



Universal Pensions for older people in Tanzania

Lessons learned from a pilot programme
in Muleba District after 30 months

***»Thanks to Mr Magufuli!
My life has changed for the better«***

(A 76-year old pensioner from Nsisha after receiving his first pension: One of many voices, which were convinced that the Government was to thank for introducing universal pensions in two villages of Muleba District.)

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In the last decade the call for universal pensions as a corner pillar of social protection has been heard and followed by action in East Africa: The Republic of Uganda¹ is in process of scaling up a Senior Citizen Grant to a growing number of districts, The Republic of Kenya announced the introduction of universal pensions early 2018, while Zanzibar – the semi-autonomous region of the Republic of Tanzania – had introduced universal pensions in 2016. In mainland Tanzania the path to a social pension scheme is prepared: In 2010 the government announced plans for the introduction of universal pensions for older people. This was confirmed several times before it

was taken up in the current Government Plan 2015-2020. Kwa Wazee², a small Tanzanian NGO and member of the HelpAge network, was the first organisation in East Africa to test social pensions as an approach to protect and to empower vulnerable older people. Since 2003 a non conditional, means tested, pension programme in the Muleba District of Kagera Region has provided evidence on the impacts and on the implementation of cash transfers.³ Based on this experience and aiming to contribute further lessons learned to the debate, Kwa Wazee started a smallscale pilot programme with a universal approach.

UNIVERSAL PENSION PILOT IN MULEBA DISTRICT

Since November 2016, every citizen over 70 years, who has been resident for at least five years in one of the two villages Ikondo and Nsisha in Muleba District, has received a monthly pension of 15,000 TZS. The scheme is implemented by local Village Pension Committees, which have been elected by older people's assemblies in both villages. Kwa Wazee provides the funds and is responsible for training, for monitoring and for research. It is intended to keep the programme going in the two villages until a government run pension scheme is introduced.

Pensions are mainly paid out in cash once a month from two different paypoints in each village. Older people who cannot collect their pension themselves appoint a representative whom they trust. A small number of older people in both villages receive their pensions through mobile phone.



15th November 2016 marked a historic moment in Mainland Tanzania: In the village of Ikondo in Muleba District the first older woman is handed out a universal pension by the special invitee, the District Commissioner.

¹ The Senior Citizen Grant in Uganda is a universal pension valued at US\$ 7.50 from the age of 65 years.

In Zanzibar residents over 70 years receive a pension of 20,000 TZS.

² Kwa Wazee is a registered NGO in the Republic of Tanzania, based in Nshamba, Muleba District.

³ Various studies have explored the impacts of Kwa Wazee programmes on the lives of older people, grandchildren in their care and other family members. *Salt, soap and shoes for school – The impact of pensions on the lives of older people and grandchildren in the Kwa Wazee programme in Tanzania's Kagera Region.* HelpAge International, REPSI, World Vision, Swiss Agency for Development and Cooperation, 2008. – *Evaluation on the Social Cash Transfer Plus Programme ... by Kwa Wazee based on Amartya Sen's Capability Approach;* Marburg University, 2012. – *Towards Universal Pensions in Tanzania - Evidence on opportunities and challenges from a remote area, Ngenge Ward, Kagera –* HelpAge International, HelpAge Germany, Kwa Wazee Switzerland, 2014





The Universal Pension Pilot (UPP) in figures and numbers

- The pilot programme in Ikondo and Nsisha started with 183 pensioners in November 2016. By June 2019 the total number of women and men over 70 years rose to 187. In this period 38 older people had been newly admitted while 34 had died or moved away.
- Almost two out of three pensioners (65%) were women. 50% of older people over 70 years were widowed. 61% of the elderly were between 70 and 79 years old, 29% were between 80 and 89 years old and 10% 90 years or older.
- 85% of the older people lived with their families, 10% lived alone and 5% with their spouse or an other older person only. 30% supported family members in special need of care.
- 72% of the older people who were registered could produce consistent ID on paper – in most cases voting passes or baptism cards. In 16% of cases elements were missing or contradictory, 12% of older people could produce no document of identification.
- 89% of all pensioners declared that either they do not read public announcements or only with difficulties. 51% reported problems with their eyesight.
- In 2019 25% of the pensioners stated that they could only rarely or never collect their pension themselves. Chronic illnesses and difficulties with walking were the main reasons which were indicated.
- 84% of all pensioners own a mobile phone or have easy access to one. 58% of older women and men have experience with mobile money transfer and 53% would be prepared to receive their pension electronically.

more data from the surveys on page 11

Lessons learned on the implementation

Registration

The registration of beneficiaries above the age of 70 years and the provision of ID-cards revealed no major challenges. Village leaders had been very supportive in collecting data to make reliable projections of expected numbers of beneficiaries.

However the actual process of registration took more time and effort than anticipated as a considerable number of older people could not sufficiently document their age. They either had no ID or there were inconsistencies in their documents. In most cases the claims of applicants could be relatively easily validated – by a combination of their appearance, by accounts of historic events, and by credible statements of neighbours of the same age group, village leaders or family members.

Despite the fact that the programme was announced early and that large banners displayed admission criteria, a number of older people only appear-

ed months after the initial registration. After two years it was observed that registrations of those who reached the age of 70 years slowed down. As a consequence older people's councils, churches and mosques were encouraged to regularly spread information about eligibility.

- The systematic provision of citizenship ID at National or District level, which is under way, will facilitate registration in the future. Yet already **the present situation with voting passes and baptism cards allows reliable identification and registration** at village level with reasonable effort.
- Until a **pension programme** is sufficiently introduced in a community it needs to be **actively promoted** to include those with limited access to information.





Delivery

The delivery of the pensions was implemented by local committees in each village (Village Pension Committee – VPC) – elected by the assembly of older people and trained and instructed by Kwa Wazee. The volunteer VPC are responsible for the finances (collecting the money from the bank, doing the payments, keeping accounts), for new registrations, and follow-ups (for example if pensioners do not appear for a certain time).

Delivery of pensions from the paypoints and home delivery to non self-collectors by appointed family members worked very well. Various forms of monitoring including home visits and random phone calls – revealed very few irregularities during the whole period of 30 months. The most recent survey⁴ with all older people who are part of UPP showed a very high level of satisfaction.

Older people strongly prefer to receive their pension in small notes (1'000 or 2'000 TZS), which are less prone to errors. This posed a challenge for the bank early on, but has since been well established. A limited number of pensioners receive the pension by mobile money transfer.⁵ 58% of older people indicated that they had experience with mobile money transfers, 53% would be willing to receive their pension electronically.

- Cash payments on scheduled paydays are comparatively labour- and cost-intensive. However they have the advantage that they facilitate interactions of older people such as the forming of small savings-groups and they also facilitate certain forms of monitoring.
- Transfers by mobile phones are easy to handle, they are reliable and well established. In the pilot setting they have the disadvantage of high handling fees. It can be expected that the mobile phone coverage will further grow. However a substantial number of older people will remain difficult to reach with this technology.
- Roughly one out of four older people is not able to collect the pension at the paypoint for reasons of poor health or constrained mobility. Increased attention is needed to service this particularly vulnerable group of older people.
- The inclusion of older people in decision making and the setting up of community ownership increase the quality of the programme and minimize the risks of malpractice or corruption.
- The investment of trust in the community, transparent communication and time for skills development of volunteers pays off.

Lessons learned on impacts of pensions

Impacts on livelihood

The strong impacts of social pensions on the lives of vulnerable older people and family members who depend on them – in most cases grandchildren – have been manifest since Kwa Wazee started its Pension Programme in 2003. Over the years multi-layered impacts could be observed and documented in numerous evaluations based on the Kwa Wazee programmes and studies of large scale cash-transfer programmes across the globe.

- Older people with a pension are far less exposed to poverty, their food security is strongly improved as well as their access to basic products. All of which contributes to significantly improved wellbeing of older people – physically, psychologically and socially.
- Pensions help older people to take a dignified and respectful place in their community:

Pensions help them to be better carers, to contribute to the family income and to share with others as partners in the reciprocity process. The social status of older people within the family and neighbourhood is significantly improved as well as within the village community.⁶

- The reliable income of a pension substantially facilitates various forms of self-help at individual and at group level. The better older people can meet their basic needs, the more they are prepared to invest in assets or income generating activities and the longer they receive a pension the more likely it is that they can invest in further improvements of their livelihoods.
- Social pensions prove to be the single biggest element for social protection of older people. At the same time they are a most effective investment in human capabilities.

⁴ In the baseline survey of February 2019 pensioners overwhelmingly (99%) confirmed that they always get the correct amount, that they are treated with respect and that there is little waiting time during payments. However important numbers expressed certain concerns: For some pensioners the paypoint is not well located (17%) or the banknotes are not sufficiently small denominated (29%). 22% of the pensioners don't know where they could report a problem. 5% of less mobile older people who get the pension by a trusted person are not fully happy with the delivery. Follow-ups are initiated.

⁵ In the testing group for mobile money transfer there are also older people without an own mobile phone. 5 out of 16 use the phone of family members or neighbours.

⁶ In 35% of households older persons contribute to children or adults who need care. 85% of the older people expressed that they contribute by getting food, that they buy medicine (68%), prepare meals or pay for school expenses (46%). Reciprocity process: previous evaluations of Kwa Wazee have shown, that older people with a pension are likely to get more support by family and neighbours. This was confirmed by the baseline survey: Food-gifts from the family doubled from 2017 to 2019.





Impacts on the community

The positive – and often complex – impacts of cash transfers on local economies have been often investigated in recent years.⁷

The Kwa Wazee pilot programme is too small to make more than indicative statements, however almost immediately after the start of the pilot a stimulation of the local economy could be observed:

Only a few months after the payments of pensions started traders appeared near the paypoint with small stands with dried fish, vegetables and also clothes.

In the recent baseline survey of all beneficiaries, 96% of the respondents indicated that they purchased their food and basic products from local shops. 60% said that – right after subsistence farming –

local shops were their most important provider for food – compared to 4% who mentioned regional salesmen.

Older people with a pension also buy food from neighbours or they hire day-labourers to support them on their fields as investment for stronger subsistence.

- The biggest part of the extra cash income which regularly flows into the village with the pensions remains in circulation and adds up to the economic upturn.
- Apart from being an investment in the human resources of the oldest generation, social pensions are also an investment in the social cohesion and in the social economics of the local community.

⁷ »The impact of Cash Transfers on Local Economies«; Policy in Focus, United Nations Development Programme; 2015, Volume 11, Issue No. 1

Lessons learned on the universal approach

One key lesson learned during the fifteen years of the initial pension programme of Kwa Wazee: **The small income differences between the poorest of older people and the average older person – combined with fluctuating family- or livelihood- settings – do not justify a means-testing approach.**

Before starting the most recent pilot programme, Kwa Wazee had no experience with delivering cash transfers to every older person of a certain age group as foreseen by a universal approach. Observations during the first pilot phase and results from the Baseline Survey with all beneficiaries now brought further evidence to favour a universal approach.

- 96% of all older people had neither a Government pension nor a private pension.
- 90% of all beneficiaries stated that the pension was their most important source of income.⁸ The small but regular and predictable monthly cash amount of 15,000 TZS made a difference to practically all older people.

- In the newly set up Older People's Forums all older people – regardless of their status – formed a community of common interests. Better off older people often prove to have skills and resources all older people can benefit from.

The Universal Pension Pilot moreover confirmed other observations of the Kwa Wazee Pension Programme:

- As soon as the most basic needs are satisfied older people try to build on this and invest in their livelihoods.⁹
- Targeting leaves scars in the neighbourhoods and challenges social cohesion¹⁰.

Universal pensions are inclusive, they bring neighbourhoods and communities together and strengthen social cohesion. Universal pensions enjoy overwhelming support among older people and across all age groups.



Further observations

During the pilot phase from November 2016 to May 2019 some relevant developments in the wider context of social protection for older people could be observed: The process of **setting up older people's councils** in all wards of the District was accelerated with the effect that at the end of 2019 in 42 out of 43 Wards older people had organized themselves. While issues and activities differed from council to council, the call for **better and more affordable health services** and the call for **universal pensions** were top of the agenda in all councils. Older people particularly voiced these expectations during annual celebrations of International Day of Older People.

Promoting savings, income generating and mutual support. At one paypoint some older people spontaneously organized themselves to a small savings group. Kwa Wazee facilitated the formation of such groups at other paypoints with the result that by May 2019 most pensioners were part of a group as an active member or by contributing a small part of their pension. Some of these groups started income generating activities, others included elements of mutual support in their savings, typically to pay for transport to the clinic or for medical costs of a group member. Kwa Wazee also started to gradually introduce aspects of its health programme in the two pilot villages. The mobile eye clinic offered screenings and treatments for all older people in both villages. Among these 53% of pensioners received treatment, including cataract operations.

The surveys also offered the opportunity to get feedback on some of these issues: In 2019 57% stated that they were part of an older people's group – compared to 14% in 2017. For 24% this group had be-

come the most important group in the community (only surpassed by the traditional funeral groups). In addition to this 24% declared that groups were an important factor for changing things (surpassed by 'my family', 43%).

Compared to previous years considerable progress of the health services for older people could be observed. A much higher number of people than ever before visited one of the health centres or hospitals and higher numbers reported to have received free medication or free treatments. A good number of the older people however still saw themselves excluded from cost exemption. Feedback remained mixed on actual effectiveness of treatment (see results on page 6).

In group discussions older people it became clear that a lot of older people couldn't benefit of some of these improvements because they lived too far away, weren't fit to travel longer distances or didn't have the money to cover transport costs. It was also often stated that exemption lists for medications didn't include medication for chronic non communicable diseases.

- Long distances or expensive transport costs to health facilities were among the biggest concerns mentioned by older people. They also called for the provision of mobile clinics in remoter areas and for first aid stations in every ward.
- A supportive environment, including access to health services, group support and income activities is vital for fully realising the benefits of the pension.

⁸ Example: When those who receive their pension on their mobile phones were asked whether they would be ready to pay half of the transfer costs (700 TZS per month) themselves, they univocally rejected it and declared to rather get the pension from the paypoint.

⁹ Example: When pensioners were asked about the biggest changes since receiving the pension, 65% mentioned more/better food and improved basic needs. When they were asked, what they hoped for in the coming years, 36% mentioned increased security of food and basic needs, whereas 54% wished to strengthen their subsistence and/or to improve their house.

¹⁰ The pilot programme was obliged to make a choice. Two villages were selected, while villages nearby were left out. Even if the wider context of the pilot was repeatedly explained, bad feelings in the neighbourhood persisted even 30 months after the start, as could be learned from various interviews.

More results from the survey

Baseline survey: As part of the Universal Pension Pilot two detailed surveys were carried out with almost all beneficiaries of pensions. The first extended interviews were made in February 2017 – three months after the start, the second interviews in February 2019, when 187 out of the total of 190 women and men aged 70 years or older were questioned. Most interviews were made at meeting points, 28% were carried out at the homes of the older person. Stated below another selection of findings which have not been mentioned on the previous pages:

Livelihood

- 93% of pensioners said that they grew their own food. For 81% their own farm was the most important source of food.
- 95% of the elderly bought from local shops or markets – 18% from regional salesmen. For 60% of older people the local shop is one of the two most important sources for food – compared to 42% in 2017.
- 59% of the older people lived in a house roofed with iron sheets, compared to 49% in 2017. Higher proportions could also be observed for mattresses (78% from 63%) or bedsheets (97% from 88%).
- 87% of older people declared they had pit latrines compared to 76% in 2017.

Nutrition

- 75% of the pensioners indicated in 2019 that they were satiated after eating – compared to 52% in 2017.
- 50% of older people with pensions stated that they not only enjoyed more food but also better quality food.
- In both surveys the vast majority said they had two warm meals a day (92%). Whereas in 2017 8% had just one meal, in 2019 7% had 3 meals a day.

Health

- Around 50% of all older people described themselves in both years as sick often or most of the times. However the number of those who felt sick most of the time was drastically lower in 2019 (3% compared to 31%)
- 63% of the respondents declared that they got treated in a hospital within the last three months. 75% of these stated that they got treatment or medication free of charge or partly free of charge. 25% saw themselves excluded from the exemption. 65% claimed that the treatment helped a little or a lot (17%), while 14% said that it made no difference or caused side effects (5%).
- The most frequent health problems described by older people were joint pains (which were mentioned by 59%) eyesight problems (51%), back pains (46%) followed by headaches and teeth pains (29%).

Health prevention

- 40% of those interviewed declared that they suffered from one of various forms of chronic/non communicable diseases.
- 71% didn't know the risk factors and did not try to prevent. Of those who did prevent, 34% did body exercises, kept a healthy diet (32%) stopped or reduced smoking (5%) or alcohol (10%).
- 89% of the older people got water from the river. 34% also saved rainwater (compared to 6% in 2017) and 26% purified their water with SODIS (solar water disinfection), compared to 0% in 2017.
- 53% had their eyes tested. Of these 13% got cataract operations, 24% received glasses and most of them got eye drops. 26% of those who were treated saw their eyesight clearly improved, 51% reported little improvement, while 23% saw no improvement.

Social networks / reciprocity

- 49% of the pensioners mentioned that they got food from the family in 2019 compared to 25% in 2017.
- 57% declared they were part of an older people's group. In 2017 only 14% mentioned it. 24% stated that groups were an important factor for changes, compared to 7% in 2017.
- In both years 50% of all older people declared they were 'very satisfied' or 'rather satisfied' with their overall situation. In 2017, shortly after introduction of the pension, the proportion of 'very satisfied' had been bigger than in 2019 (31% compared to 22%).

Implementation

- 99% of pensioners stated that they always get the right amount at the paypoints as well as being treated with respect. Considerable numbers complained that the paypoints were too far away (17%) or that they did not always get the pensions in small notes (29%). 22% of those interviewed people did not know where they could report if there was a problem. 5% of the older people who have their pension collected by a trusted person, were not fully happy with the delivery.

»All older people would be happy seeing everyone getting the pension. ... Now older persons are pointing their fingers at us ... if we all got it they would stop shouting at us.«

(A pensioner referring to reactions of older persons who do not receive a pension because they live in a different village.)

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Special thanks to Kurt Madörin, founder of Kwa Wazee, to the Kwa Wazee director Lydiah Lugazia and to the whole Kwa Wazee team plus volunteers who made huge contributions to the setting up of the pilot and subsequently to the gradual introduction of complementary programmes in the two villages. Great thanks in particular for the data collection for the two baseline surveys in early 2017 and early 2019.

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