

# Social Implications of Cash Transfer Programme on the Elderly in Makueni County, Kenya

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## Abstract

The 2015 elderly cash transfer program of the Kenyan government provided a paradigm shift in social and economic empowerment of the elderly. Older people aged 65 years and above in Kenya from different villages have been beneficiaries of the program. However, few studies have been carried out to determine the extent of social impact of this program among the beneficiaries. This study sought to investigate the impact of the program on Kitise location's elderly residents, in Makueni County. The study employed a qualitative research design approach with a sample of 187 beneficiaries selected from across the county. While the findings covered multiple aspects of the program, they mostly showed that the participants' socio-economic wellbeing improved with the program.

**Keywords:** *Older Persons Cash Transfer Program (OPCT), Social Wellbeing, Social Protection, Cash Transfers, Welfare.*

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## 1. Introduction

Cash transfer programs are increasingly being adopted worldwide as effective tools to alleviate poverty. This social assistance initiative provides direct payment to individuals or households with the goal of reducing poverty or supporting vulnerable populations. Recipients can receive the cash on an unconditional or conditional basis. In the former case, the recipients are entitled to the cash without meeting specific criteria or conditions whereas in the latter case, they must meet certain specific conditions to qualify. Such initiatives have succeeded in North America and Western Europe and are now being replicated in developing countries in the pursuit of similar outcomes [1, 2]. The positive impact of the cash transfer has a ripple effect. Its benefits start at individual level and then extends to the household before impacting the broader community and ultimately the entire country. A study by Gorman et al [3] and MOGCSD [4] highlighted the short-term benefits of cash transfer programs for elderly individuals.

Many studies have already proven the positive correlation between such programs for the elderly and improved access to many social welfare services including but not limited to healthcare, education for young dependents, food, clothing, nutrition, and housing. As put forward by Aizawa [5], in some cases, beneficiaries have pooled their resources to establish micro-credit organizations that offer loans with affordable interest rates. Such options are good alternatives for individuals or households looking for funding options for their small businesses and have been rejected by traditional lending institutions. Although studies on this subject are extensive like the ones done by CT-OVC [6], Kimosop [7], and Mwanzia [7], most have not explored the extent to which the OPCT program contributes to the overall well-being of the elderly population and the specific challenges they face, particularly in Arid and Semi-Arid regions. This study gap presents an interesting perspective of research since the government distributes funds equally to all beneficiaries across the country. This study addressed this issue by investigating the social impact of the OPCT program in the arid Makueni County in the Eastern Province of Kenya.

The cash transfer program has expanded over the years and achieved significant success in the process. However, there is limited research on its direct impact on the elderly population. Previous research, such as studies by Mathiu and Kimosop [7], has primarily focused on the disbursement and adequacy of the funds. In 2015, the Department of Social Development conducted a beneficiary recertification process to establish whether

beneficiaries still qualified for the program. However, the recertification did not evaluate the direct impact on beneficiaries [5]. Beneficiaries who have effectively utilized the funds have experienced positive lifestyle transformations. Given the longevity of the OPCT program, it is crucial to examine how it affects the lives of its beneficiaries and their households. The goal of the recertification process is to evaluate the social conditions of the beneficiaries of the program to determine those who have surpassed the eligibility threshold and are now self-sufficient. The process is essential to ensure that the program delivers its service to the population that needs it the most.

## **2. Materials and Methods**

The study sought to examine the impact of the OPCT on the socio-economic well-being of elderly beneficiaries in Kitise. The resilience theory was the theoretical foundation of the research since it is the most appropriate for understanding the significance of such interventions as social support systems for the vulnerable elderly population. A mixed methods research design was adopted. The target population was men and women aged 65 or more, who were OPCT beneficiaries. Random sampling was used to select 187 participants out of which 124 fully participated in the study. The methodology also involved the integration of inputs from key informants such as the Chief, Social Development Officer, County Coordinator of Social Development, and Assistant County Commissioner. The participants were divided in batches of 8 groups comprising 10 individuals each, and 4 groups comprising 11 individuals each, to form the focus group discussion. The qualitative data was coded, and analyzed using NVIVO version 14.

## **3. Results**

The study analyzed data collected to establish the impact of the OPCT program on the social conditions of Kitise location beneficiaries.

### **3.1 Demographic Results**

A significant portion (76%) of respondents, fell within the 70-79 age bracket, aligning with the program's goal of supporting older, vulnerable populations. The age distribution confirms that the program targets the elderly, yet younger caretakers also participate on behalf of incapacitated elderly beneficiaries. The gender distribution of the respondents was balanced as 58 % were male and 42% female respondents. Gender sensitive programs may be essential for addressing women's specific needs, as elderly women in rural settings often face additional vulnerabilities related to health, income stability, and social support networks. Additionally, it was found that most respondents were widowed or living alone, factors that increase their vulnerability due to lack of familial support. Marital status influences how beneficiaries utilize OPCT funds, as those living alone may allocate funds differently than those in larger households. The study finally sought about the beneficiary's educational level. The educational attainment of respondents was generally low, with 76.6% having completed only primary education. Low education levels may implication beneficiaries' understanding of financial management and hinder their ability to fully benefit from the program. However, most of the respondents indicated an improvement in social well-being.

### **3.2 OPCT Program and the Social Wellbeing**

To establish the impact of the program on the social wellbeing of the beneficiaries, the researchers asked key questions to get a better understanding. When asked about the program's impact on familial relationships, the majority (95.2%) confirmed improved social life post-enrollment. Only 1.6% of participants admitted to the contrary effect. The remaining participants (3.2%) reported no significant improvement in their lives after the OPCT enrolment. Many participants expressed that the regular cash transfers helped them meet basic needs independently, reducing the financial strain on their families. This autonomy appears to foster a sense of dignity and personal agency, as beneficiaries no longer feel like a "burden" to relatives. Qualitative feedback from focus group discussions emphasized that this self-sufficiency not only strengthens familial bonds but also enhances social inclusion, as beneficiaries are better able to contribute to communal events and activities. These findings suggest that the OPCT program has successfully bolstered social resilience among participants.

### **3.3 Challenges Facing the OPCT Program**

Table 1 summarizes the dominant challenges that the program faces

**Table 1: Challenges Encountered by the OPCT program**

|  | $\bar{x}$ | $\sigma$ |
|--|-----------|----------|
| Late disbursement of funds                     | 4.732     | 0.145    |
| Inadequate monthly allowance                   | 3.917     | 0.173    |
| Challenges in reaching cash collection centers | 4.366     | 0.284    |
| Slow enlistment of new beneficiaries           | 4.259     | 0.218    |

As demonstrated in the table 1 above, most of the participants strongly agreed that late fund disbursement was the primary challenge ( $\bar{x} = 4.732$ ). This was followed by challenges in reaching cash collection centers ( $\bar{x} = 4.3660$ ), slow enrollment of new beneficiaries ( $\bar{x} = 4.259$ ), and inadequate monthly allowance ( $\bar{x} = 3.917$ ) in that order. These findings highlight the key concerns of the study participants in relation to the challenges they encounter with the OPCT program.

### 3.4 Inferential Statistics

To determine the effect of the OPCT program on the social wellbeing of the beneficiaries, the researcher carried out a paired T-Test analysis on the social wellbeing before and after becoming beneficiaries of the OPCT program.

The null hypothesis was that the social wellbeing of the beneficiaries after receiving cash from the cash transfer program was significantly better than before the introduction of cash transfer. The findings in Table 1 show that there was a statistically significant difference between social wellbeing after receiving funds from OPCT program ( $M = 3.48$ ,  $SD = 1.9$ ) an indicator of good social wellbeing compared to before the introduction of cash transfer (bad social wellbeing) ( $M = 2.14$ ,  $SD = 2.73$ ),  $t(123) = 6.41$ ,  $p < .05$ . The findings confirm that OPCT has been instrumental in the past five years to the beneficiaries as it has positively improved their social status in the community as shown in Tables 2 and 3.

**Table 2: Paired Samples Statistics**

|        |                              | Mean   | N   | Std. Deviation | Std. Error Mean |
|--------|------------------------------|--------|-----|----------------|-----------------|
| Pair 1 | Social Wellbeing After OPCT  | 3.4783 | 124 | 1.89550        | .19762          |
|        | Social Wellbeing Before OPCT | 2.1435 | 124 | 2.73123        | .28475          |

**Table 3: Paired Samples Test**

|        |  | Paired Differences |                |                 |   |         | t     | Df  | Sig. (2-tailed) |
|--------|--|--------------------|----------------|-----------------|---|---------|-------|-----|-----------------|
|        |  | Mean               | Std. Deviation | Std. Error Mean | 95% Confidence Interval of the Difference |         |       |     |                 |
|        |  |                    |                |                 | Lower                                     | Upper   |       |     |                 |
| Pair 1 | Social Wellbeing After OPCT – Social Wellbeing Before OPCT | 1.3348             | 2.89677        | .30201          | 1.33488                                   | 2.53469 | 6.406 | 123 | .000            |

## 4. Discussion and Conclusions

The OPCT program positively impacts social well-being, with many beneficiaries reporting enhanced dignity, autonomy, and improved family relationships due to the regular cash transfers. This aligns with Mwanzia [8], who found that social protection programs bolster self-esteem and social integration by reducing dependence on others. The ability to contribute to household expenses has increased beneficiaries' respect within their families and communities, strengthening social bonds and reducing psychological burdens related to financial dependency.

However, a critical review of this outcome reveals limitations in how these social benefits are distributed. A notable segment of beneficiaries reported minimal social improvements, suggesting that individual circumstances, such as household composition or social isolation, significantly influence program effectiveness. As noted, social protection programs sometimes fail to address the social isolation faced by beneficiaries who lack familial support, pointing to a gap in the OPCT program's ability to address the needs of individuals in diverse social contexts.

This variability in social outcomes suggests that while OPCT achieves positive results, the program could better serve isolated individuals by incorporating social support components. Establishing peer networks or regular group meetings for beneficiaries could promote social integration for those without family support, addressing isolation and reinforcing community bonds. Such an approach would align with the recommendations of Handa et al. [9], who highlighted the role of community-based support in maximizing social well-being in cash transfer programs.

On the other hand, it was also established that beneficiaries of the OPCT program face challenges such as delayed disbursements, high transportation costs, and limited financial literacy, which hinder their ability to access and utilize funds effectively. Delayed payments disrupt financial planning and undermine trust in the program, as Molyneux et al. [10] highlight the importance of predictable cash flows for stability and credibility.

High transportation costs, particularly for those in remote areas, reduce the net financial benefit, with Handa et al. [9] noting that logistical barriers can negate the advantages of rural cash transfer programs. A mobile payment system could mitigate these issues by eliminating travel expenses. Additionally, limited financial literacy among beneficiaries constrains effective fund management, as Peninah [11] points out the need for budgeting skills to maximize the benefits of cash transfers. Zezza et al. [12] advocate for financial literacy training to enhance fund utility and build resilience against future economic challenges.

## 5. Recommendations

The OPCT should be enhanced through continued funding to ensure maximum positive impact among eligible elderly beneficiaries. Ideally, a universal health security fund should be established for all citizens. The state should cover the contributions of vulnerable populations such as the elderly, the disabled, and orphaned children. The study further recommends improving the policy to include additional elements that could enhance beneficiaries' social well-being. One of the interesting findings from the research was that enrollment in the program increased social participation. This implied that financial support from the program may have enabled participation in community or social-oriented activities. The implied correlation here is that greater financial security and the propensity to socialize are strongly correlated. Therefore, it is recommended the OPCT program be complemented by activities that enhance social well-being such as team-building activities and even counseling for substance abuse beneficiaries who want to reintegrate back into society [13, 14]. The examined program components were not exhaustive. Therefore, the study calls for more research to identify other factors influencing the well-being of the elderly, orphans, and disabled people in the study area [15, 16, 17]. Future studies should also expand the scope of research to improve the generalizability of findings at county and national levels.

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