



THE REPUBLIC OF UGANDA
Ministry of Gender, Labour
and Social Development



better life chances for all

EXPANDING
SOCIAL
PROTECTION

Uganda's Senior Citizens' Grant: A success story from the heart of Africa

Stephen Kidd

www.socialprotection.go.ug

The second phase of the Expanding Social Protection Programme (ESP II) is implemented by the Ministry of Gender, Labour and Social Development, funded by the UK Department for International Development and Irish Aid, and managed by Maxwell Stamp in association with Development Pathways.



Summary

Since 2011, a pilot universal old age pension – known as the Senior Citizens' Grant (SCG) – has been implemented in Uganda. By 2016, there were 125,000 beneficiaries. A number of studies have demonstrated that the scheme has had significant benefits. Despite the general economic situation worsening in many communities, the scheme has brought about a large reduction in poverty among beneficiaries, as well as reductions in the number of households experiencing hunger. Diets have also improved and there are indications of reductions in wasting among children. Many beneficiaries have used the pension to invest in productive activities, while employment has increased among those working age members in pensioner households. Children have benefited from the generosity of their grandparents in terms of less hunger, improved nutrition and greater access to school. As a result of the inflow of cash into communities, local markets have become more dynamic, benefitting entrepreneurs while generating greater employment. Importantly, the citizens of Uganda living in communities where the SCG is implemented are now able to live their final years in greater dignity and have been increasingly re-integrated into communities, including receiving more informal support from their relatives. The evidence indicates that the national roll-out of the scheme should be sped up, so that all communities in Uganda can receive the same benefits.

1. Introduction

For the past five years, the Government of Uganda has collaborated with the UK's Department for International Development (DFID) and Irish Aid to pilot an old age pension for everyone over 65 years of age – and 60 years in the Karamoja region – across fifteen of the country's 112 districts, known as the Senior Citizens' Grant (SCG). In 2016, there were around 125,000 people receiving the Senior Citizens' Grant (SCG), 65% of whom are women, indicating that it the programme makes a strong contribution to gender equality. In fact, when all household members are taken into account, the SCG reaches around 610,000 people. The transfer is currently set at UGX 25,000 (US\$7.50) per month and is paid every two months.¹ Around 15% of households in each community are in receipt of the pension.

The SCG has been part of a broader pilot cash transfer programme known as Social Assistance Grants for Empowerment (SAGE). So, in some districts an alternative to the SCG was tested, known as the Vulnerable Families Grant (VFG). The VFG attempted to reach the 15% of households with the least labour capacity in each community, although, in reality, a high proportion of recipient households included an older person. The VFG did not prove popular within communities – as its selection methodology was regarded as divisive – and was discontinued by the Government of Uganda in early 2016. Across Uganda, however, the vast majority of recipients of SAGE were on the SCG.

A number of studies have recently been released assessing the impacts of the SAGE programme, in particular the SCG. These include a comprehensive evaluation that was carried out over 24 months by Oxford Policy Management (OPM), including both quantitative and qualitative analysis of data collected at baseline (Sept/Oct. 2012), mid-line (Sept/Oct. 2013) and end-line (Sept/Oct. 2014) surveys. In addition, the Economic Policy and Research Institute (EPRI) have analysed national household surveys in 2009 and 2013 to compare districts where the SAGE programme was implemented with similar districts where it was not.

The studies show remarkable positive changes in the lives of SCG beneficiaries and their households. Unfortunately, though, there were some significant methodological challenge with the OPM quantitative evaluation. A reliable control group was not established and, as a result, it is not possible to know definitively whether the improvements in the lives of beneficiaries of the SCG are the result of the pension or due to other factors (Annex 1 explains the challenges in more detail). Nonetheless, given that the situation of many beneficiary communities worsened during the two years of the evaluation, it is highly likely that the old age pension was the main contributing factor. Furthermore, the results from the qualitative research and EPRI (2016) survey of district-wide impacts support the finding of significant impacts.

¹ The SCG was originally paid at a value of UGX 24,000 per month, which was the equivalent of US\$9.80 in 2012. The value of the transfer rose to UGX 25,000 per month in July 2013.

This report describes the changes in the lives of the beneficiaries of the SCG, their household members and wider communities over the two years of the evaluation. It is based mainly on reports by OPM setting out the results of both the quantitative and qualitative evaluations. Consequently, the report does not provide references for the evidence cited (unless it is from another source, such as the EPRI study).

The positive changes cover a wide range of areas including reductions in poverty and hunger, improved diets, investments in productive activities by beneficiaries, greater dignity for older people, better lives for children, more dynamic local markets and higher levels of employment. These changes are described in more detail in the sections below.

2. Reductions in poverty and hunger

As Table 1 shows, over the two years of the OPM evaluation, the poverty rate of households receiving the SCG pension fell from 49% to 33% (a much greater reduction than among the control group²).³ Similarly, the poverty gap fell by 43% and poverty severity by an even more impressive 46%. Much of this was down to an increase in household per capita consumption of UGX 22,600 which is significantly larger than the per capita value of the SCG transfer at UGX10,800, implying that the pension is likely to have been used to generate additional income in households (which is discussed further in Section 6).

Table 1: Reductions in poverty among SCG beneficiaries

Indicator	Baseline	Endline
Monthly total household consumption expenditure per adult equivalent ¹	UGX 77,600	UGX 100,200
Poverty head count	49.3%	33.3%
Poverty gap	16.0	9.2
Poverty severity	6.7	3.6

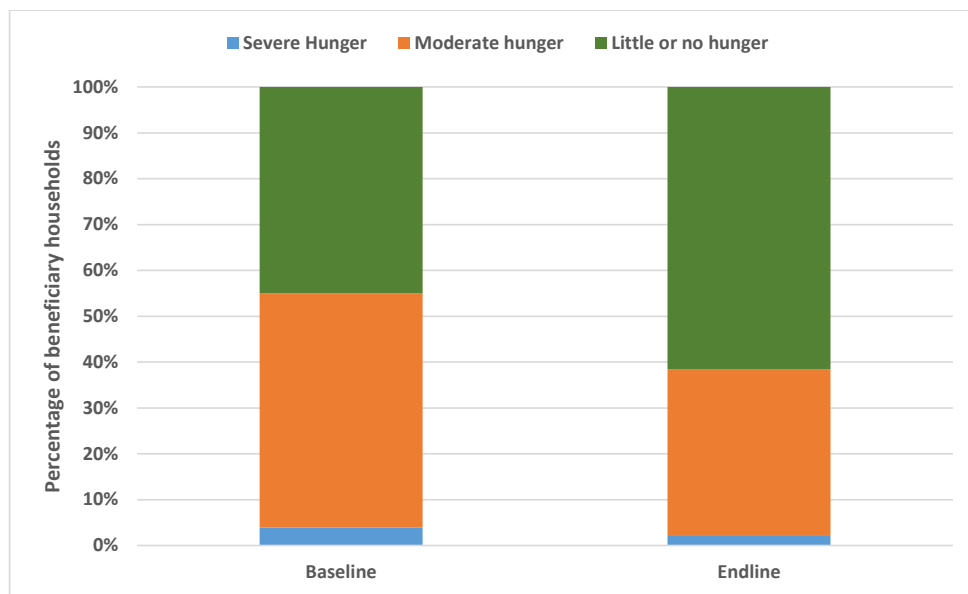
The SCG also had a significant impact on food security. As Figure 1 indicates, the proportion of beneficiary households experiencing little or no hunger has grown from 45% to 62%. One woman claimed: “This money has helped me a lot. It has made me eat. If it wasn’t there, I wouldn’t eat.” Another stated: “The pension has given me hope to wish for tomorrow because the situation is no longer hopeless. I know I will wake up and eat I will not beg people for food anymore.” One of the SCG staff noted how: “Before, some beneficiaries looked malnourished. But now they look much younger, simply because they can afford their basic needs.” In fact, the evaluation showed that the proportion of beneficiary households with “acceptable” food consumption increased from 57% to 71%.⁴ Similarly, EPRI (2016) estimated that in districts with SAGE, among households with someone aged 60 years or above, there was a 6% reduction in the proportion of households consuming less than 2 meals per day, while, in non-SAGE districts the situation worsened, with the number of households consuming less than 2 meals per day increasing by around 5.4%. This would suggest that SAGE offered significant protection to households, during an overall deteriorating situation.

2 The poverty rate among non-beneficiaries improved from 54% to 47% but, as discussed in Box 1, much of this may well have been the result of the introduction of the pension into the communities.

3 OPM note that the reduction in poverty may have been somewhat smaller than reported, due to problems in measuring consumption during the first survey round. However, given that the reduction was much higher than among the control group, there is little doubt that the fall in the poverty rate was significant.

4 Similarly, the proportion with “poor” food consumption fell almost by half, from 15% to 8%.

Figure 1: Levels of hunger in SCG beneficiary households

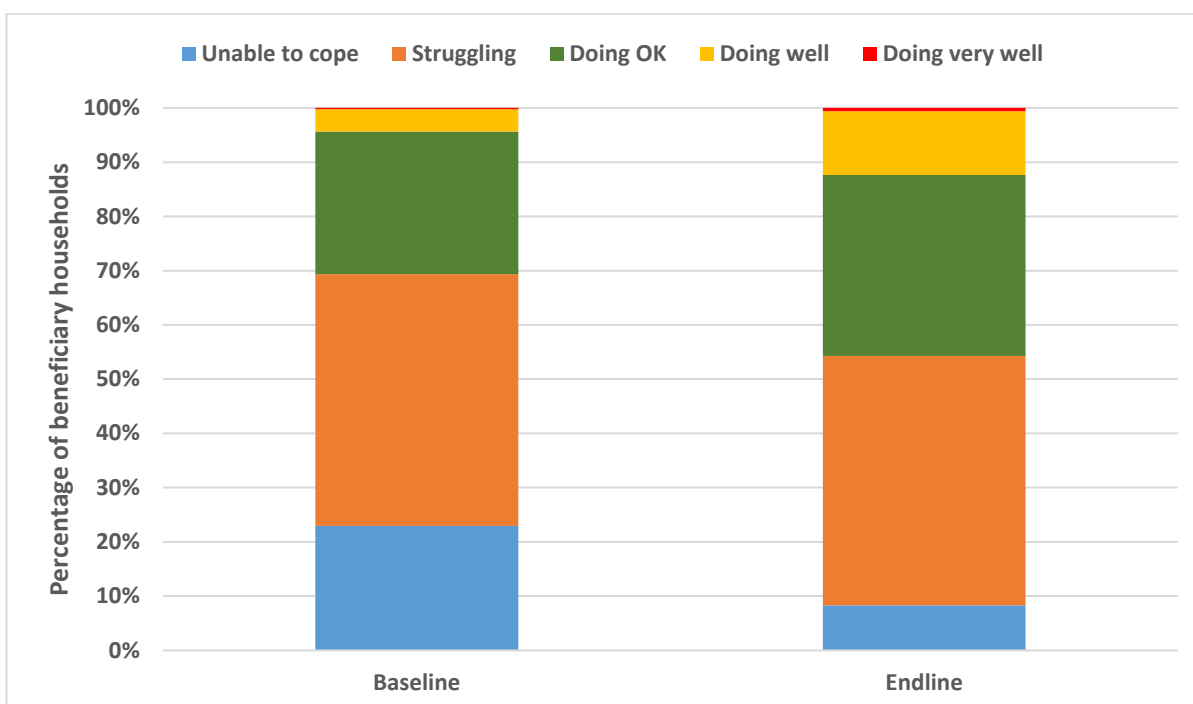


Not only has hunger been reduced, but diets have improved. One of the pension scheme’s staff noted how: “Before, some beneficiaries looked malnourished. But now they look much younger, simply because they can afford their basic needs.” Some beneficiaries have purchased cows and chickens with the pension, meaning that they can also consume their own milk and eggs. Diets have improved, with people buying more proteins – including meat and fish – and reducing their reliance

on starch. As a female beneficiary from Kyenjojo noted: “We can eat good food. We no longer wish for small things. We can afford once in a while a kilo of meat.”

Overall, many of the beneficiaries of the SCG report that their lives have significantly improved since the pension started. Figure 2 shows the extent to which beneficiaries felt that they could cope with life while Box 1 sets out a range of comments from beneficiaries and others on how their lives have improved. Overall, the proportion that were unable to cope with life fell from 25% to only 8%, in just two years. However, 46% of beneficiaries were still struggling, which suggests that the value of the transfer is not high enough to eliminate poverty and, therefore, should be increased. A beneficiary in Nebbi district remarked: “The amount is inadequate. If they increased it to UGX 30,000 or 50,000 it would be adequate because it does not help us properly; it is little.”

Figure 2: Extent to which beneficiary households felt able to cope with living



Box 1: Beneficiary and community views on how the lives of older people have changed since the introduction of the SCG

“Because of the SCG transfer we now can meet our basic needs. We have some dignity now.” [Male beneficiary, Kiboga]

“The elderly are now able to buy clothes, and soap. They are able to keep clean and because of this, they are more accepted in the community.” [Key informant, Katakwi]

“There is a change because, before the SCG was introduced, life was hard due to lack of money to meet their needs (i.e. school fees, food, etc). But now with SAGE money our children and grandchildren can go school, we can buy few and change diet, we can also have bulls to cultivate our gardens and with that same money we can keep domestic animals and birds, which we can sell to improve on the wellbeing of the households.” [Female beneficiary, Katakwi]

“When we were not yet receiving the money we were doing badly, but when I started receiving this money I managed to build a permanent house. I buy food in my household compared to the past before the money of the SCG.” [Male beneficiary, Apac].

3. Improvements in housing

Improving their housing has been a priority for pensioners, as indicated by OPM’s qualitative evaluation. As one informant noted in Apac: “The beneficiaries’ homes are very strong.” Many have invested in repairing or building new houses, replacing poor quality grass roofs with iron sheets so that “our houses no longer leak.” One pensioner, whose house was severely damaged by hail, was able to buy new iron sheets by taking a loan of around UGX 350,000 (US\$140), which he gradually repaid using his pension. Others have improved their water supplies and sanitation. Unfortunately, OPM’s quantitative evaluation did not look closely at housing improvements although it did find a small but statistically significant increase in the average number of rooms in beneficiary households from 2.5 to 2.6 while the proportion of households with a safe water source increased from 73% to 77%. The investment in houses may have been driven, in part, from a desire by pensioners to no longer have to beg others to mend their houses, thereby reducing their sense of dependency. As has been shown in studies in many countries, older people wish to maintain a sense of autonomy for as long as possible.⁵

4. Improvements in health

The quantitative evaluation found a large and statistically significant increase in the mean monthly household expenditure on health among SCG beneficiaries, from UGX 1,300 to UGX 6,000 per capita. A range of beneficiaries stated that they had used the pension cash – or animals they had purchased – to cover health costs.

For me much of this money has gone to medication. There was a time when I had not received payment yet but I fell sick and borrowed money for an operation (UGX 25,000) from someone who trusted me. But I paid the whole of it back after a long period of time. [Male Beneficiary, Kaberamaido]

For disease we use this very money to go for treatment; and when one has food stuffs we sell this for treatment. When my old woman got sick I sold two goats to solve that problem by taking her to the hospital for treatment. [Male Beneficiary, Katakwi]

The way we deal with sicknesses is different and we can now use SCG money to pay for health services, this was not the case before this payment was introduced. [Female beneficiary, Kiboga]

5 C.f. Kidd (2016)

Part of the increase in health care expenditures is likely to have been the result of people accessing higher quality services through private clinics. Numerous respondents mentioned in the qualitative research that many beneficiaries are now accessing private medical facilities, “which was not the case before SAGE was introduced” [Male non-beneficiary, Nakapiripirit].

Because of the SCG, I can afford to pay for private treatment when sick, which was difficult before [Female beneficiary, Kiboga].

As a result of the SCG, most old people can now access private medical facilities which was not the case before the SCG was introduced [Male non-beneficiary, Nakapiripirit].

The improvements in diets and increased health spending appear to have resulted in better health among beneficiary households. While the quantitative evaluation reported a small 8% reduction in the proportion of people ill or injured during the previous three months, in the qualitative research many people remarked on the improved health of beneficiaries.

Sickness among the old has also reduced because they are stress-free. [Government official, Katakwi]

There are also the very poor who were hopeless. However, the fact that they can now afford to buy the basics really makes them happy. They know they can go to the health centre and they now look well. [Parish Chief, Kyenjojo]

There is a health improvement. Actually when the grant was delayed for four months we recorded a big number of elders dying. [Sub-county Chief, Kaberamaido]

The health of the beneficiaries has greatly improved as they are now able to afford treatment in health facilities including private clinics. [Health Facility Staff Member, Nakapiripirit]

5. Changes in the status and sense of dignity of older people

Since the introduction of the SCG, there has been a significant improvement in the status of many older people both within their households and across their wider communities. To a large extent, this will have been the result of pensioners becoming more autonomous as a result of their access to regular cash and their ability to once more actively share with others. In contrast, prior to the introduction of the SCG, many had been viewed as beggars or, at the very least, as placing a burden on others. One female pensioner expressed the change as follows: “My children and grandchildren came to reality when the pension came in. I was a burden to them but I now share in their life with my small support. We are more united than before the pension.”

Beneficiaries appear grateful for the opportunity that the pension has given them to assist their families. As one informant noted in Katakwi: “The programme has created more unity in the families because most older people used to be dependents but now the old people are supporting their sons and daughters, and hence now have more respect from their family members.”

Indeed, the OPM evaluation noted improved relations between family members. During interviews undertaken during the baseline survey, there were many examples of conflicts emanating from poverty, for example as a result of alcoholism or squabbles over how to spend money. This situation was found to have improved markedly by the endline survey with beneficiaries saying that the cash transfer had improved relationships by increasing household incomes which reduced levels of stress within families. In fact, there was an increase in the proportion of households in which more than one person made decisions: for instance, the number of households with shared decision-making on the education of children increased from 72% to 75%, while shared decision-making on investing money increased from 68% to 71%.

The relationship between men and women has greatly improved. Men now give women some little respect, especially for the beneficiary (women). The cash has mended the gap, especially if a man in a given household is not a beneficiary. The women have felt it as a good gesture by their spouses. There is now very little tension in our households. [Female beneficiary, Moroto]

The status of older people within wider communities has also been enhanced. One pensioner noted how: “In the community, people like us and trust us. They easily help us with loans because they know we are going to get the money to pay them back.” A community member also described how: “The elders are now looked on as important people in the community and now have a voice.”

In part, the improvement in status is down to older people being able to purchase clothes and soap, which has enhanced their appearance. But, they also beg less and, instead, are better able to share with others and contribute to the community. The evaluation found that the proportion of pensioner households giving informal help to other households in the previous three months had increased from 30% to 41% (with the proportion giving help over an entire year almost certainly even higher). Furthermore, the value of the assistance given during the three months had increased from UGX 9,700 to UGX 14,200. As one pensioner explained: “The elderly, some of whom were very poor and did not have any voice, and status in the community, now own some few assets such as goats, pigs and poultry and can fend for themselves. Now they are respected. People also listen to us in social meetings because we can contribute.” Another pensioner stated: “Older people used to be a big burden to others but they are now able to live independently; even those who used to beg are now independent as a result of the pension.” A key informant in Katakwi noted how: “There is an improvement in social gatherings and support – for example, during burials – because the older people can now contribute: hence there is unity in the communities.”

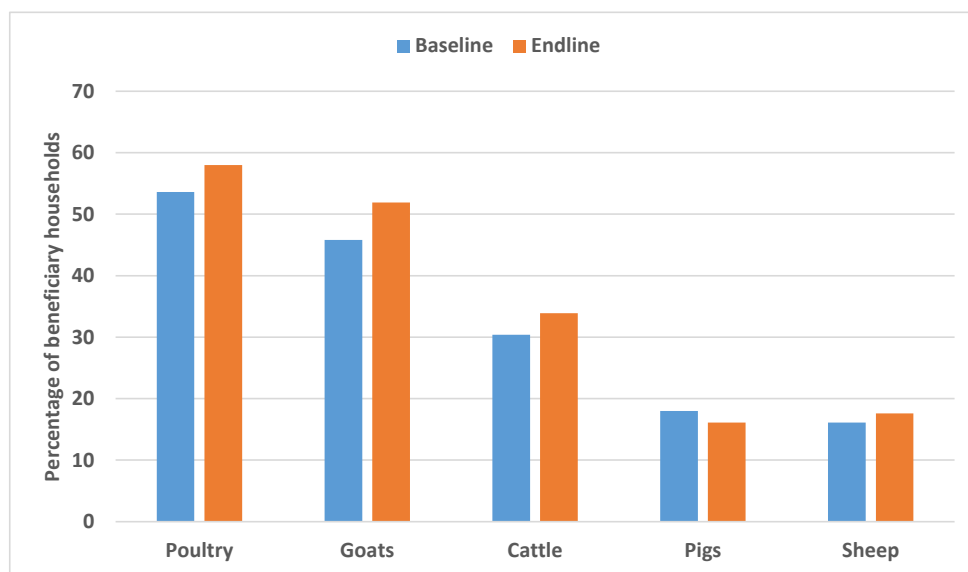
The increased integration of older people into social and kinship networks has meant that they also receive more support from others. While, at the time of the baseline survey, 42% of pensioner households had received informal support during the previous three months, by the endline survey the number had increased to 63%. The value of the support had also increased, from UGX 14,800 to UGX 37,100. This is a clear indication of growing social inclusion of the elderly within communities. Furthermore, the proportion of beneficiary households receiving remittances from migrants increased from 8% to 12%. Any fears that the SCG may have resulted in the “crowding out” of support from others appear unfounded.

6. Contribution of the pension to income generation and access to labour market

Many pensioners have used their pensions to invest in productive activities, thereby – as noted earlier – effectively multiplying the value of the transfer. The OPM evaluation examined how pensioners spent three of their transfers and, for each transfer, between 28% and 33% of recipients had spent some of it on productive investments. Almost certainly, this would mean that the majority of recipients would have made similar investments using their pension cash across a year. The proportion of pensioners buying productive assets – such as agricultural implements – in the previous year increased from 20% at baseline to 29% after two years. And, while prior to the pension, 26% of older people had purchased livestock in the previous year, with the pension the number increased to 46%, alongside a 42% increase in the value of their purchases.⁶ Overall – as Figure 3 shows – there was an increase in the proportion of households owning livestock, from 69% to 75%, a statistically significant change (while, at the same time, ownership of livestock among the control group fell from 75% to 73%). Unfortunately, the OPM evaluation does not provide information on the number of animals owned by households.

⁶ The increase in the value of purchases of livestock was from UGX 34,000 to UGX 48,200.

Figure 3: Livestock ownership by SCG beneficiary households



also managed to save UGX 400,000 and now I am planning to top it up and also buy a calf. [Beneficiary, Kaberamaido].

The qualitative evaluation offered a number of stories of SCG beneficiaries having significant success by investing in animals.

The SCG money – when I get it – I use to buy animals and keep it in that form. This helps me avoid consuming it all. [Female beneficiary, Kiboga]

I managed to buy one sheep and they are multiplying steadily. I have

SCG recipients often viewed the small investments they were able to make in livestock as a means of coping with future risks, by building a stronger asset base. Animals were bred and “matured” and sold later if a household was in need of money. Often households bought cheaper animals before trading up to more expensive livestock such as cattle.

Pensioners also used their transfers to increase their agricultural production. There was a small rise in the number of recipient households owning land, from 93.7% to 95.4%, while the mean area of land cultivated increased from 2.3 acres at baseline to 2.5 by the time of the endline survey. Furthermore, more beneficiaries began cultivating land that they did not own, from 12% to 17%. Often, pensioners employed other community members to work on their fields.

“I feel good when I use casual workers. I get a bigger harvest and I have more food for home and a little for sale.” [Female beneficiary, Kaberamaido]

Some of the very poor practise small-scale farming with the money. They are able to hire labour, so they produce more. They sell part of the food items when harvested and feed on the rest. [Male non-beneficiary, Nebbi].

Many pensioners have established or expanded small businesses, including older women brewing alcohol for sale, basket making and as small traders. The pension either provides the capital for investment or enables people to access credit, for example through Village Savings and Loans Associations (VSLAs). In fact, older entrepreneurs have been able to expand their businesses as a result of the increased demand generated by other community members receiving the pension.

A few women are also brewing local drinks, which are highly consumed by the locals and more so during the time that the SCG beneficiaries get their cash transfers. A lot of local brew is taken that day, thus boosting the women who do the business. [Female beneficiary, Nakapiripirit]

Receipt of the pension has also been associated with an increase in labour market participation among household members of working age, potentially because the pensioners are better able to care for their children: while 74% were working prior to the start of the SCG pension, after two years the proportion had grown to 81%, alongside a 16% increase in the number of hours worked each week.

7. Pensioner support for children

Research on pensions has often demonstrated that pensioners use their cash to support their grandchildren and the findings in Uganda are similar. As one community member observed: “The old mainly help their grandchildren with the little SCG cash they get. They buy books, pens, clothes for their grandchildren, something they never used to do before the pension.” Another pensioner explained how he bought his granddaughter beans to eat at school, after the school had sent her home for not bringing any lunch. In fact, at the time of the endline survey, 14% of pensioners were spending some of their cash on the education of children, which suggests that, over a complete year, many more would have done so.

The quantitative analysis from the OPM evaluation also noted some impacts on child wellbeing. There was a significant increase in the average number of meals consumed by children each day: for children aged 0-5 years, the number increased from 1.9 to 2.1, while it increased from 1.8 to 2 for children aged 6-17 years. The proportion of children aged 0-5 years that owned a blanket increased from 39% to 46%. There were also improvements in schooling for some children: the proportion aged 6-12 years attending primary school increased from 68% to 71%, while the mean number of days missed in the previous 30 scheduled school days fell from 1.7 days to 1.1. Furthermore, the proportion of girls aged 5-17 years engaged in child labour fell from 26% to 19% (although there was no reduction among boys).

When SAGE and non-SAGE districts are compared, EPRI (2016) also found positive impacts of SAGE on children. In terms of child undernutrition, while weight-for-height deteriorated in non-SAGE districts between 2009 and 2013, the situation improved in SAGE districts: overall, SAGE contributed to an increase in weight-for-height of children of 0.86 standard deviations. Furthermore, the SAGE programme was found to have contributed to a 14% increase in the proportion of children attending primary and secondary school.

8. Spillover effects of the pension on communities

It is increasingly recognised that the injection of substantial amounts of cash from social security schemes into African communities can create a more dynamic economy. In 2013, research on spill-over effects of the SCG in Kiboga and Kyenjojo found evidence of such impacts (Ibrahim and Namuddu 2013). There were noticeable increases in economic activity in the SCG communities; almost every store owner interviewed reported that business had improved after the introduction of the SCG, many reported having to restock more regularly while holding their stores open for longer hours. Many traders explained how they had begun to stay open for business the whole year, instead of closing down during the lean periods.

The OPM evaluation echoes these findings, describing how, for many SCG beneficiaries, the majority of spending takes place on payment day, which “seems to be both a cause and a consequence of the increased market activities which spring up around paypoints.” One beneficiary stated: “You should see the market on a pay day: it’s beautiful!” One trader claimed: “On the day of payment, you will find so many beneficiaries heading to the market to buy food such as meat, fish and cassava: the market is full of people.” Another said: “On the day of the pension, I walk with my head held high because I get a large number of customers. Previously I used to sell four crates of soda but now I sell between five and ten. The business is doing better: I also sell about thirty plates of food per day.” A range of traders benefit, including those selling materials for houses, agricultural inputs, livestock, food, clothes, soap and even small luxury items. As another trader noted: “There is more cash now. Whatever we stock we are sure that, when the elderly receive these transfers, we shall sell, thus more profits.”

According to OPM’s qualitative evaluation, both outside traders and shopkeepers from the community gather around pay points on payday, and recipients make immediate purchases of basic needs such as soap, beans, oil, sugar, salt, and clothing as well as “luxury” items such as meat and fish. Payday also facilitates the payment of debts, with respondents stating that: “Those who we owe money come with us to the pay point and we pay them there.”

Ibrahim and Namuddu (2013) also found butchers reporting a marked increase in business as SCG recipients stated that they could now afford to buy meat. Young 'boda-boda', motorcycle, drivers reported a booming business driving SCG recipients to the paypoints on paydays as well as on trips to health clinics or to larger towns for shopping.

The evaluation found that the SCG had not resulted in an inflationary impact on prices within communities. In fact, the pension appears to be associated with increased competition, which may well have driven down prices, thereby benefitting all community members. New traders have entered markets: for example, in Kisojo in Kyenjojo, it was reported that traders were coming from the neighbouring district of Mubende to sell their goods on payday. In some areas, markets were being established closer to people. One beneficiary noted:

Yes, traders come from neighbouring districts and the place is very busy with many items and people buy many of these items. For example, bed sheets were at UGX 15,000 but are now at UGX 10,000. You know when there are plenty of goods, people reduce prices because, if they don't slash their prices, who will buy their goods? They even display these items outside their shops so that people can buy them. Things like flasks, shoes, kettles..... All these items are put out. You even bargain and if they don't reduce you have a choice to go to another trader.

EPRI (2016) found additional evidence of spillover effects of SAGE when examining district-level evidence on employment and wages. They estimated that SAGE contributed to a 6 percentage point increase in employment and an 80% increase in median wages. Indeed, as noted above, the OPM evaluation found many people gaining casual employment from SCG pensioners.

Therefore, it is evident that the SCG has had significant spillover effects on market activity and employment, ensuring that many non-recipients benefited indirectly from the SCG, including the creation of an improved business environment for entrepreneurs. In reality, the SCG has resulted in a significant injection of cash into communities, contributing to a wide range of local economic benefits.

9. Popularity of the SCG within communities

Although the SCG is only provided to older people, it is still a popular programme within communities (thereby contrasting significantly with the targeted Vulnerable Families Grant). People recognise the benefits it has brought to the broader community. For example, one informant in Nakapiripirit stated: "It has brought about a behaviour change, theft has reduced, and this has created peace and harmony in the community.

One reason for the popularity of the SCG is that it is increasingly regarded as an entitlement to which all citizens have access. In contrast to poverty targeted benefits, it does not generate divisions and social tensions between haves and the have-nots, since everyone benefits. Furthermore, younger people in the community realise that it is also a benefit for them, in that they will receive it when they reach the eligible age. One non-beneficiary in Kyenjojo stated: "Because it is a government programme targeting elders only of age 65 and above, we do not feel any negative feeling towards them." And, of course, younger community members see their parents and grandparents benefitting, while they experience less pressure from begging. Indeed, many benefit from the sharing and caring offered by the pensioners.

10. Conclusion

The evaluation of the SCG in Uganda has shown that, since the commencement of the pension, the lives of beneficiary households have improved in many ways. Standards of living have risen, there is less hunger, people are investing in income generating activities, employment has increased and older people themselves are much more integrated within communities and their sense of self-worth has been enhanced significantly. The pension is also generating much more dynamic local markets, with benefits spilling over to many other community members, including entrepreneurs. It also has a significant gender dimension in that most of the beneficiaries are female.

The programme not only has strong support within communities. At national level, there is now significant political support for its expansion. The Government of Uganda has committed to the national roll-out of the SCG pension, although only across a period of ten years. However, the evidence from the evaluation would suggest that there is a strong case for speeding up the roll-out, given the significant social and economic benefits that will result from it.

It should not be a surprise that a pension has made such a difference to the lives of so many Ugandans. Over the past century, investment in old age pensions has also brought major benefits to developed countries and Uganda is only following the lessons of history.⁷ However, the SCG contrasts sharply with the majority of development assistance which expects people living in extreme poverty to pull themselves up by their own bootstraps, offering them credit and income generating opportunities while not providing them with basic income security. Over the past century, developed countries have learnt the lesson that investment in comprehensive social security systems is critical for poverty reduction and building an effective market economy and it is strange that these lessons have not previously been applied to development assistance. It is little wonder that the traditional “heroic individual” model of development often fails, since the recipients of assistance do not have a system of social security upon which they can also rely. As Uganda’s universal pension shows, once people are given income security, they are in a much better position to invest in their own families and in income generation, even without the assistance of additional development projects.

Annex 1: Challenges with the evaluation methodology for the Senior Citizens’ Grant

The original intention of the SCG evaluation – as recommended by the designers of the programme – was to undertake a Randomised Control Trial (RCT). However, for various reasons, Oxford Policy Management (OPM) did not implement a RCT and, instead of building a control group of similar individuals and households to the beneficiaries in different communities, the evaluators – with the blessing of an external expert group – decided to create a control group from within the same communities as the treatment group. Given that the programme was a universal pension for every older person, this created particular challenges.

The first challenge was the impossibility of identifying a similar group of older people to the beneficiaries, since all older people were already beneficiaries. So, younger people were chosen but, while the average age of the oldest household member in the treatment group was 70 years, it was only 54 years in the control group. As a result, the two groups were very different. The control group – due to their greater youth – were much more capable than the treatment group and, as a result, would be expected to perform much better during the evaluation period. Indeed, while it would be expected that many of the SCG beneficiaries would deteriorate physically and cognitively during the two years – due to their increasing frailty – any reduction in capacity among the much younger control group would be significantly less. Strangely, the evaluation did not measure the level of disability across the treatment and control groups, so it is not possible to know the extent of physical and cognitive deterioration across either group. Furthermore, there are indications that the control group may have received support that was denied to the SCG beneficiaries: OPM reported a beneficiary in Katakwi claiming that the SCG beneficiaries were denied programmes – such as NAADS – that were given to the control group. If this happened across many evaluation communities, it would have further significantly contaminated the results. However, OPM do not appear to have monitored the provision of additional support to communities, nor who benefitted from it.

A further issue is that the control and treatment groups lived in the same communities and, as a result, many of the positive changes in the control group may well have been the result of the pension itself. In fact, it is almost certain that the majority of the control group will have been children and grandchildren of the pensioners and many would have received financial and in-kind support from the pensioners (many pensioners shared their income with other households). Furthermore, OPM note that many of the non-beneficiaries in communities – in other words, the control group – were hired by pensioners to work on their fields, further contaminating the control group.

The significant differences between the treatment and control groups and the clear contamination of the control

⁷ See Kidd (2015) for further information.

group means that the quantitative results on impacts – as reported in the evaluation – have little, if any value. When OPM report an impact of the pension in their evaluation reports, it is likely to have been significantly underestimated; and, when they report a significant improvement in the wellbeing of beneficiaries but no impact – due to similar improvements among the control group – the finding of “no impact” should be treated with significant caution. Indeed, it may be a reasonable assumption that the improvement among the beneficiaries was, in fact, due to the pension.

In fact, the OPM evaluation reports note that many of the pilot districts experienced challenging economic circumstances over the period of the evaluation. Across pilot districts there was a significant reduction in the number of communities with local savings institutions (from 80% to 65%), permanent markets (from 36% to 30%) and periodic markets (25% to 11%). Despite these apparent challenging circumstances, the evaluation found significant improvements in the lives of the pensioners and their household members so it is not an unreasonable proposition that these changes were the result of the SCG. Indeed, the qualitative research reports significant impacts across a wide range of areas.

Bibliography

Bukuluki, Paul and Watson, Carol (2012) *Transforming Cash Transfers: Beneficiary and community perspectives on the Senior Citizen Grant (SCG) in Uganda*. Overseas Development Institute.

EPRI (2016) *Formulating a Business Case for Sustained Investments in Social Protection in Uganda*. Version 1st August 2016.

Ibrahim, Fareeha and Namuddu, Jane (2013) *Uganda’s Senior Citizen Grant, Direct and Spill-Over Effects of Cash Transfers in Kiboga and Kyenjojo Districts*. Ministry of Gender, Labour and Social Development, Expanding Social Protection Programme.

Kidd, Stephen (2015) *Establishing Comprehensive National Old Age Pension Systems*, Briefing paper to be published by KfW: Frankfurt am Main, Germany.

Kidd, Sarina (2016) *“If you only have dust in your hands, then friends are far; when they are full, they come closer”:* an examination of the impacts of Zambia’s Katete Universal Pension. Pathways’ Perspectives, Number 22.

Oxford Policy Management (OPM) (2015) *Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme, Endline qualitative evaluation report – Draft*. Oxford Policy Management and Economic Policy Research Centre, Department of Anthropology and Sociology, University of Makerere.

Oxford Policy Management (OPM) (2016). *Evaluation of the Uganda Social Assistance Grants for Empowerment (SAGE) Programme, Impact after two years of programme operations 2012-2014 – Final report*. Oxford Policy Management and Economic Policy Research Centre, Department of Anthropology and Sociology, University of Makerere.

About the Author

Dr. Stephen Kidd is a Senior Social Policy Specialist at Development Pathways. Development Pathways provides advice to the Ministry of Gender, Labour and Social Development, in support of the implementation of the Expanding Social Protection Programme.

For More information, contact:

The Expanding Social Protection Programme

Plot 9 Lourdel Road, Nakasero, Kampala

P. O Box 28240, Kampala

Tel: 0414 534 201/2

E-mail: esp@socialprotection.go.ug

Website: www.socialprotection.go.ug

Twitter: @ESPprogramme

Facebook: facebook.com/expanding

@ESPprogramme  facebook.com/Expanding-Social-Protection-Programme

The second phase of the Expanding Social Protection Programme (ESP II) is implemented by the Ministry of Gender, Labour and Social Development, funded by the UK Department for International Development and Irish Aid, and managed by Maxwell Stamp in association with Development Pathways.



Irish Aid

Department of Foreign Affairs
An Roinn Gnóthaí Eachtracha

**MAXWELL
STAMP** ^{PLC}

**DEVELOPMENT
PATHWAYS**

www.socialprotection.go.ug