

Pension watch

Briefings on social protection in older age



Briefing no. 3

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Strengthening state-citizen relations in fragile contexts

The role of cash transfers

Introduction

HelpAge International has been working on social protection and cash transfers for older people for a number of years. Our experience in fragile states and situations¹ has shown that cash transfers have a number of benefits, both for older people and their households, and for broader developmental objectives.

HelpAge International's interest in fragile states and situations is also informed by the fact that they account for a sixth of the world's population and a third of all people surviving on less than US\$1 a day. Fragile states have poverty rates averaging 54 per cent, compared with 22 per cent in other low-income countries.² Older people – particularly older women and their households – are vulnerable because they are severely affected by the scarcity of state provided support systems, ranging from lack of access to basic health and education services to lack of access to basic income support.

This report examines the role of cash transfers³ in strengthening state-citizen relations⁴ in the context of long-term development in fragile states and situations. Cash transfers as part of a wider social protection system have the potential to strengthen state-citizen relations and by extension the legitimacy of the state. However, the current development debate on cash transfers focuses predominantly on the narrow objective of poverty reduction. In the context of fragility, however, it is important to move the debate on cash transfers beyond vulnerability, risk and poverty to using them as a tool to address a central underlying manifestation of fragility – the absence of a functioning state-citizen relationship.

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“On the day they distributed the money, the people in charge demanded that we pay them before they gave us the money. These people are here in this town. One of them is the former councillor. He said we had to pay for the paper they are using and they also need the money to entertain the officials from Freetown. So those of us that could not pay were unable to receive the money.”

Older woman, Kalangba town

The potential gains from this approach include raising the living standards of vulnerable groups, and providing the opportunities to exercise their rights as citizens. For the state, the benefit of implementing sustainable cash transfer programmes is to increase its legitimacy and popular support, and strengthen state institutions, which are critical to conflict prevention, recovery from conflict and state resilience.

The case studies

Using examples based on research undertaken in Sierra Leone, northern Kenya and Sudan, this report argues that social protection programmes in the form of cash transfers, if well designed, could play a significant role in strengthening state-citizen relations. The nature of programme design and programme ownership is critical to shaping this relationship, which is of crucial importance in fragile contexts.

In each area, field research focused on discussions with communities, while semi-structured interviews were conducted with local and central government officials, UN and NGO personnel.

Research in the three case study areas addressed the following specific questions:

- To what extent does Sierra Leone’s poverty-targeted Social Safety Net (SSN) cash transfer programme strengthen state-citizen relations?
- To what extent does the Hunger Safety Net Programme (HSNP) in northern Kenya, and its “rights component” in particular, strengthen state-citizen relations?
- To what extent can a cash transfer programme contribute to bridging the gap between humanitarian relief and recovery in areas prone to conflict such as west Darfur Sudan?

By exploring the efficacy of two cash transfer programmes – one delivered by the government in a post-conflict situation (Sierra Leone), and one delivered by non-governmental organisations (NGOs) in a fragile and food-insecure environment (northern Kenya) – the research findings highlight the factors that influence the nature of state-citizen relations in context-specific, cash transfer programmes. In west Darfur Sudan, it explores the potential of cash transfers to contribute to peacebuilding, rural development and local institution building, at a time when the UN and NGOs are beginning the transition from emergency relief to recovery and development.

Sierra Leone

Beneficiary and non-beneficiaries responses

The findings in 12 chiefdoms in Sierra Leone showed that the beneficiaries of the programme experienced a positive change in their economic and material wellbeing as a result of the cash transfer. However, almost every respondent expressed the belief that the way the actual selection of beneficiaries was carried out was unfair.

There was a consensus in many chiefdoms that the members of the local committees responsible for implementation, including the paramount chief, selected most of the beneficiaries without recourse to the criteria for eligibility. In all 12 chiefdoms, the focus group discussants believed that the government had very good intentions in introducing the programme but unfortunately local political elites hijacked it during implementation.

In an extreme case, local committee members were said to have completely disregarded the previous registration list and were selecting beneficiaries based on who was willing and able to part with money. Some non-beneficiaries who participated in the focus group discussion were registered but did not receive the money because they were unable to meet the demands of some of the local committee members. Youths believed to be representing some powerful local elites were said to have hijacked the process without the knowledge of programme staff from Freetown.

1. The terms “fragile states and situations”, “fragile contexts”, “fragile environments”, and “state fragility” are used interchangeably throughout the report depending on the context.

2. World Bank – International Development Association, ‘Fragile and Conflict Affected States’, 2011

3. Cash transfers aim directly to increase or protect the incomes of those living in poverty or at risk of falling into poverty. Typical cash transfer programmes include social pensions, child benefits and disability benefits.

4. “State-citizen relations” refers to a form of social contract that gives the state its legitimacy provided it serves the will of its citizens. In practical terms, it involves the ability of citizens to demand services and hold state actors to account; and the extent of the state’s responsiveness to their demands and needs. It also includes citizens’ rights and responsibilities towards the state and the level of trust they have in the state.

“When I went to plead with my section chief to add my name as a beneficiary he asked me to bring two chickens. I asked him where he expected me to get them from, considering that I am very poor and blind for that matter.”

Joe, 65, Bumpe Town,
Bumpe Ngao Chiefdom

“As the head of the chiefdom, the people always blame us (the paramount chief and the section chiefs) irrespective of what we do in such circumstances. Those that didn’t receive the money hold us responsible for their exclusion. It will make life much easier for us if everyone benefits from the programme.”

A paramount chief,
Sierra Leone

Registration often took place between 8am and 5pm and local committee members worked on a first come first serve basis. In a few chiefdoms, many poor and vulnerable older people who live in extremely remote villages far from the main town of the chiefdom were unable to participate during registration. They either could not afford to make the journey to the registration centre, or they were completely unaware of the exercise. Several hoped that they would be able to benefit from the programme when next it came to their community.

Problems were also identified with payment of benefits. Payment days were particularly chaotic and poorly organised. Many frail older men and women spent the whole day in overcrowded community centres because as many people as possible were determined to benefit from the cash transfer. On payment day, beneficiaries also had to pay for security when returning to their villages as they feared being attacked on the way home.

In terms of design, the programme had no grievance mechanisms in place so that individuals could register complaints. Many felt powerless and frustrated. They could only voice these frustrations to their local chiefs, whom many people believed were responsible for their exclusion. In response to these allegations, a few chiefs mentioned during interviews that they were put in a very difficult position, because the local committees found it extremely challenging to select the most vulnerable in a situation where they believed practically everyone was vulnerable and deserved to receive the money. Local chiefs were also unhappy that the programme initiators did not see fit to compensate them for taking part in the process.

These findings demonstrate that poverty-targeted programmes cannot be guaranteed to be transparent and fair. Furthermore, it is very challenging to rely on community power structures for credible implementation, particularly where members of the local committees are also poor and desperate to benefit from the cash transfer. It inevitably subjects the programme to the risk of local elite capture and patronage.

Limitations and challenges of the SSN

The following factors limited the ability of the programme to contribute to strengthening state-citizen relations:

- No thorough research or feasibility study was conducted to develop an understanding of the social, political and economic dynamics in the chiefdoms prior to the programme design.
- Targeting the “most vulnerable” in a context where poverty and vulnerability is widespread limited coverage and exposed the programme to high rates of leakage and abuse. Discretionary and subjective selection of beneficiaries based on a form of means testing in situations where no reliable or credible data exists in the informal sector creates room for manipulation and abuse of the process by local administrative and political authorities.
- Instead of empowering communities, the programme actually disempowered them because its objectives and criteria for selecting beneficiaries were not clear. The programme lacked an effective communication mechanism, so that communities did not understand clearly whom the cash transfer was meant to target. Furthermore, older people in remote villages were unaware of the programme.
- A key element of fragility – weak institutional capacity – constrained the ability of state officials from Freetown to implement and monitor effectively a poverty-targeted programme on a national scale. Staffing and resource limitations at the government agency implementing the programme proved to be a major constraint.
- From an infrastructural point of view – another element of fragility – Sierra Leone has poor road networks, which limit access to the poor; zero telephone coverage in majority of the rural areas; and an absence of pay points, such as banks and post offices, which makes it difficult to deliver cash to beneficiaries in remote areas. Limited mobile phone coverage in Sierra Leone reduces the feasibility of using this technology to deliver cash transfers in rural areas. Despite these difficulties there are lessons from elsewhere with regards to using innovative delivery mechanisms such as mobile banking and local business agents etc.

RC member at a water borehole in Nawoitorong sub-location, Turkana, northern Kenya.



“It is obvious that the number of older people registering for national ID cards has dramatically increased in recent times. In the past, many did not see the value of having a national ID card but now the cash transfer programme has created the incentive for them to either apply for the first time or seek to correct the misinformation on their current cards.”

Benson Leparmorijo,
District Commissioner,
Mandera

- The country is about 95 per cent rural and government officials were seldom in close contact with the poorest and most vulnerable older people – particularly older women – who tend to live in the remotest areas. Registration and payment took place in the headquarters town of the chiefdom, so that the most vulnerable and chronically poor older women were systematically excluded from benefiting from the cash transfer.

Northern Kenya

The Hunger Safety Net Programme used three targeting methodologies in Phase I. These are: a universal social pension for people aged over 55 years; community-based targeting; and targeting based on household “dependency ratio”.

Incentives for national identity cards

The programme had some unintended positive impacts on state-citizen relations, in particular the incentive the programme creates to apply for national ID cards. These are required in order for beneficiaries to receive cash directly. Findings in three districts (Turkana, Wajir and Mandera) show that there has been a significant increase both in registration for national ID cards and also requests for corrections on previous cards.

Prior to the introduction of the programme, community members, especially older women, did not see the value of having a national identity card. A key implication for state-citizen relations is that older women with national ID cards can now participate in the electoral process. In Kenya, an ID card is needed in order to vote.

Implementing the social protection rights component

The programme was designed to include a Social Protection Rights (SPR) component which consists of Right Committees (RCs). These committees, are meant to empower the community to advocate and demand their rights within the programme. This process of *Haki Yangu* (“My Right”) at the grassroots in Turkana, for instance, has encouraged beneficiaries to demand efficient service and challenge problems such as delayed cards and questionable behaviour by agents responsible for payment.

While the programme was being implemented, the three methodologies outlined above did create serious challenges for the SPR component as it received numerous complaints and grievances.

On a positive note and in contrast to the SSN, the HSNP SPR component has managed to enhance state-citizen relations at the local level. Apart from the role they played within the parameters of the programme, there is evidence of spill-over effects and indirect impact in areas related to citizen participation, empowerment and engagement with local authorities.

The work of the RCs also extends, not by design but by default, to educating the people about their rights to engage with their local authorities to demand services. Findings in Turkana, Wajir and Mandera districts showed that communities with active RC members were successful in securing services from their local government authorities. This was never the case prior to the introduction of a “rights discourse” as a result of the HSNP programme.

It illustrates some of the unintended benefits of designing cash transfer programmes with grievance mechanisms based on a “rights discourse”. While it remains true that improving state-citizen relations is basically an endogenous process, programmes funded and implemented by external actors can play a significant role in the short to medium term. Through the SPR component managed by HelpAge International and the administration component managed by Oxfam there is evidence that the HSNP in northern Kenya has some unintended spill-over effect and some positive albeit limited impact on state-citizen relations.

“At first people feared to ask things from the government, but since we received the ‘rights education’ the community is now asking for a number of things. We always ask in a respectful way and not in a rude way. Even the chiefs are now fearful because we are asking questions without fear. We need more training so that we can continue to demand and monitor what our leaders are doing with our resources.”

David Edoket, 57, Chair RC Nawoitorong sub-location, Turkana central

Limitations and challenges of the HSNP

Despite the contributions of the RCs established through the SPR component, there are certain limitations on the HSNP’s ability to build longer-term institutionalised state-citizen relations.

- The fundamental limitation of the HSNP is the fact that it is a donor-funded and NGO-implemented programme with limited involvement of state institutions. The Ministry of Northern Kenya and other Arid Lands coordinates the programme but it was not actively engaged in programme design and nor is it involved in direct implementation. This raises questions of national and local ownership of the programme and its sustainability in the longer term.
- The nature of the programme design inevitably subjected the SPR component to substantial beneficiary grievances, many of which remain unresolved. Two and half years after implementation commenced, a total of 4,088 complaints had been received by the SPR component and 1,700 (42 per cent) have been dealt with, while 2,388 (58 per cent) are yet to be addressed.⁵ This is partly due to the tensions between a poverty-targeted programme and a rights-based approach to social protection. For example, during the implementation of the “dependency ratio” targeting methodology, project staff felt the need to withhold information from beneficiaries on the eligibility criteria in order to avoid manipulation. This led to a perception that the programme team was dishonest and not open to members of the community, thus violating their right to information.
- Poverty targeting is very difficult to implement in situations where the majority are poor and vulnerable. They do have unintended consequences in environments with entrenched group interests because of the potential for existing patronage and kinship networks which can negatively affect beneficiary selection. This is particularly pertinent in Somali communities in northern Kenya where there are very strong clan-based patronage networks.

The HSNP SPR component had an indirect unintended benefit on state-citizen relations, not as a direct result of the cash transfer itself but as a result of programme design which includes a rights component. The design of the programme with a rights component contributed to empowering beneficiary communities beyond the parameters of the programme. However, issues of ownership limit the long-term impact of the programme on state-citizen relations on a wider scale and sustainable basis.

Sudan⁶

A case for a cash transfer

Sudan does not currently have a cash transfer programme targeting older people. Therefore, a normative but cautious case is made for cash transfers as a potential instrument for strengthening state-citizen relations and by extension the legitimacy of the state in the conflict-affected areas of west Darfur.

In west Darfur, a cash transfer programme is among a series of interventions that could be used to support Internally Displaced Persons (IDPs) and host communities and it can also contribute to the process of peacebuilding. A fundamental grievance of many Darfurians – including the IDPs who took part in focus group discussions – towards the Sudanese state is the feeling that they are marginalised, oppressed and neglected.

For instance, none of the camp residents who participated in focus groups discussions had ever benefited from the *Zakat*⁷ fund – even though they are Muslims. Neither have they benefited from any other form of social assistance provided by the Sudanese government either at the national or state level.

There is consensus among all the older women IDPs who participated in the focus groups that, apart from concerns for their physical security, lack of money is the main problem they face. They also acknowledge, however, that possession of cash could make them susceptible to attacks from other camp residents. The conflicts plaguing the region will certainly be a challenge to implementing cash transfer programmes since security can hardly be guaranteed in many parts of Darfur.

5. See Barrett S and Munavu M ‘In search of accountability in social protection programming’, HelpAge International, London 2011 (forthcoming)

6. This study was conducted before the referendum took place in January 2011

7. *Zakat* is an Islamic system whereby Muslims earning over 10,000 Sudanese pounds (US\$3,575) per annum are obligated by Islamic law to pay 2.5 per cent of their annual income in order to provide social assistance to the poor and needy.

The introduction of a cash transfer programme in west Darfur would need to be carefully planned and managed, taking into account the political economy of the Darfur conflict. Broad-based consultations and a feasibility study would be needed to ensure buy-in and ownership from various actors – especially the IDPs, host communities, local, state and national governments.

Donors, the UN system and NGOs certainly have a role to play, particularly in providing technical and financial assistance to the government, provided the latter is committed to the project in the long term. The relationship between many vulnerable, displaced and conflict-affected Sudanese on the one hand, and the government at both state and national levels on the other, could be improved if citizens perceive that the government is genuinely catering for their security and general wellbeing. The cash transfer programme could take various forms, such as unconditional categorical cash transfers, and cash for work programmes designed to rebuild local infrastructure such as roads, schools, health centres etc, which are lacking in many areas in west Darfur.

Conclusions

Emerging issues and implications for state-citizen relations

Programme design The Sierra Leone and northern Kenya case studies indicate that the nature and type of programme design affects the ability of cash transfer programmes to strengthen the relationship between the state and its citizens.

A state-led programme such as the SSN in Sierra Leone demonstrates the severe limitations of a poorly designed poverty-targeted programme in a context where institutional capacity is weak. Anomalies associated with programme design and poor implementation, including institutional and infrastructural constraints, did have an adverse effect on state-citizen relations. Trust in public institutions was further eroded and state actors – in this case local chiefs – used the programme for clientelism and patronage purposes, creating mistrust between the communities and the state.

In contrast, a donor-financed and NGO-implemented programme (HSNP) in northern Kenya suggests how a social protection rights component can add value and have an unintended positive impact on state-citizen relations. However, the poverty-targeted nature of the main HSNP programme exposes the inherent contradictions between a poverty-targeted programme and a rights-based approach to social protection programming. The outcome was very high levels of reported grievances, with many still remaining unresolved. The findings also showed that, where almost everyone is vulnerable and poor, targeting based on vulnerability creates rifts in and between communities in fragile situations.

It is clear from these studies that poverty-targeted cash transfers are a huge challenge to implement in fragile states and situations with high levels of poverty, low institutional capacity and lack of reliable data.

Programme ownership Cash transfers can be used in the context of emergencies and as a tool for long-term development. For the latter, government ownership is critical both to sustain cash transfer programmes and to develop state-citizen relations over the long term. Donors and NGOs can play a complementary role in providing technical assistance in programme design, developing the institutional capacity of the state and building in transparency and accountability mechanisms that strongly link relevant state institutions with the citizens (for example, national and local human rights bodies).

The Sierra Leone SSN cash transfer programme was fully owned by the government, while the HSNP in Kenya is largely donor-owned with only limited engagement of state institutions. Even if NGOs are implementing cash transfers, they should be part of the overall national development agenda and not an isolated programme. NGOs should complement governments and not replace them.



Older Women at the Older People Social Centre in Krinding 1 IDP camp, El Geneina, Darfur, Sudan.

Sudan does not currently have a cash transfer programme. However, lessons can be learnt from the Sierra Leone and northern Kenya case studies on what not to do and how to go about designing and implementing cash transfers in the Sudanese context.

Recommendations

Principles and good practices for cash transfer in fragile contexts

Based on the findings of this study and a validation workshop held in Nairobi with senior policy makers from Sudan, Sierra Leone and northern Kenya, the following principles and good practices for cash transfer in the context of long-term development in fragile states and situations have been identified. While the majority of these principles are concurrent with principles in non-fragile states or situations, they are paramount in order to reduce fragility and its root causes.

Government ownership Government ownership or at least government involvement in cash transfer programmes is the key to their success in fragile contexts. Government should be involved not just in programme design and implementation but also in financing, monitoring, and evaluating programme performance. Government must also be the decision maker in the elements of cash transfer design that affect the long-term sustainability of the schemes. Beyond the issue of sustainability, government-owned programmes, if appropriately designed, have the potential to strengthen state-citizen relations, which is critical to nation building, peacebuilding and social cohesion.

Appropriate design and implementation In fragile contexts, programme design should include simple and transparent/understandable selection criteria that identify beneficiaries using very clear categories – for example, older people, people with disabilities, and orphans and vulnerable children. Programmes should include effective grievance mechanisms linked to existing accountability and ombudsman structures, particularly at the local government level where implementation takes place. These mechanisms will promote citizen participation, voice, empowerment and ownership. Design and implementation should be based on a broad consultation process involving all the relevant stakeholders. The programme must be seen by the wider community and society to be fair.

Legal and policy framework A legal and policy framework for social protection/ cash transfers is essential. Involving all the sectoral ministries, departments and agencies with social protection mandates during policy formulation creates buy-in and limits the potential for turf battles between government agencies.

Evidence based on context Programmes should be based on detailed research evidence that can guide the design and implementation of programmes. Policy advisers should present decision makers with policy options and scenarios based on the context in which fragility occurs.

Relationship building A multi-stakeholder approach will help to build relationships to develop social protection champions in key ministries, government departments and agencies. South-South learning workshops, trainings and field visits to existing programmes in other countries should be organised for relevant policy makers and programme staff in key agencies. These are important platforms and processes for bringing together and building a joint understanding amongst staff from different government departments with social protection mandates.

Effective communication Investment in communication mechanisms using effective information, education and communication strategies ensures that relevant information about programmes is well disseminated and presented in simple language that citizens understand. There should be transparency about who will be involved in the programmes and where they are being implemented. This is critical to ensuring the credibility and acceptance of programmes.

HelpAge International helps older people claim their rights, challenge discrimination and overcome poverty, so that they can lead dignified, secure, active and healthy lives.

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Written by Dr Wale Osofisan, HelpAge International
Photos: Wale Osofisan/HelpAge International
Design by TRUE www.truedesign.co.uk
Print by **Park Lane Press**
Printed on Corona Offset, 100% recycled, NAPM and Blue Angel accredited

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ISBN 1 872590 56 X

This briefing was produced with the financial assistance of the German Federal Ministry of Economic Cooperation and Development (BMZ). The contents of this document are the sole responsibility of HelpAge International and do not necessarily reflect the views of BMZ.

Innovative delivery systems Innovative ways of delivering cash through the private sector can play a significant role in fragile environments, especially where functioning state structures are non-existent. Using mobile phone technology and mobile banking to deliver cash transfers also has the potential to extend other financial services to remote rural communities. Development partners can play an important role in ensuring that procurement of private services is in the longer-term national interest and capacities are in place in relevant ministries to ensure transparent procurement processes.

Learning from existing social protection/cash transfer schemes Where programmes already exist, it is important to ensure that revisions to design and implementation are based on mutual learning from existing schemes. Social protection/cash transfer programmes should be refined and improved to address effectively public grievances and problems with implementation.

Linkages to other programmes Cash transfers, in particular broad-based schemes, provide opportunities for outreach to other social services. Efforts should be made to link cash transfer programmes to other complementary social protection services such as health, education and agricultural outreach. Transfers implemented on the basis of citizenship entitlements also provide an opportunity to reinforce citizenship infrastructure, such as national registration systems based on civil registration (births, deaths and marriages) and national identity card programmes.

This briefing is based on a longer paper of the same name available at www.pension-watch.net/knowledge-centre

Find out more:

www.pension-watch.net

Acknowledgements

HelpAge International is grateful to the Governments of Sierra Leone, Sudan and Kenya for their cooperation and participation throughout the process of this study. Specifically the Social Safety Net (SSN) programme and the Hunger Safety Net Programme (HSNP) staff in Sierra Leone and northern Kenya, respectively. Many thanks to HelpAge International staff in Nairobi, Khartoum, El Geneina Darfur and London who made insightful comments and provided guidance throughout the course of this study. Special thanks to the hundreds of older people in Sierra Leone, west Darfur Sudan and northern Kenya who took part in focus group discussions that helped shape the findings. Finally, HelpAge International is grateful to the German Federal Ministry for Economic Cooperation and Development (BMZ) for providing the financial support for this study.

Financed by

