

# Social cash transfers, generational relations and youth poverty trajectories in rural Lesotho and Malawi

## Policy brief 7: Lesotho's Old Age Pension and Child Grants Programme

Findings from an ESRC-DFID-funded research project

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### Key points

This research concerning Lesotho's Old Age Pension and Child Grants Programme indicates:

- The Old Age Pension is highly accepted and has wide reaching benefits within and across households and communities
- The fragmented responsibilities for designing and implementing policies and programmes for older persons make it difficult to address elderly people's concerns about the pension
- Where the households targeted for the Child Grants Programme are not perceived as the most deserving, tensions arise in communities, especially when Child Grants Programme households are targeted for multiple programmes
- Young and able-bodied people would rather have employment opportunities within their own communities to support their families than "free money"

This policy brief, number seven in a series of eight, focuses on the findings related to the impact of cash transfers to the elderly and poor households with children. It draws out key policy messages from these schemes.

### The research

Social cash transfer schemes, which disburse cash to poor people, are known to address symptoms of poverty among their target populations, particularly children and the elderly. However, poverty cannot be fully understood by focusing on symptoms alone. Poverty is produced through structural power relations including social relations of gender, age, generation and class. To fully understand the impacts of cash transfers, this research examines how cash transfers intervene in, and are negotiated through, these social relations. It focuses on Lesotho's Old Age Pension and Child Grants Programme and Malawi's Social Cash Transfer Programme. Based on in depth qualitative research in one rural community in each country, the research contributes to a more nuanced understanding of whether, and to what extent, cash transfer schemes are transforming poverty in rural African communities.

For details, see [www.cashtransfers-youth.net](http://www.cashtransfers-youth.net)

### The transfers

Social cash transfers are an important aspect of the Lesotho National Social Protection Strategy (NSPS) 2015 – 2019. There are two key transfers.

**The Old Age Pension** targets everyone aged 70 or over except those who receive a government occupational pension. It was introduced in 2004, costs 2.39% of GDP and is government initiated and government funded. Its current value is M750 (US\$53) a month. It currently benefits about 85,000 elderly persons.

**The Child Grants Programme** targets poor households with children, benefiting about 37,000 households (22% of households) in programme areas. This was a donor-initiated scheme introduced in 2009. In 2013 the government took over the programme, which costs around 0.22% of GDP. It disburses M360-M750 (US\$26-US\$53) quarterly to households, depending on the number of children.



## The Old Age Pension is highly accepted, and has wide reaching benefits within and across households and communities

Regularly paid pensions have been life changing for older people because they are more able to meet many of their basic needs including food, medical attention and insurances. However, pension benefits stretch far more widely across families and communities. Some household members living with older persons highlighted pensions as their main source of income and survival. Many older persons spent much of their pensions on their grandchildren, with a number indicating that they sent money to support their children, grandchildren and other relatives living elsewhere. Community members benefitted from pensions in various ways. Relative to other forms of

*"It [life] isn't the same because I wouldn't be paying for the society as I do, and supporting the family, as well as being able to eat"* (83-year-old man)

*"I would say my mother has been able to help us in that we are able to live through her!"* (son of pensioner)

income, pension money circulated in the community, supporting businesses; paying younger people to do casual jobs such as collecting wood or doing laundry for older persons or simply collecting the pension. Some older persons became key pivotal actors in borrowing and lending arrangements in their communities. Thus, pensions should be seen as a viable poverty reduction strategy with wide positive spill-over effects in communities.

The research, however, also revealed areas where people thought the programme's implementation could be improved. For example, many people however felt that age 70 was too old and wanted to see the qualifying age reduced to retirement age; some had difficulties accessing registration documents such as birth certificates; and many thought officers at delivery points should be more considerate to older persons.

## The fragmented responsibilities for designing and implementing policies and programmes for older persons makes it difficult to address elderly people's concerns about the pension



The Old Age Pension has been administered by the Ministry of Finance from the beginning. However, Department of Social Welfare (now the Ministry of Social Development) was mandated to oversee social protection policies in the country. This has resulted in tension between the two entities, especially now that the Ministry of Social Development is administering the 2014 Lesotho Policy for Older Persons which advocates for reducing the qualifying age for the pension. Decisions concerning spending on the pension do not fall within the remit of the Ministry of Social Development but rather within that of the Ministry of Finance which is reluctant to incur the cost of reducing the qualifying age. Thus, it is important for the entities responsible for older persons in Lesotho to harmonise their activities.

## Although the Child Grants Programme benefits poor households with children, where the households targeted are not perceived as the most deserving, tensions arise in communities, especially when same households are targeted for multiple programmes

Targeted households appreciate the child grant, and the community recognised that children targeted were in need of help. Beneficiaries reported that their children were now able to eat, dress, go to school and interact on an equal footing with other children in the community. Community members also indicated positive outcomes such as reduction in petty crimes because the children are not stealing food from neighbours anymore. However, because household targeting was very unclear to communities, some thought it was meant for families with orphans, and many did not un-

*"so what can you say is the difference now that you receive this money?"*

*"well, it is because we do not run out of mealie-meal for a long time now"* (12 year old boy in household with child grant)

derstand why it was given to children with able-bodied parents. The unclear targeting in a context of high poverty, where many other households are also very poor, created a lot of jealousy, gossiping and tension. In addition, the disjuncture between the community selection and the officers' computerized final selection contributed to the tension because people did not seem to understand this final decision. Some community members believed their names were taken off the list out of malice by the local selection committee, causing distrust between local authorities and the community.

*"In the village as part of it, just as you know that one person will be uttering this and that, I feel it having really lowered my self-image... I feel like they come, with the intention of, 'we want to see if he will lend us this money that he gets freely'... So when they say we get it freely, you find that they call it names ... we shouldn't be ill-spoken of, such that we would find ourselves forced to break the law (assaulting others)" (father receiving child grant)*

*"It's painful. They might even burn us in our houses because of jealousy, so it's really bad unless they could get it [the child grant]" (Mother in household receiving child grant)*

The community tension is further exacerbated when authorities repeatedly target households receiving the child grant for multiple poverty reduction initiatives. Other community members, who are also poor felt left out and took out the frustration on the recipients. Recipients would often be harassed for loans as others felt entitlement to the free money that hadn't be sweated for. Moreover, the fact that grants are disbursed quarterly

exposed beneficiaries to risks of debts by the time they receive the money, though often neighbours are unwilling to help when beneficiaries' money runs out. On the other hand, it was also pointed out that it would be good to receive a more substantial amount which could be used for investments and that it also reduces the money spent on collection of the grant.

*"we have to sweat hard for our cash. We can't give you our money, because you are used to being given freely; this one of ours, we have really worked hard for it" (Group 7 women)*

### Young and able-bodied people would rather have employment opportunities within their own communities to support their families than "free money"

Our research revealed the distress associated with receiving free money among young and able-bodied people. The community referred to the Child Grants Programme as "Seoa holimo", meaning "money falling from the sky" suggesting a distasteful attitude towards the "free money". This was particularly evident when the transfer went to households with young parents that are seen as fit to work and therefore not to receive handouts. Young men were particularly frustrated because they are socially expected to be breadwinning, but there are no employment opportunities for them. In a song composed and sung by a group of herdboys in the community, young people are crying out to the authorities that

*"Honestly men's jobs are scarcer than those of women. I have seen lot of women at the factories, but if I go there as a man, I will spend a week without getting any job, until you decide to come back home" (Group 3 men)*

they feel neglected and they want help to find jobs and markets for their produce. Young people identified development needs within their own communities that they could be supported and paid to do.



### The herders' song

I am unfortunate,  
I am unfortunate Jehova,  
I do not have anything  
I am unfortunate,  
I am unfortunate Jehova,  
I do not have money

We are really unfortunate  
That we really do not have money  
And that we do not have jobs  
We truly wish we can get help from the au-  
thorities

To get jobs, also markets  
As we are indeed not educated  
Or to be taught how to drive cars, or fork  
lifts  
Indeed, as it is a way of surviving  
For instance, when we grow vegetables we  
should get markets  
So that our vegetables can be bought

So we are indeed very unfortunate  
We wish to find jobs

*(Song composed and performed by herders  
to express their experiences to policymakers)*



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