Natal, South Africa



Photo: Leila Amanpour/HelpAge International

Mr Mdiya lives with his two children and five grandchildren. His two children have other children who don't live with them but whom they support, and the five grandchildren's parents have died. He has been receiving the pension since January 2006.

"I receive R820 (US\$113) a month and I spend the money on bills - water, electricity, rates - and food for the children. I also pay for transport for other members of my family to come to the city [Durban] and visit. And I pay for funeral arrangements for family members who have passed away. I also pay for my grandchildren's school fees, school uniforms and fill their lunch boxes because their parents have passed away. My 15 year-old granddaughter suffers from asthma, so after each attack she has to go to hospital to be treated - I pay for this too."

"The pension needs to be double the amount to live more comfortably. However, if I didn't receive the pension I wouldn't be able to afford any of the things I have already mentioned, and I think I would die from depression."

Ntate Selame, 93, Lesotho

Ntate Selame is partially sighted and lost his wife ten years ago. His children had moved away and he felt lonely. Ntate Selame's only income came from small amounts of cash his family occasionally sent. His social pension helped turn his life around. Ntate invested the money in a small catering business and is now contracted by the government to provide free school lunches for the local primary school. He employs three women as cooks and someone to collect wood for the cooking fire.

"I wanted to use my money to feel useful and gain respect in the community," he says. Ntate plans on using profits from the school dinners business to grow his own vegetables to use in the lunches.

Pensioner, White Hill, Lesotho

"Those without a pension live on vegetables, those with a pension can have meat".

Sandisiwe Mkhize, 8 years old, Pietermaritzburg, South Africa

Sandisiwe's mother receives the child support grant but Sandisiwe is worried about what will happen when she is too old to get it.

"I am an 8 year old little girl growing up in a home that is poor. My grandmother earns R400 per month doing domestic work. My mother relies on the state grant for my uniform and fees even though it is not enough to meet all the requirements, it helps. I wish for the government to support us till we are 18 so that we can finish school".

Nhlanhla Radebe, 11 years old, Edendale, South Africa

Nhlanhla also benefits from the child support grant (CSG).

"I am 11 years old. I lead a difficult life because I do not get enough food to last us at least a month. I get food because my cousin is accessing the CSG. The people I live with are unemployed. I am in grade five and it is difficult to pay my school fees. I like school and I do not see a future without an education".

15 year-old beneficiary of Education Materials Fair in Megaza, Mozambique, supported by SC-UK

"I managed to buy items that I believe will allow me to attend school and which I also believe will last for the whole academic year. In my area many of the children do not attend school because they cannot afford to pay. I am sure that with the Fair's assistance the number of children enrolled at school will increase".

The Ndwandwe family, beneficiary of Food & Inputs for OVC Project, Swaziland

The father died first in 1996 and the mother followed in 2006. They left behind 5 children, 4 boys and 1 girl aged between 12 to 25 years. There is also a girl-grandchild...

Two of the children are attending school. The third born child boy who is 20 was the informant and the one who was responsible for the family's upkeep... When the study visited, the field under maize and beans looked impressive with good yield. There were also pumpkins intercropped with the maize. The family benefited from the programme for the first time this past season. They are poised to have a bumper harvest from both the maize and beans... With help he received from the project he started a garden and grows Swiss chard, tomatoes and carrots. He said the inputs programme was better than food aid... He has put off his own plans of marriage to ensure that his two brothers and the niece finish school.

Beneficiaries of Food Security Packs (FSP) Programme, Zambia



FSP beneficiary in her maize field, Petauke District, Zambia March 2007 Photo: Stephen Tembo

"As long as there are good rains, we have no problems with household food as we get enough from what we grow. Food is no longer a problem from the time we got involved with the FSP... We do also have surplus which we sell to help us meet other household needs including school requirements".

Michael Banda of Chiputula Village, Petauke District was a recipient of the Food Security Pack in 2005/2006



Mr. Banda feeding the cow he bought from the benefits of FSP Photo: Stephen Tembo

He received 10kg maize seed, 50 kg basal dressing fertilizer and 50 kg top dressing fertilizer. The total area planted was 2 limas (0.5 ha). Mr. Banda harvested fifty 50kg bags of maize and sold everything at the price of US\$10.60 per bag (in Zambian Kwacha equivalent). He got a total of US\$530 from the sale of his maize and used the money to buy a cow. The balance of the money was used to buy iron sheets for the construction of a house.

In Dowa, Malawi

Concern Worldwide's Dowa Emergency Cash Transfers (DECT) project, although not a predictable social transfer programme provided a wealth of beneficiary feedback on the use of cash transfers:

61 years old, married, mother of six children

"To be honest with you, the [smart]card is good and safe. Nobody can steal this money from me. In addition to this, I heard that the card can be used at a later date, after the project has ended".

Focus Group Discussion



Fingerprint identification on DECT Photo: Stephen Devereux

"The card is convenient. If one misses payment now, one can withdraw the money in the next month or one can follow the bank field workers at another centre where cash can be collected".

Married, father of three children

"For us, we sometimes share what we have with our neighbours. The neighbouring family does not get the DECT money. So, during the first month, we gave them MK60 while in January, we gave them MK80. We feel sorry for them because we know that they were only left out because Concern had a limited number of people that they were going to assist. It is not that they also assist me but I see how frequently the woman from that house comes to beg for salt; so, I know that they are in trouble. She even asks my wife if she has some used soap which she can use to wash her clothes".

Single, 25 year old mother of three children

"At first, I had problems with the idea of receiving cash because I thought of the temptations and excitement which can easily make one forget about buying food. However, when my mother got sick before she died, and there was nowhere else to get money, the transfer helped us to pay hospital bills and for transport to the hospital. This was when I realised that people have specific needs and it is not good to make a program for them but to just give them the cash so that they can think of what to do with it. DECT has assisted a lot and I don't know what we could have done if this program was not there. The transfer helped my mother to live a little longer as it enabled her to receive treatment at the paying hospital".

36 year old widow



DECT beneficiary Photo: Stephen Devereux

"When things have gone really tough [zikavutitsitsa], we do ganyu [casual labour] especially to get food. Last year, we did ganyu by working in other people's gardens. We could get MK100 after weeding an acre of land. I would do ganyu with my cousin because he is a bit grown up. He is in Standard Seven. From January to March last year, he went to school maybe two or three days in a week. Sometimes he could stay the whole week without going to school because we had to do ganyu so that we could eat. This year, thanks to Concern, we have not done any ganyu and my cousin has not been absent from school because of ganyu or lack of food in the home."

Loisi Dickson, 38 year old mother of eight children

"DECT has helped the children so much. These days, most of the children go to school happy after they have eaten their porridge unlike in the past when they were absent from school because there was no food at home. On top of that, I have managed to buy exercise books for the children and this makes them even more willing to go to school".

Married woman caring for disabled husband and two orphans

"Last year, our feet were actually swelling. We had no nsima. We used to eat nkhwani' [boiled pumpkin leaves]. We did this for almost a month then we changed to green maize. This year we have been eating nsima throughout the time. The other year (2005), we were eating once a day. This year, we are eating twice a day. You should extend our thanks to Concern; we would have died of hunger this year".

41 year old divorced mother of four children

"Giving us cash is teaching us to budget and we are able to sort out our problems better. In addition, giving us cash gives us more ownership. It's as if we are just coming to draw our own cash. On the other hand if it is a food programme, we look more or less like beggars".

Divorced mother of seven children

"My grandchild died soon after we received the December 2006 Concern money. There was no food in our son's house as well as in ours. However, villagers contributed maize flour to be used at the funeral. I had to buy the relish. I bought a goat worth K2500 for the funeral of my grand child. I took this from the Concern money. I could not have done otherwise because there was no other source of money. I also bought a piece of cloth that was used to cover the inside of the coffin. With this, we managed to have a proper burial for our grandchild".

What policy makers and others say

It is not only recipients who value the impact of cash transfers on their lives and on the communities in which they live. Policymakers, those involved in administration and others in the community also see the benefits. And, for these reasons, they are popular too with politicians and parliamentarians!

His Excellency Levy Patrick Mwanawasa, President of the Republic of Zambia

Talking to ministers and senior representatives of 13 African countries in 2006, the President of Zambia recognised the impact of cash transfers on local economies.

"The influx of cash, even modest amounts...leads to generation of local markets with the resulting positive multiplier effects."

Bience Gwanas, Commissioner, Social Affairs, African Union

"Social protection is also a human rights issue...for the most disadvantaged ...to have access to the basic necessities of life and an income to enhance their livelihood."

Trevor Manuel, Minister of Finance, South Africa

Trevor Manuel acknowledged the impact cash transfers have in his 2007 budget speech.

"One of the clearest ways in which we are able to act against poverty is through our system of social grants... Grants are associated with a greater share of household expenditure on food and hence improved nutrition, and the child support grant contributes measurably to the

health status of young children. Statistics SA data shows that the proportion of households where children often or always went hungry decreased from 6.7 percent in 2002 to 4.7 percent in 2005. This means that we can say to many more children, hunger is no longer knocking on the door".

Thabo Thulo, Commissioner of Pensions, Ministry of Finance and Development Planning, Lesotho

"The old age pension in Lesotho has had relative success in meeting some of the basic needs of older people, which include independence, care, self-fulfilment and dignity".

Ngoma Africa, Headmaster, Mabuyu School, Zambia

Commenting on the impact on pupils in homes receiving cash transfers, the headmaster of this school in Zambia saw a marked improvement in their attendance.

"This scheme has really helped most of the children from the beneficiaries' homes in the sense that other children had a tendency of not coming to school because of hunger from their family but now we have seen a change in those children because they always come to school".

Mr Walumba, Provincial Welfare Officer, Zambia

"You will see that the majority of expenditure is mainly either on consumption [or] most importantly education, but this leads to investment."

In conclusion

Social transfers are universally popular!

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