

Influence of the Payment Intervals on Beneficiaries' Social and Economic Development in Moyale Sub-County, Marsabit

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Abstract

The objectives of this research were, to assess the effects, the payment intervals to beneficiaries influence their social and economic development in Moyale Sub-County, Marsabit. The study was anchored on Amartya Sen's Human Development Theory, Abraham Maslow's Pyramid of Hierarchy of Needs and the Participatory Development Theory propagated by the Asian Development Bank. The researcher embraced a descriptive survey design, using clustering and proportional random sampling in arriving at the research sample. The research population was 1196 households in the study area. Out of this, a sample of 300 households were determined using a verifiable statistical formula. Of the selected households, both adult and children, participated as respondents. A questionnaire, an interview schedule and a focus group discussions guide were used in collecting the data. The tools were tested through a pilot study in three purposively selected clusters (Locations) to determine their reliability and validity. The data was analysed using descriptive statistics. The findings were presented using various cartographical presentations. The use of Statistical Package for Social Sciences (SPSS) version 25 was applied in analysing of the data. The study concluded that Cash transfer programs could be an effective way of addressing poverty, hunger, gender inequalities among children in marginalized areas and communities. The study recommends that the beneficiaries of the cash transfers be given training on financial management, long-term investments, and savings.

Key terms: payment intervals, beneficiaries, social and economic development.

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Introduction

Addressing poverty, which has become part of our unequal human society, requires wisdom and abundance of alternatives to cushion those unable to fend for themselves and those they care for. Such interventions may stream from benevolent neighbours, the state or even non-state actors, depending on the poverty levels in a country. Social protection programming (through cash transfer) has increasingly become a very critical tool to tackle vulnerabilities of the poor, marginalized and poverty-stricken members of the society (Barrientos, & De Jong, 2006).

Since this Program, is purposely crafted for the country to reach the relevant Sustainable Development Goals (SDGs), it particularly finds good grounding, in the country's Vision 2030, which envisages an equal and just society living in a safe environment. As a result of this, a special provision is made for the support of marginalized and vulnerable groups and communities, by the recognition of the need to protect the fundamental rights of these groups and communities, as well as to maintain the people's nobility and enhance equity and recognition of the potential of every individual, (Kenya Vision 2030, 2008). In fact, like all other social protection measures in the country, this scheme hinges on the assumption that investments in assistance to vulnerable groups can not only improve the livelihoods of target beneficiary households but will also, ultimately, spur national development through the multiplier effect.

Worldwide 600 million children less than 18 year's old, struggle to survive on one dollar per day, representing 40 per cent of children in the developing world. Indeed, rebuilding the shattered lives of orphans and households that they live in through the provision of basic facilities and materials for survival, which also acts, as a springboard for a better future is the key inspiration behind this program, (UNICEF, 2006). As with other third world countries, Kenya

finds itself with multitudes of orphans, vulnerable children, the old and severely disabled, all who need, some form of social support. To address these economic and social challenges, the government has been for the past 15 years used cash transfers as a means of responding to the high poverty levels and destituteness that bedevils them.

In their report NACC and UNAIDS (2015), there are now over 2.6 million orphans in Kenya, and many of these children are often with no caregivers, and if at all there are any, they are aged and very vulnerable themselves. They are economically disadvantaged, poverty-stricken communities, especially children under 17, whose reach for basic human needs like education, health, shelter and food has already been compromised because of their situation.

According to the Marsabit County report (2015), with a population of 291,166, 54 per cent are children with over 4000 vulnerable households that require unconditional cash transfer, 4500 households in alarm stage, and 12,000 vulnerable households headed by the aged, children and the chronically ill. All this means, there is, a significant portion of the population that, seriously require social protection support, as they cannot stand alone to survive.

Even though the cash from this program is envisaged to benefit the orphans and vulnerable children, there is, however, no documented mechanism in place to objectively monitor how the amount of monies received is used in the households, and how the interval between payment cycles, influences both the social and economic development of beneficiaries.

Aside from the above, the laws of Kenya, recognize and sanction opportunities to all children to participate in matters that affect them, (UNCRC, 1989) article 12, and by extent, their opinions and contributions should be considered whenever a decision or action likely to affect them is contemplated. The study, therefore, sought to

assess the effects, the payment intervals to beneficiaries influence their social and economic development in Moyale Sub-County, Marsabit.

LITERATURE REVIEW

According to the Humanitarian Coalition (2018), victims of disasters often resort to desperate coping mechanisms, like selling their assets and partial productive inputs, thus compromising their long-term development by desperately addressing the present. With over 150 million documented orphans worldwide, sub-Saharan Africa accounts for 56 million of these because of HIV, civil wars and destitution attributed to poverty and poor governance. These ultra-poor, labour constrained and an economically disadvantaged population are unable to access their primary survival requirements such as shelter and food, (UNICEF, 2001: MLC, & SD, 2009).

Household incomes for those with orphans plummet as a result of the deaths of adults who are the income earners, or unproductiveness as a result of their sickness, as they can no longer work full time, According to a UNICEF (2006) report, extreme poverty and other detrimental social and economic deprivations has been the hallmark of households with orphans, Worse still, is the fact that many of these children who need special protection have nobody to turn to as their parents are either dead or bedridden. As a result of this crisis, many households are headed by old grandparents often mothers and some are headed by children, whose ability to adequately provide for these orphans is always suspect.

The resultant effect is an increased dependency ratio common with such households, making them remain poorer as the income from the fewer earning adults is thinly spread by supporting more mouths thus compromising their quality of life. With Kenya's 2.6 million orphans due to various pandemics many of these less than 14 years, are often without a caregiver and if there was one, are aged and very vulnerable themselves. Many of

these children remain poor, without shelter, forced to provide poorly remunerated labour, often drop out of school and are potential victims of HIV, crime and drug abuse, (NCCA, & UNAIDS, 2015).

Socially, there is a Kisii saying, that, “nobody can take shelter under a dry tree.’ It is to this extent that the vulnerable households are viewed, as they are seen, as a burden and a good for nothing due to their vulnerable status, to both immediate family members and society. This leads them to low self-esteem and for such household members, will seldom participate in any social or economic activities on the same footing as those better off socially and economically, (Mogaka, 2013: Asfaw, 2012).

Payment Intervals.

The frequency and reliability of payments can influence the effects of cash transfers. It has been established that the protective potential of the transfers is influenced by the predictability and reliability of payments. When payments are irregular, households often resort to panicky coping behaviours such as taking in debts and disinvestment of assets, which often worsen their household economic conditions and, ultimately, adversely affect the impact of the transfers. Conversely, when transfers are delayed, and several payments made in a lump sum, the protective potential of the transfers is reduced, (Asfaw, et al., 2012).

Asfaw et al. (2012) identified particular features that may affect beneficiaries and have an effect on the impact of cash transfers. These include; land availability and ownership, levels of food security, and whether there is a positive social relation, which promotes togetherness and enhances in livelihoods and wellbeing. They do all these with savings being the driving force (Mogaka, 2013; Asfaw, 2012; Dfid, 2011).

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RESULTS

Payment Intervals

Period of Payment

A question on the payment intervals was asked, and their responses are represented in the following table

Table 1: Payment Intervals

Payment	Frequency	Percentage
Once a month	0	0
Once every 2 months	266	94
Twice a year	17	6
Once a year	0	0
Total	283	100

Source: research data (20

Ninety-four per cent (94%) of the respondents (266) confirmed that they are paid once every 2 months. Whereas a few other respondents said that they are paid, twice a year at 6 per cent respectively. Though that should be the case on further probing the respondents revealed that at times they have been paid way after the expiry of the two months' period. The few who said to have been paid twice in a year, alluded this by citing various reasons, such as, being not aware of the payment period, or, being away during the payment, being sickly or when the program was going through major reorganizations.

Long Payment Intervals

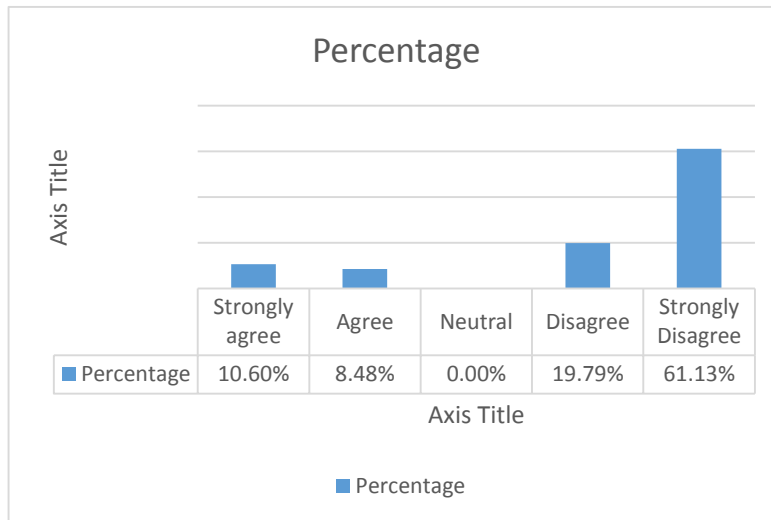


Figure 1: Are long Payment Intervals Good for you?

A question on whether long payment intervals were good to the respondents was asked. The responses were as per the above table where. Majority of them at 61.13 per cent strongly disagreed, and 19.79 per cent disagreed making it about 81 per cent a combined 17 per cent either strongly agreed or agreed. From this data, it is safe to conclude that

to majority of the respondents, said long payment intervals of this cash is not good to them. A few of the respondents said it does not affect them.

Studies undertaken elsewhere in Africa indicated that the frequency and reliability of payments could positively

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affect the receiving households. On the other hand, however, if the payments are missed or delayed, such households may resort to negative coping habits such as taking of debts or selling their assets, (Asfaw, et al., 2012).

Eventually, such poor coping options tends to further aggravate households' economic conditions and the whole essence of the program.

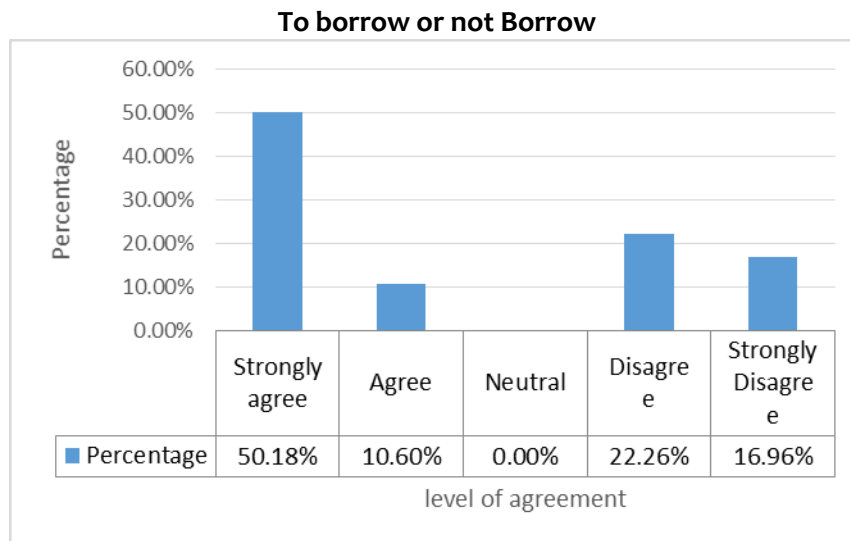


Figure2: Does Longer Payment Intervals Force you to Borrow from Others?

A question on whether to borrow due to long payment intervals resulted into the following responses. A majority of the beneficiaries resort to borrowing as they can no longer, provide for their immediate needs as a coping mechanism at 50.18 per cent who strongly agreed and 10.60 per cent who agreed. There are those who said they do not borrow because of delayed payment, at 16.96 per cent who strongly disagreed and 22.26 per cent who disagreed.

When asked, whether they resort to borrowing owing to the longer payment intervals, 50.18% of the respondents strongly agreed with another 10.60 per cent agreeing to the fact that they resort to borrowing. There were about 23 per cent of the respondents who disagreed and 17% who totally disagreed on the notion of resorting to borrowing

due to longer payment intervals. The results of this data can be interpreted from two standpoints: One. Because of the longer payment intervals and probable higher daily household needs, a majority of the beneficiaries resort to borrowing as they can longer, provide for their immediate needs as a coping mechanism.

For those who say they do not borrow because of delayed payment, the data could be speaking for those households who may be having an alternative source of income besides the cash transfer payments. As, Asfaw et al. (2012), found out, there are households in cash transfer programs, who may use this little resource as capital through savings and investment to see them through when times are lean.

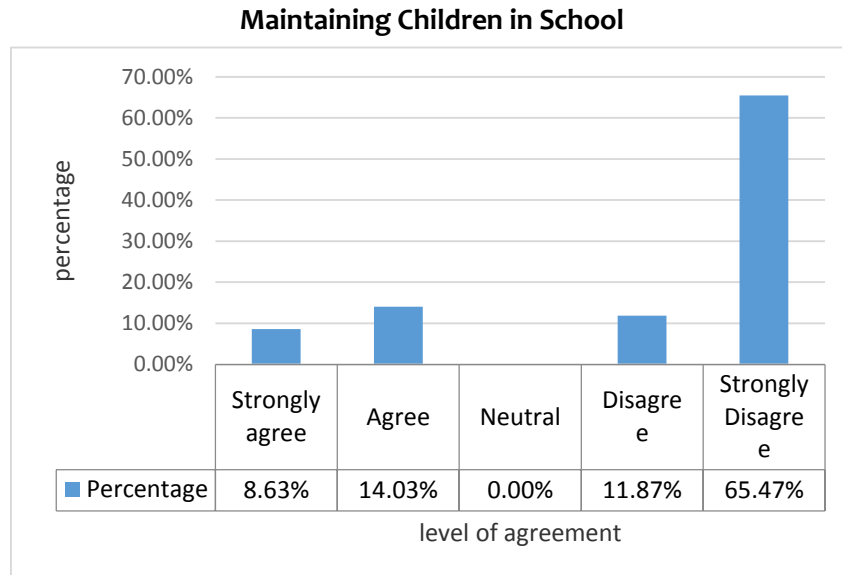


Figure 3: Do you Withdraw Children from School Due to Long Payment Intervals?

When asked whether they remove their children from school as a result of the long payment intervals, the following were the findings: There is a significant attempt made by recipients of cash transfers to keep their children in school no matter the financial situation at 65.47 per cent who strongly disagreed and 11.87 per cent who disagreed making it 77.34 per cent of the respondent saying, notwithstanding the circumstances, they go through, they never withdraw their children from school. On the other hand, 8.63 per cent of the respondents strongly agreed, and 14.03 per cent agreed that they remove their children from school because of the long payment intervals.

These findings are in tandem with what other scholars have found out in their research findings. Mogaka, (2013), Sanganyi, (2010) and Asfaw, (2012) all concur that there is a significant attempt made by recipients of cash transfers to keep their children in school no matter the financial situation. By virtue of this program, school administrators were allowing such children in school with the trust that their outstanding arrears will be cleared, whenever the payments are made. Procurement of scholarly items on credit is done as local traders trust that any accrued debts will be cleared once the payments are made.

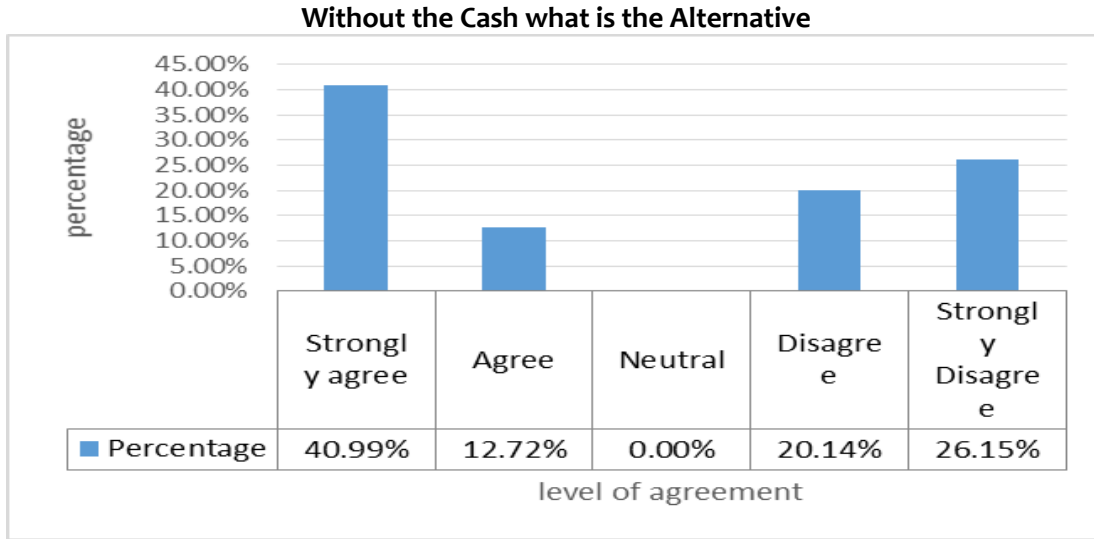


Figure4: Do you engage in Casual Employment to Fill the Gap?

When asked, whether they engage in casual employment to fill up the loss of income during the period between the payment cycles or longer intervals, a significant 40.99 per cent and 12.72 per cent either, strongly agreed or agreed, making a combined total of 54 per cent of respondents who have to engage in casual employment, as a response to the delayed payments.

On the other hand, however, a combined, 46 per cent either strongly disagreed at 26.15 per cent or disagreed at

20.14 per cent to the fact they, go for casual employment, whenever payments are delayed. These results depict the dynamism surrounding survival in beneficiary households. In their studies in six countries in Africa Asfaw et al. (2012), Mogaka (2013), in Nyamira came to almost a similar verdict, where, households react differently whenever delays in payments occur. Some households, resort to negative coping mechanisms, while some, have developed resilience to go through the storm of lack. The group of those who never agreed could be in this category.

What Other Options?

Respondents were asked if there are other options for survival during the long payment interval.

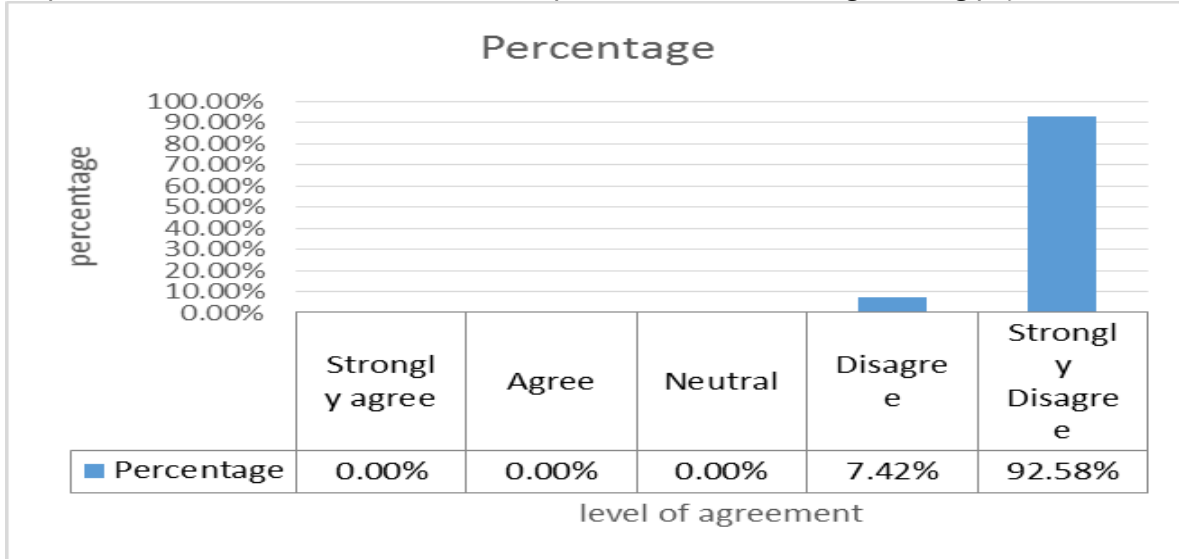


Figure 5: Do you beg for survival

Respondents were asked whether they beg when payments are delayed. Almost all responded negatively 92.58 percentage strongly disagreed, while 7.42 per cent disagreed with nobody either, strongly agreeing or just agreeing. This could be because of, the social status the respondent finds himself or herself in and therefore, you will not find them, in an act that is likely to lower this earned esteem. There is also a possibility that these respondents opt to borrow and pay later or get engaged in casual employment, than, that, of the demeaning begging.

CONCLUSION AND RECOMMENDATION

Conclusion: Cash transfer programs can be an effective way of addressing poverty, hunger, gender inequalities

among children in marginalized areas and communities. On the other hand, however, this program should not be used as an alternative to the provision of basic services by governments as it lightly compliments the otherwise huge demands that orphans and vulnerable children desire to have.

Recommendation: The study recommends that the beneficiaries of the cash transfers be given training on financial management, long-term investments, and savings. This will assist the beneficiaries in building more resilience in times of shocks such as famine, inflation, and unemployment.

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